



Department of Justice
Canada

Ministère de la Justice
Canada

Characteristics of child support payers and recipients

Prepared by

Ting Li

Research and Statistics Division

Department of Justice Canada

November 2023

Aussi disponible en français

Information contained in this publication or product may be reproduced, in part or in whole, and by any means, for personal or public non-commercial purposes, without charge or further permission, unless otherwise specified.

You are asked to:

- exercise due diligence in ensuring the accuracy of the materials reproduced;
- indicate both the complete title of the materials reproduced, as well as the author organization; and
- indicate that the reproduction is a copy of an official work that is published by the Government of Canada and that the reproduction has not been produced in affiliation with or with the endorsement of the Government of Canada.

Commercial reproduction and distribution are prohibited except with written permission from the Department of Justice Canada. For more information, please contact the Department of Justice Canada at: www.justice.gc.ca.

© His Majesty the King in Right of Canada, represented by the Minister of Justice and Attorney General of Canada, 2024

Characteristics of child support payers and recipients

J4-160/2024E-PDF
978-0-660-71587-2

Acknowledgements

The author would like to thank the Canadian Centre for Justice and Community Safety Statistics (CJCSS) for providing data for this project. As well, thanks are extended to those who provided comments on draft versions of this report. This work would not have been possible without your contributions of time and knowledge.

Contents

- Acknowledgements2
- Introduction.....5
- Methodology6
 - Data sources6
 - Linkage rates.....6
 - The non-SMEP comparison group.....7
 - Limitations of the data8
- Results9
 - Demographic information of all payers and recipients: sex, immigration status, visible minority, Indigeneity, and knowledge of official language.....9
 - Demographic information for payers and recipients enrolled or not enrolled in a MEP9
 - Payers and recipients enrolled in a MEP had a higher employment rate than those not enrolled in a MEP....9
 - More recipients than payers were single..... 10
 - Payers enrolled in a MEP were older than recipients enrolled in a MEP, and individuals not enrolled in a MEP were older than those enrolled in a MEP. 10
 - A small percentage of payers and recipients self-identified as a visible minority or Indigenous. 10
 - In general, retired payers and recipients not enrolled in a MEP had higher incomes than those enrolled in a MEP..... 11
 - A very small percentage of payers and recipients enrolled in a MEP were retired..... 11
 - Payers and recipients were employed by various industries..... 12
 - More recipients than payers enrolled in a MEP lived in subsidized housing..... 12
 - More payers than recipients enrolled in a MEP owned their home..... 12
 - Income..... 12
 - Payers who were not enrolled in a MEP had higher income than payers who were enrolled with a MEP.... 12
 - More payers and recipients who were enrolled in a MEP were low-income than those who were not enrolled..... 13
 - The majority of payers and recipients contributed and received child support payments that were less than 25% of their gross income. 14
 - Income support 14
 - More payers and recipients who were enrolled in a MEP received government transfers than those who were not enrolled. 14
 - More payers and recipients who were enrolled in a MEP received social assistance than those who were not enrolled. 15

More payers and recipients who were enrolled in a MEP received employment insurance than those who were not enrolled. 16

The majority of recipients received the Canada Child Benefit (CCB) compared with a small percentage of payers. 16

There were more payers and recipients enrolled in a MEP who received the Government Goods and Sales Tax (GST) Credit compared with those not enrolled in a MEP. 16

Payers and recipients not enrolled in a MEP received similar amounts of Children’s Fitness Tax Credit as payers and recipients enrolled in a MEP. 17

More recipients than payers claimed childcare expenses. 17

Child support paid 18

 The median annual amount of child support paid and received varied yearly..... 18

Compliance and Arrears 18

 The degree of compliance with child support varied by the length of time a case was registered. 18

 More than half of payers and recipients enrolled in a MEP had arrears owing or were owed arrears..... 20

 Most payers and recipients enrolled in a MEP, and who were on social assistance, had arrears owing or were owed arrears. 21

Discussion and conclusion 21

Introduction

After separation or divorce, a court can issue a support order to an individual to pay child support, spousal support, or both (payer). If the full amount of support is not being paid, a support order can be enforced. A written agreement to pay child support and/or spousal support can also be enforced. Each province or territory has its own Maintenance Enforcement Program (MEP) to help enforce support orders and agreements.¹ Not every court ordered support order is enforced by the MEP since individuals (recipients) may not register for enforcement or may opt-out or withdraw from the MEP if they decide to do so.

The Survey of Maintenance Enforcement Programs (SMEP) which is administered by Statistics Canada collects information on child and spousal support payments. The SMEP provides information on support amounts expected from payers, the volume and types of cases registered, compliance with support payment and enforcement actions, and other measures. These data are only collected for cases which are registered with a MEP and who are part of the data collection; there is no systematic data collection for cases which are not registered or part of a reporting jurisdiction. As of 2021/2022, Newfoundland and Labrador (NL), Prince Edward Island (PE), Nova Scotia (NS), New Brunswick, Saskatchewan (not including 2014/2015 and 2015/2016 and 2021/2022), Alberta, Yukon, Northwest Territories and Nunavut (2011/2012 only) participated in the SMEP.²

To allow Justice Canada to understand the characteristics of payers and recipients, Statistics Canada worked with the Department of Justice Canada to conduct a record linkage, which involves assessing and linking different data sets based on personal identifiers. Specifically, SMEP data from PE, NS, and NL was linked to the T1 Family File (T1FF) and the Census. The main objective of this project was to fill in data gaps related to income, demographic and socio-economic characteristics of recipients and payers of child and spousal support. A secondary objective was to explore characteristics of child and spousal support payers and recipients who are not enrolled in a MEP, and to compare their income and socio-economic characteristics to those of payers and recipients enrolled in a MEP.

This report focuses on providing demographic and socio-economic characteristics of child support payers and recipients enrolled and not enrolled in a MEP, the compliance and arrears status of payers enrolled in a MEP, ethnic and racial identity, and housing and residential situation of payers and recipients.³

¹ For more information see: [Provincial and Territorial Maintenance Enforcement Programs \(justice.gc.ca\)](https://www.justice.gc.ca)

² For more information see: [Surveys and statistical programs - Survey of Maintenance Enforcement Programs \(SMEP\) \(statcan.gc.ca\)](https://www.statcan.gc.ca)

³ This describes whether payers and recipients owned a home or rented one (“housing situation”), and the condition of the dwelling (e.g., a dwelling was in need of repairs) (“residential situation”).

Methodology

Data sources

There are several data sources for this project, including the SMEP, census, and administrative data:

- The Survey of Maintenance Enforcement programs 2005/2006-2015/2016. Only data on payers and recipients of child support were included in the data, not those who paid spousal support.
- *The T1 Family File 2006-2016*. The T1FF is an administrative data file constructed from Personal Tax files, as well as the T4 annual employer records. The T1FF file is considered a Census of all Canadian tax filers and is based on the Census family concept.⁴
- *The Census of Population (long form) 2006, 2011⁵, 2016*. The Census is conducted every five years to collect socio-demographic information on individuals living in Canada. The long-form Census is administered to 25% of the Canadian population and includes questions on geographic, economic, and social characteristics such as family structure, immigration, and ethnic and racial identity.⁶ With respect to Indigenous status, the data only apply to those residing on reserves that participated in the Census, and participation can vary across census years. However, the analysis does include those individuals who live off reserve and self-identify as Indigenous.
- *The Longitudinal Administrative Databank 2006-2016*.⁷ The Longitudinal Administrative Databank (LAD) is a 20% random sample of the T1FF tax filers and their families that can be linked yearly. Only individuals with a Social Insurance Number are included in the sample. The LAD contains more detailed tax, employment, and geographical information than the T1FF and has been used to study the effects of social policy changes, as well as to better understand social program outcomes and employment/unemployment trends across various geographic levels in Canada. The LAD does not contain information on education levels or demographic characteristics such as Indigenous or visible minority status.

