

Introducing the Canada Workers Benefit

The Government has a plan to invest in the middle class and everyone working hard to join it. This includes more support for those who need it most, to ensure that the benefits of growth are shared amongst all Canadians.

Over the last four decades, lower- and middle-income workers have seen their wage prospects stall, making it more difficult to make ends meet each month. Many of these workers struggle to support their families and afford basics like healthy food and clothes for growing kids.

New in Budget 2018

In Budget 2018, the Government is introducing the new Canada Workers Benefit (CWB), a tax benefit that will put more money in the pockets of low-income workers.

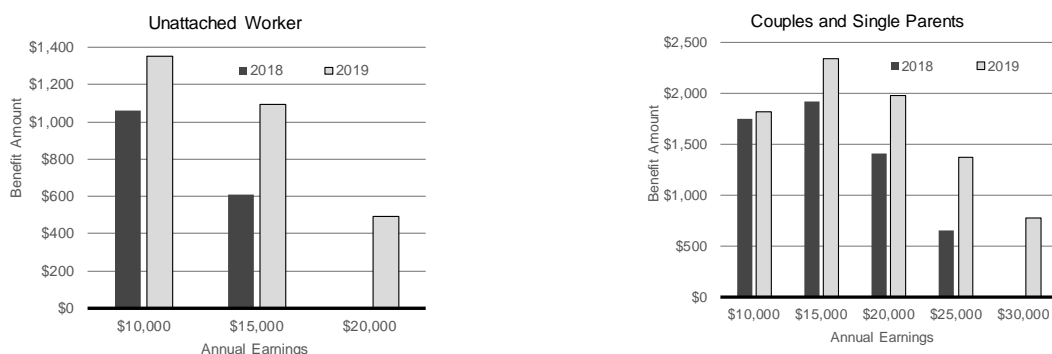
The new CWB (a strengthened version of the Working Income Tax Benefit) will encourage more people to join the workforce and will offer real help to more than two million Canadians who are working hard to join the middle class, while raising roughly 70,000 Canadians out of poverty.

At the same time, starting in 2019, the Government will also make it easier for people to access the benefit they have earned, by making changes that will allow the Canada Revenue Agency to calculate the CWB for any taxfiler who hasn't claimed it. As a result, everyone who can benefit from the CWB will receive it when they file their taxes.

Compared to the Working Income Tax Benefit, the CWB will increase both the maximum benefits received, as well as the income level at which the benefit is phased out completely. As a result, a low-income worker earning \$15,000 would receive up to almost \$500 more from the CWB in 2019 than in 2018 to invest in the things that are important to them. That's more money for more people to spend on things like groceries, utility bills and other essentials.



Enhancing the Canada Workers Benefit, 2019



Notes: Assumes net income is equal to earnings. These figures are based on the proposed federal design; the incremental benefit may vary in provinces or territories that enter agreements to reconfigure the design of the CWB.

The Government also proposes to increase the maximum benefit provided through the CWB disability supplement by an additional \$160 to offer greater support to Canadians with disabilities who face financial barriers to entering the workforce

The Government also maintains the previously announced \$250 million enhancement to the program, starting in 2019, as part of the enhancement of the Canada Pension Plan. All told, the Government will invest almost \$1 billion in new annual funding in the CWB.

In addition, over the next year, the Government will also begin work to determine if the delivery of the CWB can be improved to provide better support to low-income Canadians throughout the year, rather than through an annual refund after filing their taxes.