Working Canadians Rebate

Submitted to: Peter Fragiskatos

MP - London North Centre

Overview – The government announced it wants to give Canadians more money in their pockets. It will introduce legislation in Parliament to deliver a new $250 Working Canadians Rebate to 18.7 million Canadians in early spring 2025. To qualify for the grant an individual must receive income from employment or self-employment. Canadians whose income exclusively consists of pension, disability, or investment income will not qualify for the rebate. Thus, most low-income retirees and those with disabilities will not qualify.

It is our view that the criteria that determine who will receive this modest payment should be based on need, rather than type of income.

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Navigating Retirement
Don Pollock
President
CA/CPA/HBA
2024 Mayor's Honours List Recipient in the Category - Age-Friendly
don.pollock@sympatico.ca
Navigatingretirement010@google.com

Navigating Retirement

Navigating Retirement is a not-for-profit group that helps Londoners with the challenges they face in their journey through retirement. We believe eliminating poverty, strategies to reduce elder abuse, timely access to healthcare, and ensuring retirees have the necessary support structure are essential to achieving our shared objective of living in an age-friendly community.

Working Canadians Rebate

We wish to add our voice to retirees across the country who believe this measure is fundamentally unfair. The inequity contained in the proposed rebate can best be illustrated by an example.

Consider three hypothetical London families:

1) Ben and Mary are professionals who live in London and both earn $140,000 per year. They will receive $500 from the government to offset the higher cost of living
2) Karen lives on a disability income of less than $30,000. She will not receive a rebate cheque
3) Darlene is ninety and lives on her old age security and guaranteed income supplement. She lives in an apartment that she can barely afford and will not receive the $250 rebate.

The current proposals make it very difficult for retirees to receive the rebate. To qualify they must meet one of the following criteria:

- claimed the tax credit for Canada Pension Plan contributions on employment or self-employment earnings
- claimed the tax credit for Employment Insurance (EI) premiums

Once an individual reaches age 70, they can no longer claim the CPP credit. Many retirees that seek additional income often work in the “gig economy.” This would include people employed as hairdressers, taxi drivers, or package delivery. This income would be considered income from self-employment and would normally not be subject to EI withholdings or the subsequent tax credit. Although many retirees would welcome employment opportunities, ageism in our society makes this a challenge.

Although some retirees and individuals with a disability may qualify for the rebate most will not and this includes the neediest in our community.

This appears to be one of the few issues that has raised the ire of many retirees across the entire political spectrum. In addition to seniors, there is almost a universal condemnation of the targeted recipients by opposition politicians, the media and advocacy groups that focus on the needs of seniors.

Recommendation – If the government believes this modest rebate to Canadians is appropriate, the definition of Canadians be expanded to include lower-income seniors and those with disabilities. We believe there is much to be gained by both the government and struggling Canadians to base the payments on income level, rather than type of income. This would not necessarily add to the cost of the program if either the threshold was reduced to a lower amount, the threshold was based on family income or the benefit decreased as income levels rise.

This appears to be an easy fix for the government and we believe it is the right thing to do.