This project was run as a pilot; three jurisdictions signed on to participate:

- Nova Scotia (2005/2006 to 2015/2016);
- Prince Edward Island (2007/2008 to 2015/2016); and
- Newfoundland and Labrador (2010/2011 to 2015/2016).

Linkage rates

Through the Social Data linkage Environment⁸, the SMEP data (2005/2006 to 2015/2016) for those who paid or received child support were linked to T1FF (2006 to 2015).

High linkage rates were achieved between SMEP and T1FF. For example, the linkage rate from SMEP to T1FF (tax) was 92%. The linkage rates between SMEP to Census varied from 52% to 88% depending on the Census

⁴ The Census family concept refers to a married or common-law couple (with or without children) or a single parent regardless of marital status and with at least one child living together in one household.

⁵ The 2011 Census is formally referred to as the National Household Survey (NHS). The term Census 2011 refers to the 2011 NHS.

⁶ For more information, see: [Guide to the Census of Population, 2021, Chapter 12 – Sampling and weighting for the long form \(statcan.gc.ca\)](#)

⁷ For more information see: [Surveys and statistical programs - Longitudinal Administrative Databank \(LAD\) \(statcan.gc.ca\)](#)

⁸ The SDLE was developed to maximize the usefulness and minimize the necessity of collecting variables multiple times for existing Statistics Canada datasets by allowing databases to be linked together on the level of the individual. A data linkage creates a temporary dataset that includes data from two or more Statistics Canada sources. This environment maximizes privacy and data security and promotes a standardized approach to data linkage. For more information see: [Social Data Linkage Environment \(SDLE\) \(statcan.gc.ca\)](#)

year and whether it was linked to payers or recipients. For instance, the linkage rates between SMEP and the 2011 Census long form were 52% for payers and 66% for recipients. The lower linkage rates for the census were likely due to the fact that there was only a 25% sample of Canadians reporting on the long form.

The SMEP data were linked separately to the T1FF and Census (long form) to increase sample sizes as the Census data only included 25% of Canadians. Merging across the three files (SMEP, T1FF and Census) would limit the T1FF information only to those who were also included in the Census long form. Table 1 shows the number of records linked between SMEP and T1FF for the three participating jurisdictions from 2006 to 2015. The linked records are for individuals over 15 years old. In addition, Table 1 illustrates that more recipients than payers from SMEP were linked to T1FF.

Table 2 shows the number of records linked⁹ between SMEP and the Census long form for 2006, 2011 and 2016. The long form Census is designed as a cross-sectional survey, including information on, for example, education levels, income, and details about home ownership and dwellings.

Table 1. The number of records linked between SMEP and T1F, 2006 to 2015

Year	Records linked from SMEP to T1FF	
	Payers enrolled in a MEP	Recipients enrolled in a MEP
2006	42,131	48,861
2007	42,271	49,172
2008	42,169	49,358
2009	41,840	49,463
2010	41,314	49,381
2011	41,572	49,334
2012	41,146	49,122
2013	41,054	48,811
2014	41,004	48,588
2015	40,690	48,205

Table 2. The number of records linked between SMEP and the three Census long forms

Year	Payers enrolled in a MEP	Recipients enrolled in a MEP
2006	5,103	6,201
2011	4,077	5,268
2016	8,211	9,854

The non-SMEP comparison group

The SMEP comparison group included persons who were not enrolled in a MEP, but who indicated in the personal tax (T1FF) that they paid or received child support, or spousal support, or both. The SMEP comparison group was created using information from the LAD.¹⁰ To create a SMEP comparison group, members of the SMEP cohort¹¹ were first removed from each of the eligible T1FF years (2006 to 2015). After the removal of

⁹ The linked records are also for individuals over 15 years old.

¹⁰ Longitudinal Administrative Databank (LAD) groups apply to persons over 15.

¹¹ Records linked between Survey of Maintenance Enforcement Programs and T1FF.

SMEP cohort individuals, those who had paid or received support at any point between 2006 and 2015 were included in the comparison group. Members of the comparison group who filed their taxes in Newfoundland and Labrador, Nova Scotia, or Prince Edward Island at some point over the course of the ten-year period were included. Those who reported having paid or received support were included for the entire ten-year reference period, even if they paid or received in only one of the ten years. Table 3 shows the number of payers and recipients who were not enrolled in a MEP, but who indicated in T1FF that they paid support at any point between 2006 and 2015.

Table 3. The number of records for the comparison group, 2006 to 2015

Tax Year	Payers not enrolled in a MEP	Recipients not enrolled in a MEP
2006	6,546	9,256
2007	6,520	9,290
2008	6,495	9,302
2009	6,454	9,289
2010	6,354	9,235
2011	6,376	9,199
2012	6,274	9,129
2013	6,249	9,072
2014	6,201	9,013
2015	6,124	8,970

Limitations of the data

Due to the small sample sizes in the Atlantic provinces, along with the Census being a 25% sample of the population, some information produced from the SMEP to Census linkages could not be released because of risks related to information disclosures. Those that could be released, often required response categories to be collapsed to protect confidentiality and to control the risk of disclosure.

For the SMEP group of payers and recipients:

- Only three small jurisdictions were included, which limits the generalizability of the data to the larger Canadian population.
- Due to small sample sizes in certain cases the results had to be suppressed or combined with other years or categories of data. These actions will make it more difficult to interpret the results.
- For the linked SMEP data payers and recipients were not necessarily related due to
 - Not all records in the SMEP could be linked and included in the database, so there is not a 1:1 correspondence in payers and recipients.
 - Some payers could have had multiple recipients and vice versa.

For non-SMEP data that included those claiming to pay or receive support but were not registered with a MEP (in T1FF and LAD), it should be noted that:

- Cases where there was indication of paying or receiving support in at least one year between 2006 and 2016 were included. The results may be less accurate due to this inclusion criteria; even if there was only one year paying or receiving support the case was included.

- The payers' and recipients' relationship cannot be established for the SMEP comparison group since there were not unique identifiers to bring records together.
- The accuracy of the data is unknown, as information on paying or receiving support cannot be verified.
- Child support payments are not deductible for payers and do not need to be included in recipients' income. It is unknown what factors might be associated with reporting child support on income tax forms versus not reporting it. Conversely spousal support payments made under a court order or written agreements are taxable and deductible in most cases.¹²

Due to these data limitations, these data cannot be generalized to the rest of Canada, and caution should be used in comparing these groups as there are many unknowns regarding the characteristics of these groups.

Results

Please note that for the data presented below, the numbers come from tables provided by Statistics Canada; there is no analysis of the relationship between variables – dependent or independent. Thus, it is not possible to construct profiles of payers or recipients, nor to indicate which dependent variables (e.g., demographics) have the most effect on the independent variables (e.g., payments, arrears). The data are presented predominantly to display the proof of concept for the pilot study. Data analysis will be possible with any future data linkage project.

Demographic information of all payers and recipients: sex, immigration status, visible minority, Indigeneity, and knowledge of official language

For the combined sample of payers and recipients the follow demographics were identified:

- 96% of payors in the sample were male, and 96% of recipients were female.
- 88% of payors and 89% of recipients did not identify as a visible minority or as Indigenous.
- 8% of payors and recipients identified as Indigenous.
- 2% of payors and recipients were immigrants to Canada.
- 95% of payors and 93% of recipients spoke English at home.

