

From childcare to taxes: What Trudeau's projected win really means for your pocketbook ^[1]

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EXCERPTS

Liberal Leader Justin Trudeau's projected victory in Canada's 2021 federal election gives him another chance to fulfil the promise of a \$10-a-day child-care system and take a shot at taming the country's housing woes.

Trudeau is now projected to continue on as Canada's prime minister, although at the head of a minority government and with an electoral result very close to that of the 2019 federal vote.

While low daycare fees have become a tantalizing promise for many cash-strapped parents, Trudeau had to fend off attacks from the Conservatives and especially the NDP on the campaign trail for a housing affordability crisis that got much worse on his watch.

Both issues are top priorities for younger voters, who have become the largest segment of the electorate in Canada, Tim Powers, chair of Summa Strategies and managing director of Abacus Data, told Global News before election day.

But living up to expectations won't be easy, he adds. Building a universal child-care system from the ground up and tackling the housing crisis at the same time will be challenging, he says.

"Can a government walk and chew gum at the same time? Governments usually stumble over themselves when they try to do two things at once," he says.

The Liberals have also promised changes to Employment Insurance, student loans, seniors' benefits and income taxes.

Here are some of the main promises and a look at how tricky it might be to keep them.

Child care

With two of Canada's most populous provinces still holding out on a deal with Ottawa, a coast-to-coast subsidized universal child-care system remains far from guaranteed.

So far, Saskatchewan, Manitoba, Quebec, British Columbia, Nova Scotia, Yukon, Prince Edward Island, and Newfoundland and Labrador have signed up. But Alberta and Ontario have yet to ink an agreement.

There is also the question of child-care spaces. The Liberals have pledged to add 250,000 of them. But some experts caution the plan isn't guaranteed to meaningfully improve the problem of child-care availability.

And without a massive ramp-up in child-care resources, a reduction in fees would likely lead to ballooning wait-lists for families, David Macdonald, senior economist at the Canadian Centre for Policy Alternatives (CCPA), previously told Global News.

Housing

Highlights from the Liberals' plan to improve affordability include building or repairing 1.4 million homes in four years; a tax on home-flipping; a tax-free savings account to help first-time buyers save for a down payment; and banning blind-bidding, in which homebuyers put forth an offer without knowing how much others are bidding.

Just like the Conservatives did, the Liberals have pledged a two-year ban on foreign homebuyers. And they've reiterated their 2019 promise to create a beneficial ownership registry of real estate.

Notably, the party did not put forward a proposal for a generalized capital gains tax on the sale of primary residences.

Employment benefits

The Liberals' proposed revamp of Employment Insurance includes unemployment benefits for self-employed Canadians, who would only have to contribute the amount they would have to pay if they were salaried employees.

The party has also promised to do more to ensure gig work counts toward EI and the Canada Pension Plan (CPP) benefits.

Student loans

Trudeau has promised to permanently axe the federal portion of interest on Canada Student Loans and Canada Apprentice Loans and to allow new parents to pause repayments on student loans until their youngest child turns five.

Seniors' benefits

The Liberals have said they'll increase the Guaranteed Income Supplement (GIS) for low-income seniors by \$500 for single seniors and \$750 for couples.

They've also said they'll work with the provinces and territories to raise the CPP and Quebec Pension Plan survivor's benefit by 25 per cent.

Income taxes

When it comes to new taxes on individuals, the Liberals say they want to establish a "minimum tax rule" that would ensure Canadians with incomes high enough to fall into the top tax bracket would pay a tax rate of at least 15 per cent per year.

They'd also press ahead with plans announced in the budget to impose new taxes on luxury cars, boats and planes, as well as vaping products and tobacco.

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