

# Trudeau vows to boost Canada Child Benefit, make parental leave tax-free <sup>[1]</sup>

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## AVAILABILITY

Access online <sup>[2]</sup>

## EXCERPTS

Liberal Leader Justin Trudeau is promising to make parental benefits tax-free and provide a 15-week leave for adoptive parents if his party is re-elected in October.

Speaking at a campaign stop in St. John's, N.L., Trudeau also pledged to increase the Canada Child Benefit by 15 per cent for kids under the age of one — giving families up to \$1,000 more — and make parental leave tax-exempt at source, meaning that no federal taxes are taken off EI cheques when parents receive them.

Trudeau also revealed a plan to allow a 15-week leave for adoptive parents. Liberal Party document say this would mean an extra \$7,000 in help for the average family claiming the new adoptive leave.

“Every parent knows that raising kids is expensive — especially in that first year,” Trudeau said in a statement. “With everything else on their plates, the last thing new parents need to worry about is making ends meet.”

The Liberals are also promising to work with the provinces and territories to create a guaranteed paid family leave for parents who don't qualify under employment insurance (EI) for paid leave during the first year of their child's life.

The proposed measures would cost about \$800 million in 2020-21, rising to \$1.2 billion in 2023-24, according to Liberal Party calculations. The Parliamentary Budget Officer (PBO) has not yet released its costing estimate on this measure.

Tuesday's announcement comes on the heels of a promise on Monday from **Trudeau to create as many as 250,000 before- and after-school spaces and lower childcare fees by 10 per cent across Canada. Trudeau said 10 per cent of those new spaces would be reserved for children of parents who work overtime, late shifts or multiple jobs.**

As the second week of the campaign kicked off, the Liberals and Conservatives are making a direct appeal to voters with children.

Conservative Leader Andrew Scheer has announced two 15 per cent refundable tax credits aimed at helping families enrol their children in sports and the arts. The boutique tax credits were first introduced by former Conservative prime minister Stephen Harper and later axed by Trudeau.

“These were incredibly popular tax credits,” Scheer said. “Hundreds of thousands of Canadian families appreciated the extra help with paying for kids' activities. That is why they were so disappointed when Justin Trudeau cancelled them.”

Scheer also unveiled his “universal tax credit,” which would cut the tax rate on the lowest federal income bracket, \$47,630, from 15 per cent to 13.75 per cent over the next four years. According to Conservative Party calculations, the average individual taxpayer would save roughly \$444 a year, while a two-income couple earning an average salary would save about \$850 a year.

The PBO estimates the combined cost of the two credits would hit \$300 million in 2020-21, rising to \$371 million by 2028-29. That is on top of the \$6-billion annual cost to the income tax cut Scheer promised Sunday by cutting the lowest income tax rate from 15 per cent to 13.75 per cent.

The Conservatives have pledged to make parental benefits tax-free by giving parents a non-refundable tax credit of 15 per cent on EI income as well. Scheer has said a person earning a salary of \$50,000 who then goes on EI benefits after a birth would save about \$4,000.

A new poll from Ipsos released Tuesday showed the Grits and Tories in a dead heat as the election campaign heats up, with both parties tied at 35 per cent support. The NDP are solidly in third place with 14 per cent support, and the Green Party sits in fourth at nine per cent.

Meanwhile, the Green Party released its platform with every policy plan viewed through the lens of the climate crisis and focused on transitioning Canada to a green economy.

Green Party Leader **Elizabeth May is also promising more help for families and young people by creating universal childcare**, eliminating post-secondary tuition and providing guaranteed livable income. The Greens say the tuition promise will be financed by redirecting money

from bursaries and tuition tax credits and administering student loans. The platform has not yet been costed by the PBO.

NDP Leader **Jagmeet Singh** has promised to increase childcare spending by **\$1 billion annually** and also pledged to create 500,000 affordable housing units.

**Region:** Canada <sup>[3]</sup>

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