Demographic information for payers and recipients enrolled or not enrolled in a MEP

The demographic information for individuals enrolled in a MEP and not enrolled in a MEP are presented below. Because the information for Indigenous and racial identity of individuals not enrolled in a MEP was not available, information for the general population for the three participating provinces is presented.

Payers and recipients enrolled in a MEP had a higher employment rate than those not enrolled in a MEP.

For this study, individuals who have employment income (EI) and /or self-employment income (SEI), and the combined income of EI and SEI greater than \$1,000, are deemed to be employed. Over ten years, on average, 90% of payers and 77% of recipients enrolled in a MEP were employed compared with 82% of payers and 66% of recipients not enrolled in a MEP were employed (Table 4).

¹² [Support Payments - Canada.ca](https://www150.statcan.gc.ca/n1/pub/95-662-x/2016001/article/00001-eng.htm)

More recipients than payers were single.

More recipients enrolled in a MEP were single (41%) compared with payers enrolled in a MEP (37%). Comparatively, more recipients not enrolled in a MEP were single (21%) than payers not enrolled in a MEP (13%) (Table 4).

Payers enrolled in a MEP were older than recipients enrolled in a MEP, and individuals not enrolled in a MEP were older than those enrolled in a MEP.

Payers enrolled in a MEP were older than recipients enrolled in a MEP. For example, 42% of payers enrolled in a MEP were between the ages of 41 and 50 years, while 42% of recipients enrolled in a MEP were between 31 and 40 years old. Individuals not enrolled in a MEP were older than those enrolled in a MEP. Twenty two percent of payers not enrolled in a MEP were over 61 years old compared with two percent of those enrolled in a MEP. Similarly, 16% of recipients not enrolled in a MEP and 1% of recipients enrolled in a MEP were over 61 years old (Table 4).

Table 4. Demographic characteristic of payers and recipients

	Demographic characteristics	Payers enrolled in a MEP	Payers not enrolled in a MEP	Recipients enrolled in a MEP	Recipients not enrolled in a MEP
Employment status	Employed	90%	82%	77%	66%
	Unemployed	10%	18%	23%	34%
Marital status	Married/ common-law	38%	52%	27%	37%
	Separated/ Divorced/Widowed	25%	34%	32%	42%
	Single	37%	13%	41%	21%
Age group	15-30	8%	6%	14%	11%
	31-40	35%	16%	42%	22%
	41-50	42%	30%	35%	30%
	51-60	13%	27%	7%	21%
	over 61	2%	22%	1%	16%
Racial and Indigenous Identity*	Visible Minority	4%		2%	
	Non-visible minority	88%		89%	
	Indigenous	8%		8%	

Data source: T1FF data (2006 to 2015), Census 2016, and SMEP for the provinces of Nova Scotia (2005/2006 to 2015/2016), Prince Edward Island (2007/2008 to 2015/2016), and Newfoundland and Labrador (2010/2011 to 2015/2016).

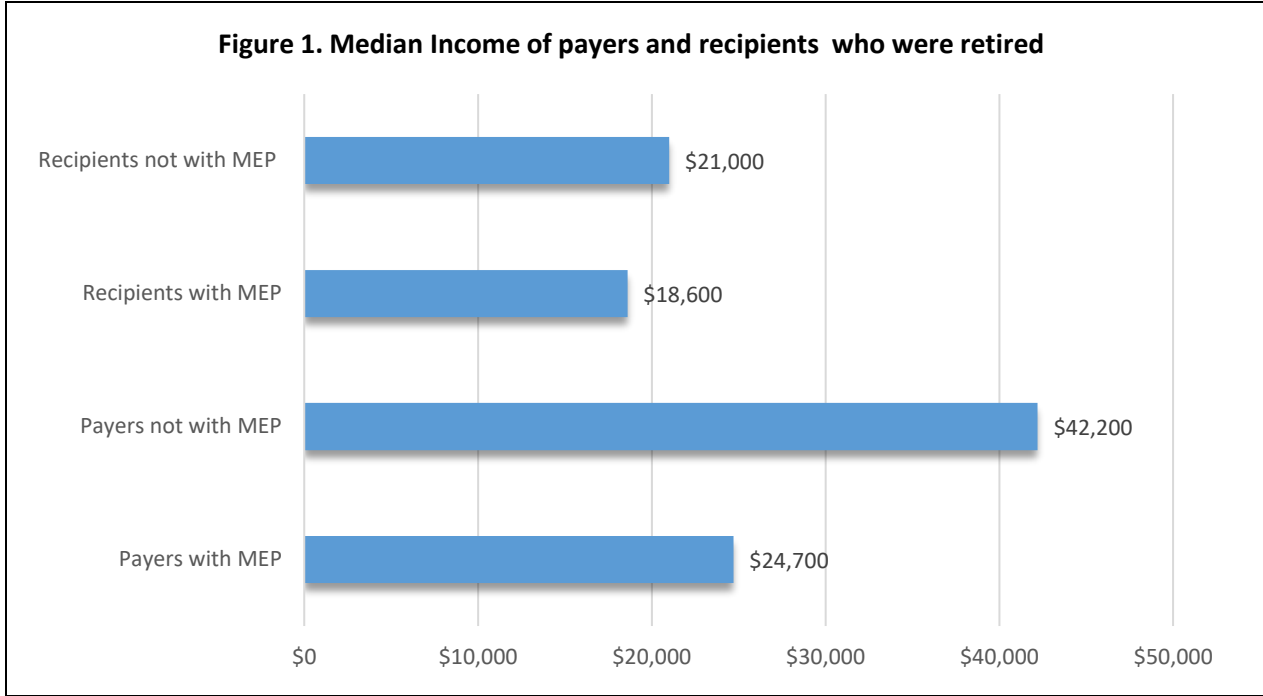
A small percentage of payers and recipients self-identified as a visible minority or Indigenous.

According to the data, in 2016, 4% of payers enrolled in a MEP and 2% of recipients enrolled in a MEP self-identified as a visible minority. Eight percent each of payers and recipients enrolled in a MEP self-identified as

Indigenous (Table 4). In comparison, for the three participating provinces, in the general population, 4.9% of individuals were self-identified a visible minority and 6.4% of them were self-identified as Indigenous in 2016. ¹³

In general, retired payers and recipients not enrolled in a MEP had higher incomes than those enrolled in a MEP.

Overall retired payers had higher incomes than retired recipients. Retired payers and recipients not enrolled in a MEP had higher income than those enrolled in a MEP (Figure 1). For instance, over ten years, on average, the median income of payers and recipients enrolled in a MEP were \$24,700 and \$18,600, respectively. In comparison, the median income of payers and recipients who were not enrolled in a MEP were \$42,200 and \$21,000, correspondingly.



Data source: Census 2016, T1FF data (2006 to 2015), and SMEP for the provinces of Nova Scotia (2005/2006 to 2015/2016), Prince Edward Island (2007/2008 to 2015/2016), and Newfoundland and Labrador (2015/2016).

A very small percentage of payers and recipients enrolled in a MEP were retired.

An individual is retired if they are over 55 years of age and receive more than 50% of their total income through retirement income. Retirement income includes the sum of Old Age Security Payments, benefits from the Canada Pension Plan (CPP) and Quebec Pension Plan (QPP), Net Federal Supplements (including the Guaranteed Income Supplement, and Registered Retired Savings Plan (RRSP) income).

