

Cost Estimate of Election Campaign Proposal

Publication date:	2019-09-29							
Short title:	Enhancing the Child Disability Benefit (CDB)							
Description:	The cost of doubling the current CDB for qualifying families from a maximum of \$2,832 to \$5,664 for each child who is eligible for the disability tax credit.							
Operating line(s):	Canada child benefit							
Data sources:	<table> <thead> <tr> <th><u>Variable</u></th> <th><u>Source</u></th> </tr> </thead> <tbody> <tr> <td>2016- 2019 CDB</td> <td>Department of Finance and Canada Revenue Agency</td> </tr> <tr> <td>Canada Child Benefits (CCB)</td> <td>SPSD/M¹</td> </tr> </tbody> </table>	<u>Variable</u>	<u>Source</u>	2016- 2019 CDB	Department of Finance and Canada Revenue Agency	Canada Child Benefits (CCB)	SPSD/M ¹	
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2016- 2019 CDB	Department of Finance and Canada Revenue Agency							
Canada Child Benefits (CCB)	SPSD/M ¹							
Estimation and projection method:	<p>The distribution of CDB benefits by family net income and the number of disabled children per family, was used to estimate the cost of increasing the maximum CDB benefit from \$2,832 to \$5,664, while maintaining the same income ceilings.</p> <p>For 2020-2025, the growth of CCB benefits in SPSPD/M was used to grow the estimated cost in 2019. For beyond 2025, the cost was grown by the assumptions in PBO's economic and fiscal model.</p>							
Uncertainty assessment:	<p>The estimate has moderate uncertainty. The estimated cost of the measure depends on the projected growth in the number of disabled children and the income distribution of their families. SPSPD/M assumes a uniform growth rate across all income distributions and does not currently model CDB benefits; the cost estimate could therefore vary as earnings grow at a slower/faster pace at various income distributions. The cost estimate could also vary depending on the variation in the number of disabled children.</p>							

¹ This analysis is based, in part, 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.

Cost of proposed measure

\$ millions	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Total cost		391	534	548	561	572	583	594	605	617

Notes:

Estimates are presented on an accruals basis as would appear in the budget and public accounts.

Positive numbers subtract from the budgetary balance, negative numbers contribute to the budget balance.

"-" = PBO does not expect a financial cost