



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

Cost Estimate of Election Campaign Proposal

Publication Date:	September 2021						
Short Title:	Amending the GIS income test to exclude Canada Emergency Response Benefit and Canada Recovery Benefit payments						
Description:	Amend the Old Age Security (OAS) Act to exclude Canada Emergency Response Benefit (CERB) and Canada Recovery Benefit (CRB) payments from the definition of income for the purposes of the Guaranteed Income Supplement (GIS), impacting GIS and Spousal Allowance payments (SPA) in 2022. Clawed-back payments in 2021 will be returned retroactively.						
Cost of Proposed Measure:	\$ millions	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Total
	Total cost	380	58	-	-	-	439
Notes:	<ul style="list-style-type: none">· Estimates are presented on an accrual basis as would appear in the budget and public accounts.· A positive number implies a reduction in the budgetary balance (lower revenues or higher spending). A negative number implies an increase in the budgetary balance (higher revenues or lower spending).· "-" = PBO does not expect a financial cost.						
Estimation and projection method:	SPSD/M ¹ was used to estimate the impact of excluding CERB and CRB payments from the definition of income for the purposes of the GIS. CRB payments were assumed to extend to October 23, 2021. GIS and SPA payments and the number of recipients were calibrated using the EPC baseline.						
Source of Uncertainty:	The main source of uncertainty relates to the final amount of GIS payments in 2020-21 and the EPC baseline projection of CRB payments.						
Data Sources:	Variable	Source					
	GIS and SPA payments	SPSD/M and PBO EPC baseline					
	GIS and SPA recipients	SPSD/M and PBO EPC baseline					
	CERB and CRB payments to 65+ years old	Canada Revenue Agency, SPSPD/M and PBO EPC baseline					

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¹ This analysis is based on Statistics Canada's Social Policy Simulation Database and Model (SPSD/M). The assumptions and calculations underlying the SPSPD/M simulation results were prepared by the Office of the Parliamentary Budget Officer (PBO) and the responsibility for the use and interpretation of these data is entirely that of the PBO.