¹³According to 2016 Census, in NL, 8.9% of population self-identified as Indigenous and 2.3% as a visible minority. In PEI, 4.8% of population self-identified as a visible minority and 2% as Indigenous. In Nova Scotia, 6.5% of the population self-identified as visible minority and 5.7% identified as Indigenous. The average of three (NFL, NS and PEI) provinces were used. [Focus on Geography Series, 2016 Census - Province of Newfoundland and Labrador \(statcan.gc.ca\)](#). [Census Profile, 2016 Census - Nova Scotia \[Province\] and Quebec \[Province\] \(statcan.gc.ca\)](#). [Census Profile, 2016 Census - Prince Edward Island \[Province\] and Alberta \[Province\] \(statcan.gc.ca\)](#)

Over 10 years and on average, one percent of payers and recipients enrolled in a MEP were retired compared with 16% of payers and 11% of recipients not enrolled in a MEP.

Payers and recipients were employed by various industries.

Payers enrolled in a MEP were more likely to be employed in the construction industry (18%), followed by manufacturing (14%) and public administration (11%). In comparison, recipients enrolled in a MEP were more likely to be employed in the health care and social assistance sector (19%), followed by retail trade (14%) and public administration (14%).

Payers not enrolled in a MEP were more likely to be employed in public administration (21%), while recipients not enrolled in a MEP were more likely to be employed in education, or health care and social assistance sector (27%).

More recipients than payers enrolled in a MEP lived in subsidized housing.

According to the Statistics Canada, subsidized housing includes rent geared to income, social housing, public housing, government-assisted housing, non-profit housing, rent supplements and housing allowances. According to the data, in 2016, 3% of payers enrolled in a MEP lived in subsidized housing, while 10% of recipients enrolled in a MEP were in the same situation.¹⁴

More payers than recipients enrolled in a MEP owned their home.

Owning a home can have a big impact on an individual's net worth. According to the Survey of Financial Security, the net worth of homeowners increased 112% from \$323,700 in 1999 to \$685,400 in 2019. In comparison, the net worth of renters increased 64% from \$14,600 to \$24,000 over the same period.¹⁵ Home ownership in the Census refers to whether an individual owns their home, rents, or if their dwelling is part of band housing (a house on reserve or settlement). 2016 Census data show that home ownership was higher among payers enrolled in a MEP (64%) than recipients enrolled in a MEP (56%). There were more recipients renting their home (43%) than payers (35%).

Income

Payers who were not enrolled in a MEP had higher income than payers who were enrolled with a MEP.

Payers who were not enrolled in a MEP earned more than payers who were enrolled in MEP (Figure 2). For instance, over ten years (2006 to 2016), on average, the median gross income¹⁶ of payers not enrolled in a MEP (\$59,100) was 1.5 times that of payers who were enrolled in a MEP (\$38,400). On the contrary, the median gross income for recipients who were enrolled in a MEP was higher than the median gross income of recipients who were not enrolled in a MEP (\$29,200 vs. \$27,600).¹⁷

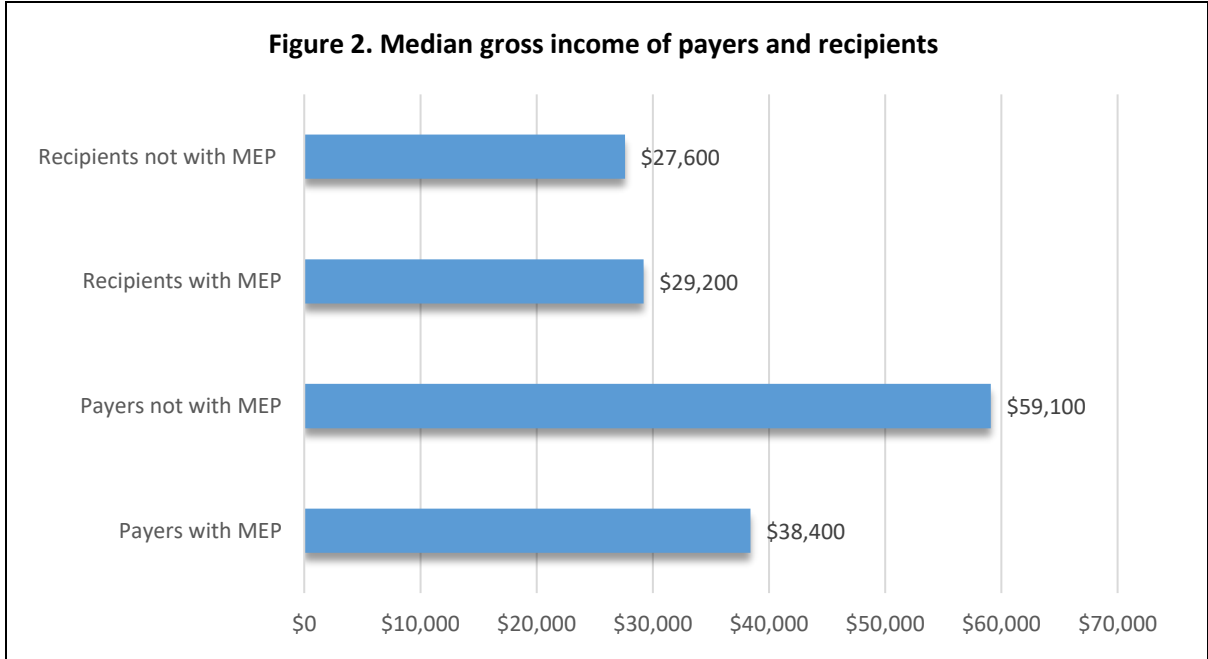
¹⁴ Statistics Canada. (2022, November 22). *National Housing Day: A look at homeowners and renters*. Ottawa: Statistics Canada. Retrieved from Statistics Canada: <https://www.statcan.gc.ca/o1/en/plus/2357-national-housing-day-look-homeowners-and-renters>

¹⁵ Statistics Canada. (2022, November 22). *National Housing Day: A look at homeowners and renters*. Ottawa: Statistics Canada. Retrieved from Statistics Canada: <https://www.statcan.gc.ca/o1/en/plus/2357-national-housing-day-look-homeowners-and-renters>

¹⁶ The gross income (total income) is based on the T1FF variable XTIRC (Income before Tax, (Income Statistics Division's Definition)) and shows the sum of all taxable and non-taxable income, less dividends and capital gains. The variable was truncated at zero to remove any negative values that are usually associated with capital and/or business losses.

¹⁷ The LAD figures have full data for all provinces, whereas the linkage between SMEP and T1FF only includes information from Nova Scotia, Newfoundland and Labrador and Prince Edward Island. This may affect the estimates.

Figure 2 shows recipients enrolled in a MEP had lower gross income than payers enrolled in a MEP. This suggests that recipients enrolled in a MEP have a greater need for enforcement of their support orders by MEPs to ensure they get the support on time and in full amounts.



Data source: T1FF data (2006 to 2015), and SMEP for the provinces of Nova Scotia (2005/2006 to 2015/2016), Prince Edward Island (2007/2008 to 2015/2016), and Newfoundland and Labrador (2010/2011 to 2015/2016).

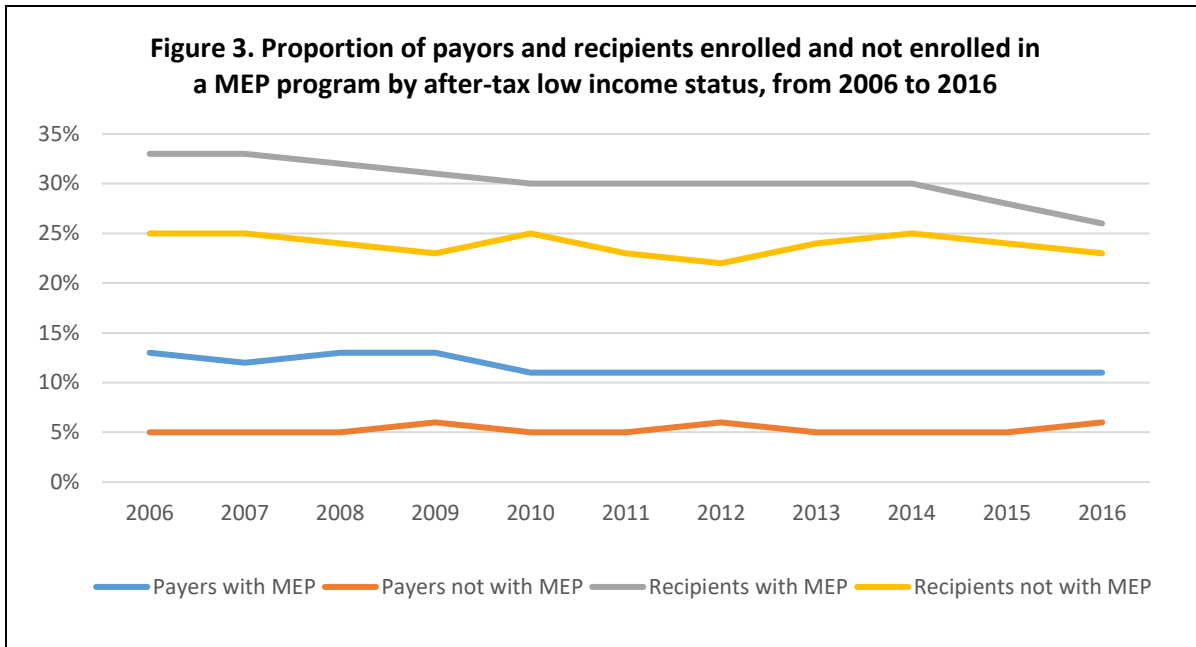
More payers and recipients who were enrolled in a MEP were low-income than those who were not enrolled.

Low-income status is assigned when an individual’s income falls below 50% of the median adjusted total household income as identified by Statistics Canada through the low-income measure (LIM).¹⁸

The data shows that from 2006 to 2016 more payers and recipients enrolled with a MEP were identified as low-income than those who were not enrolled with a MEP (Figure 3).¹⁹ On average, over ten years, about twice as many payers enrolled in a MEP (12%) were low-income as payers compared with those not enrolled in a MEP (5%). Similarly, 30% of recipients enrolled in a MEP were low-income, while 24% of recipients not enrolled in a MEP were low-income.

¹⁸ The LIM is calculated as half of the median total household income for that year, adjusted for family size.

¹⁹ An after-tax Low Income Measure Status variable is selected from the T1FF. The variable indicates whether an individual's after-tax income falls above or below the LIM (Low-Income Measure).



Data source: T1FF data (2006 to 2015), and SMEP for the provinces of Nova Scotia (2005/2006 to 2015/2016), Prince Edward Island (2007/2008 to 2015/2016), and Newfoundland and Labrador (2010/2011 to 2015/2016).

The majority of payors and recipients contributed and received child support payments that were less than 25% of their gross income.²⁰

The data shows over 10 years, on average, that 94% of payors and 92% of recipients enrolled in a MEP contributed and received maintenance payments that were less than 25% of their gross income, respectively. Four percent of payors and 6% of recipients enrolled in a MEP paid and received maintenance payments that were between 25% and 50% of their gross income. Furthermore, 2% of payors and 2% of recipients enrolled in a MEP contributed and received maintenance payments that were more than 50% of their gross income.

Over ten years, on average, 95% of payors and 86% of recipients not enrolled in a MEP paid and received maintenance payments that were less than 25% of their income. In addition, 5% of payors and 14% of recipients not enrolled in a MEP paid and received maintenance payments that were more than 25% of their income.

Income support

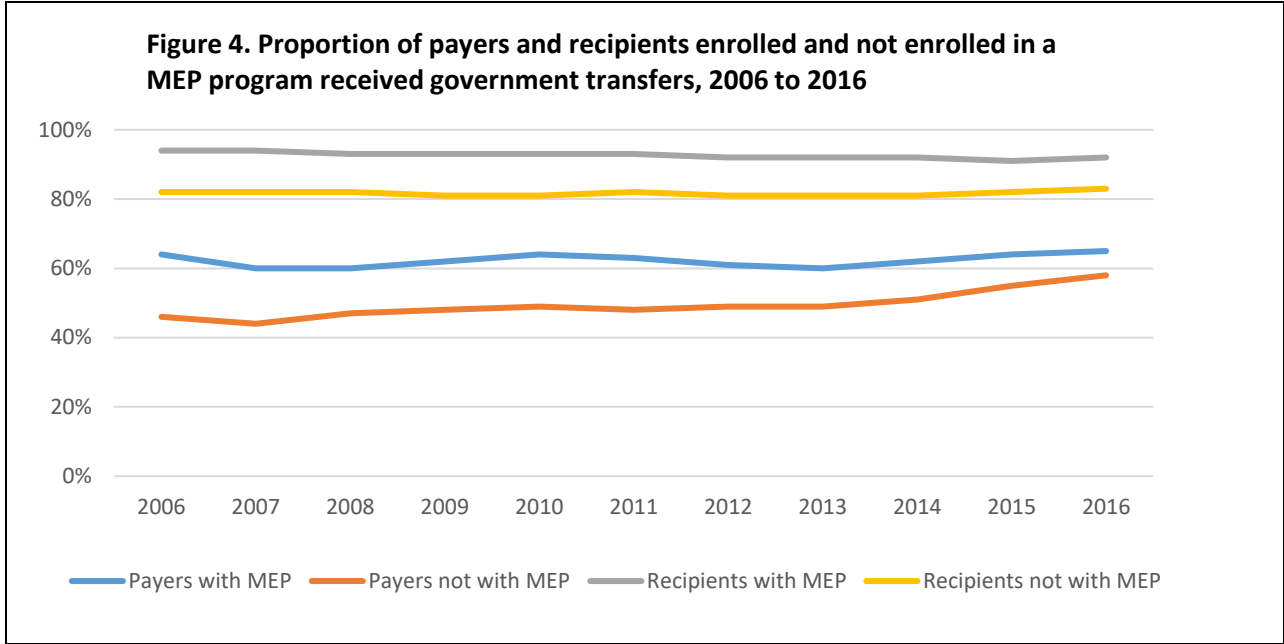
More payors and recipients who were enrolled in a MEP received government transfers than those who were not enrolled.

Government transfers cover a range of programs. They include Employment Insurance benefits, Canada Pension Plan, and Quebec Pension Plan (including disability and death pensions), Old Age Security, Net Federal Supplement, Child Tax Benefit, Social Assistance payments, Workers' Compensation benefits, the Goods and Services Tax (GST)/Harmonized Sales Tax (HST) Credit and provincial/territorial refundable tax credits, Family Benefits,²¹ and Working Income Tax Benefit are included as government transfers in this study.

²⁰ This is total income before tax.

²¹ Family benefits refer to various government programs and financial assistance provided to families to support them in raising children and maintaining a standard of living.

The data show that from 2006 to 2016 there were more payers and recipients enrolled in a MEP who received government transfers than those not enrolled in a MEP (Figure 4). In addition, more recipients than payers received government transfers than payers, regardless of whether they were enrolled in a MEP or not. Over the ten years, on average, 62% of payers and 93% of recipients enrolled in a MEP received government transfers. In comparison, 49% of payers and 82% of recipients not enrolled in a MEP received government transfers.



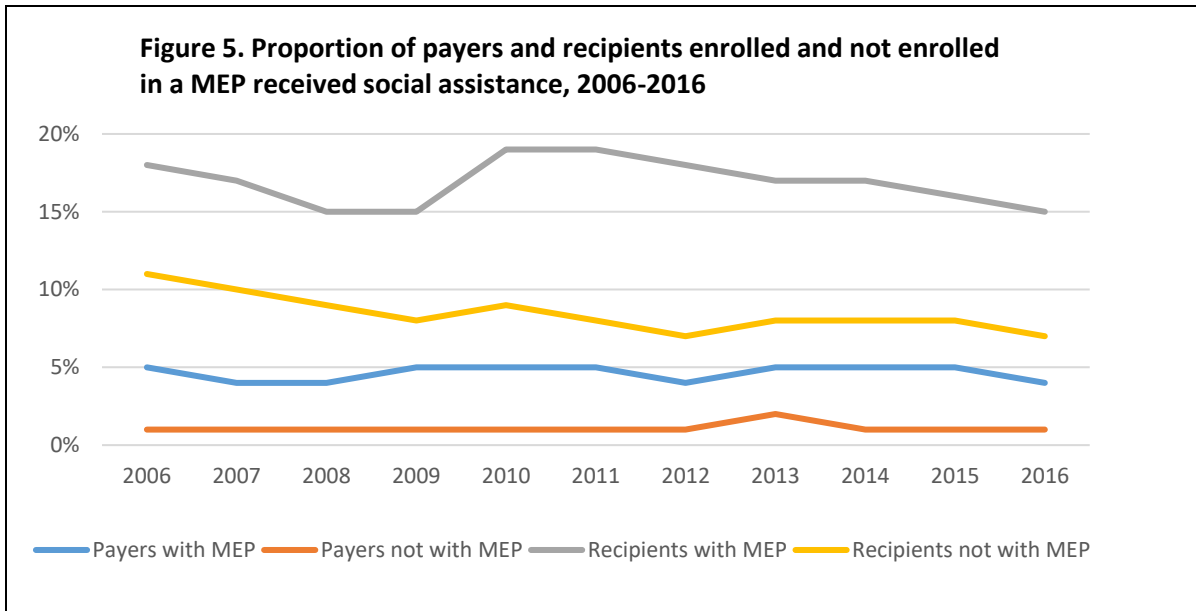
Data source: T1FF data (2006 to 2015), and SMEP for the provinces of Nova Scotia (2005/2006 to 2015/2016), Prince Edward Island (2007/2008 to 2015/2016), and Newfoundland and Labrador (2010/2011 to 2015/2016).

This may be due to the fact that individuals enrolled in a MEP were lower income, on average, and therefore more likely to qualify for government transfers than those not enrolled in a MEP.

More payers and recipients who were enrolled in a MEP received social assistance than those who were not enrolled.

Social assistance payments are received based on need. Eligible social assistance recipients may receive assistance to cover the cost of food, shelter, clothing, and other daily necessities. Figure 5 shows that there were more payers and recipients who were enrolled in a MEP who received social assistance²² in the reference period than those who were not enrolled. Moreover, more recipients than payers received social assistance. Data shows that over ten years, on average, 5% of payers and 17% of recipients enrolled in a MEP received social assistance payments, while only 1% of payers and 8% of recipients not enrolled in a MEP received social assistance payments. This may also be because individuals enrolled in a MEP were lower income, on average, and therefore more likely to qualify for social assistance than those not enrolled in a MEP.

²² The provinces and territories where family support collected **may be assigned** to provincial/territorial social assistance agencies. However, provinces and territories do not require persons on social assistance to be enrolled in a MEP.



Data source: T1FF data (2006 to 2015), and SMEP for the provinces of Nova Scotia (2005/2006 to 2015/2016), Prince Edward Island (2007/2008 to 2015/2016), and Newfoundland and Labrador (2010/2011 to 2015/2016).

More payers and recipients who were enrolled in a MEP received employment insurance than those who were not enrolled.

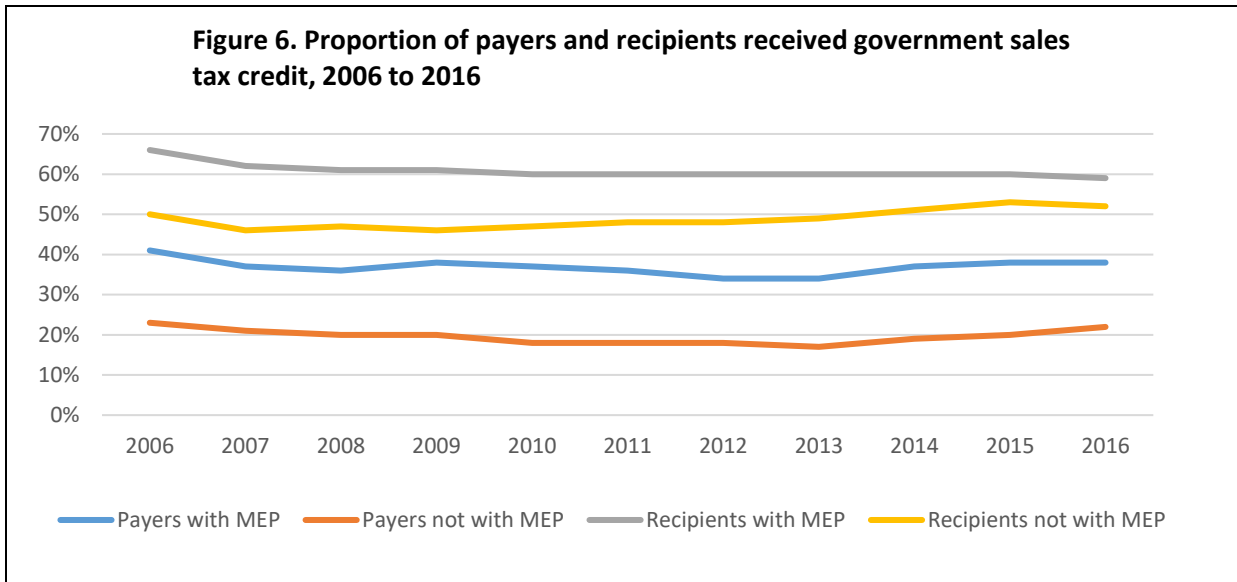
More payers and recipients enrolled in a MEP received employment insurance (EI) payments than their counterparts not enrolled in a MEP. Over 10 years, on average, about twice as many payers enrolled in a MEP (33%) received EI payments as payers not enrolled in a MEP (16%). Twenty five percent of recipients enrolled in a MEP received EI, while seventeen percent of recipients not enrolled in a MEP received EI.

The majority of recipients received the Canada Child Benefit (CCB) compared with a small percentage of payers.

The CCB is a tax-free monthly payment provided to qualified families to assist with the expenses associated with raising children under 18 years old. If a couple was separated or divorced, only one parent can receive the CCB. Over ten years, on average, 84% of recipients enrolled in a MEP received the CCB compared with 6% of payers enrolled in a MEP. Forty-five percent of recipients not enrolled in a MEP and four percent of payers not enrolled in a MEP received the CCB.

There were more payers and recipients enrolled in a MEP who received the Government Goods and Sales Tax (GST) Credit compared with those not enrolled in a MEP.

The GST Credit functions as an income-tested tax credit, mitigating the regressive nature of the tax by returning a portion or all of the GST paid by low-and-modest-income Canadians when they purchase taxable goods and services. Over ten years, on average, 37% of payers enrolled in a MEP received GST Credits compared with 20% of payers not enrolled in a MEP. Sixty-one percent of recipients enrolled in a MEP received GST Credits compared with 49% of recipients not enrolled in a MEP. Data shows (Figure 6) that recipients were more likely to receive GST Credits than payers, regardless of whether they were enrolled in a MEP or not.



Data source: T1FF data (2006 to 2015), and SMEP for the provinces of Nova Scotia (2005/2006 to 2015/2016), Prince Edward Island (2007/2008 to 2015/2016), and Newfoundland and Labrador (2010/2011 to 2015/2016).

Payers and recipients not enrolled in a MEP received similar amounts of Children’s Fitness Tax Credit as payers and recipients enrolled in a MEP.

The Children’s Fitness Tax Credit allows taxpayers to claim eligible fees paid in the year up to a maximum of \$500 per child. Eligible fees incorporate an amount paid related to the cost of registration or membership for your or your spouse's or common-law partner's child in a prescribed program of physical activity. To qualify, the child must have been under 16 years of age (or under 18 years of age if eligible for the disability tax credit) at the beginning of the year in which an eligible fitness expense was incurred. For this study, the amounts reported for the Children’s Fitness Tax Credit are based on the T1FF variable Children’s Fitness Amount (CFA). The CFA was only reported for the years 2007 to 2014, inclusively. It was replaced by the Children’s Fitness and Arts Tax Credits in 2015. Over eight years (2007 to 2014), on average, 6% of payers enrolled in a MEP claimed the CFA compared with 11% of payers not enrolled in a MEP. Sixteen percent of recipients enrolled in a MEP and eleven percent of recipients not enrolled in a MEP claimed the CFA. Payers and recipients not enrolled in a MEP received a similar amount of Children’s Fitness Credits as payers and recipients enrolled in a MEP. For instance, over the eight years (2007 to 2014), on average, payers and recipients in a MEP both received \$470. In comparison, payers and recipients not enrolled received \$520 and \$510 of the CFA, respectively.

More recipients than payers claimed childcare expenses.

Over the 10 years, on average, more recipients than payers claimed childcare expenses,²³ regardless of whether they were enrolled in a MEP or not. For instance, 17% of recipients enrolled in a MEP and 11% of recipients not enrolled in a MEP claimed childcare expenses. In comparison, 4% of payers enrolled in a MEP and 3% of payers not enrolled in a MEP claimed childcare expenses. The average childcare expenses that payers and recipients

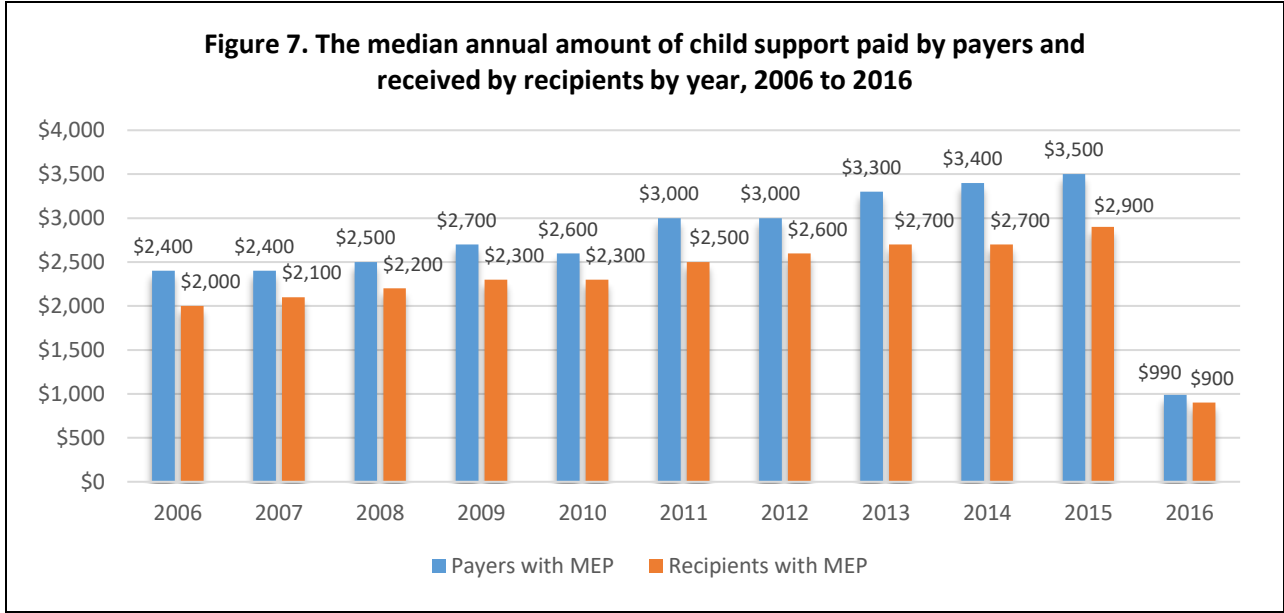
²³ The amount reported for childcare expense deduction is based on the T1FF variable called childcare expense deduction, which indicates the amount claimed by the payer for childcare services for an eligible child that enabled him/her to either earn income, take an occupational training course, or carry on research or similar work for which a grant was received.

enrolled in a MEP claimed were \$3,200 and \$2,900 per year, respectively. In comparison, the average amount of childcare expenses that payers and recipients not enrolled in a MEP claimed were the same: \$3,100 per year.

Child support paid

The median annual amount of child support paid and received varied yearly.

For this study, child support paid is based on the total payment due.²⁴ Over the ten years, the median annual amount paid by payers enrolled in a MEP varied. The highest and lowest median amounts paid were \$3,500 (2015) and, \$990 (2016), respectively. The median amount of child support paid over the ten years was \$2,700. In comparison, the median amount of child support received by the recipients enrolled in a MEP was \$2,300 over the ten years. The highest and lowest median of child support amount received by the recipients were \$2,900 (2015) and \$900 (2016), correspondently (Figure 7).²⁵



Data source: T1FF data (2006 to 2015), and SMEP for the provinces of Nova Scotia (2005/2006 to 2015/2016), Prince Edward Island (2007/2008 to 2015/2016), and Newfoundland and Labrador (2010/2011 to 2015/2016).

Compliance and Arrears

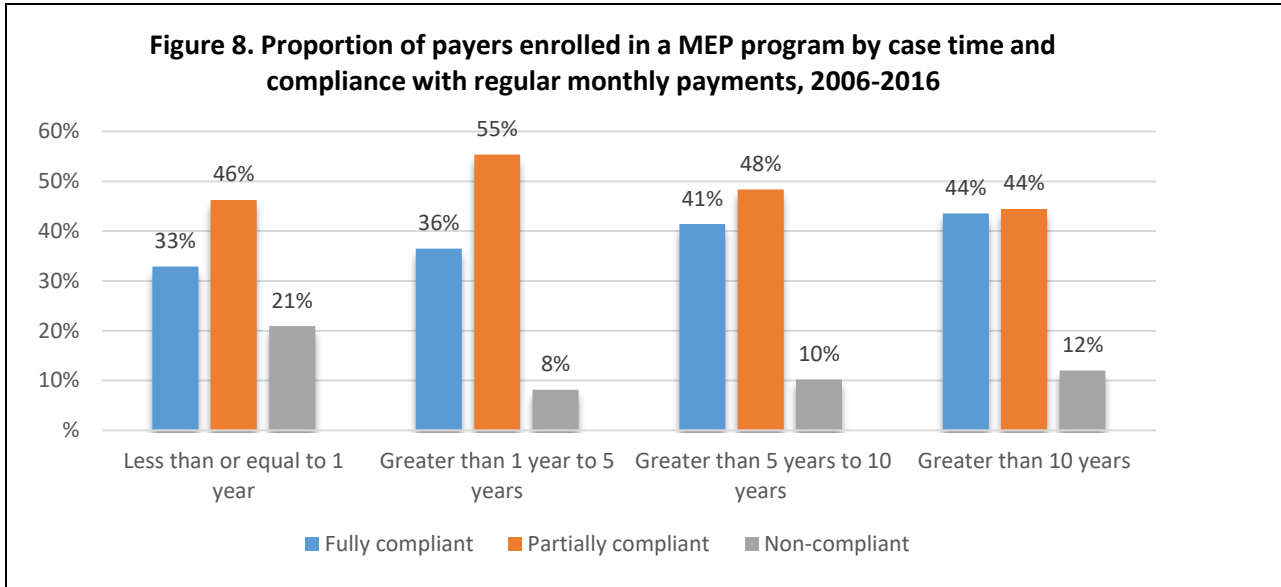
The degree of compliance with child support varied by the length of time a case was registered.

Regular monthly payments refer to the amounts ordered by a court, or upon agreement between payers and recipients, to be paid on every month on an ongoing basis. For SMEP, compliance means that the monthly support payment is received in full or in part by the beneficiary. Full compliance means that the payment due in a month is made in full. Partial compliance is defined as some of the amount due in a month are paid, while non-compliance means no support amounts are paid.

²⁴ Child support paid is a sum of all monthly SMEP values for this variable per case, payor, and calendar year.

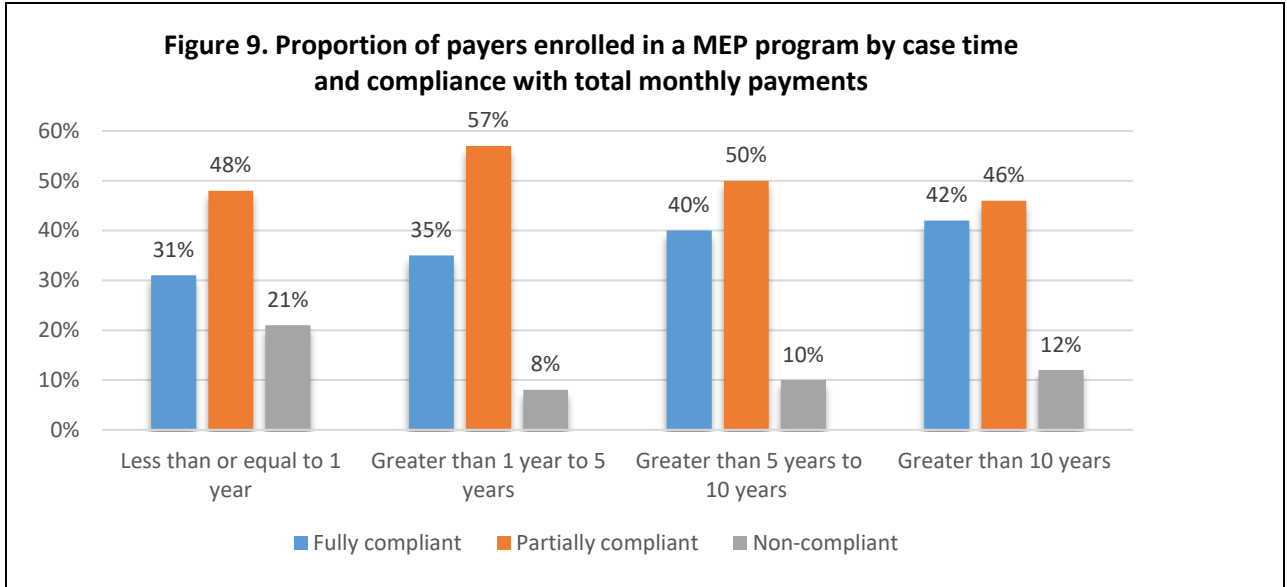
²⁵ The SMEP data are based on fiscal years, but the T1FF data are based on calendar years. To ensure the data between the data sources are consistent, the calendar year was used. In doing so, only a part of 2016 data is included in the analysis.

Figure 8 shows that 33% of payers enrolled in a MEP for less than or equal to one year were in full compliance with regular monthly payments while 44% of payers enrolled in a MEP for greater than ten years were in full compliance. Non-compliant status varied with the payer’s length of enrolment in a MEP. For instance, data show that 21% of payers enrolled in a MEP for less than a year did not pay their support, while only 12% of payers who were enrolled in a MEP for more than ten years failed to make any support payments.



Data source: T1FF data (2006 to 2015), and SMEP for the provinces of Nova Scotia (2005/2006 to 2015/2016), Prince Edward Island (2007/2008 to 2015/2016), and Newfoundland and Labrador (2010/2011 to 2015/2016).

Total monthly payments include the regular monthly payment plus scheduled arrears, event-driven payments, fees, costs, and penalties due. Thirty one percent of payers who were enrolled in a MEP less than or equal to one year were in full compliance with total monthly payments as compared with 42% of payers who were enrolled in a MEP for greater than ten years. The highest partial compliance rate (57%) with total monthly payments was for those payers enrolled in a MEP between one and five years, and the lowest partial compliance rate (46%) was when payers were enrolled in a MEP for more than ten years (Figure 9).



Data source: T1FF data (2006 to 2015), and SMEP for the provinces of Nova Scotia (2005/2006 to 2015/2016), Prince Edward Island (2007/2008 to 2015/2016), and Newfoundland and Labrador (2010/2011 to 2015/2016).

Once individuals are enrolled in a MEP, MEPs provide administrative support (e.g., wage garnishment, motor vehicle license suspension, and passport denials) to payers and recipients of child and spousal support to ensure recipients receive their support payments.

More than half of payers and recipients enrolled in a MEP had arrears owing or were owed arrears.

When a person who is obliged to pay support fails to pay all the support they are required to pay, the debt owing is called arrears.

Over the 10 years, on average, 53% of payers had arrears owing,²⁶ and 58% of recipients had arrears owed to them. The median amount of arrears of payers enrolled in a MEP was \$1,400. The median amount of arrears owing to recipients enrolled in a MEP was \$1,900.

The proportion of payers enrolled in a MEP who had arrears was lower than the proportion of arrears owed to recipients enrolled in a MEP. This could be because there was not necessarily a 1:1 relationship between payers and recipients (see Limitations section):

Generally, the proportion of retired recipients enrolled in a MEP were more likely to have arrears than retired payers enrolled in a MEP. For example, over the ten years, on average, 56% of retired recipients enrolled in a MEP had arrears compared with 44% of retired payers not enrolled in a MEP.

²⁶ Arrears is based on the total arrears (includes interest) cumulated, which denotes the maximum amount of arrears owed on a case per calendar year and per payer (in the rare event that a case had multiple payers).

Most payers and recipients enrolled in a MEP, and who were on social assistance, had arrears owing or were owed arrears.²⁷

The majority of payers and recipients enrolled in a MEP and who were on social assistance had arrears owing or were owed arrears. Over the ten years, on average, 88% of payers enrolled in a MEP who were on social assistance had arrears owing. The median of arrears owed by these payers was \$3,300. This implied that payers enrolled in a MEP and were on social assistance had a difficult time paying support.

Ninety percent of recipients enrolled in a MEP who were on social assistance had arrears owed to them. The median amount owed to the recipients was \$4,500.

Discussion and conclusion

This report explores the demographic and socio-economic characteristics of recipients and payers of child and spousal support. It also compares those characteristics of payers and recipients with whether or not they are enrolled in a MEP. Results were based on a series of data tables provided by Statistics Canada, and no analyses were undertaken on this data. For any future data linkage, analyses would be undertaken and it would be possible to build a profile of payers and recipients.

What was found:

- Payers and recipients enrolled in a MEP had a lower income than those not enrolled in a MEP.
- More payers and recipients enrolled in a MEP lived in poverty than those not enrolled in a MEP.
- More payers and recipients enrolled in a MEP received government transfers, social assistance, Employment Insurance, Goods and Services Tax credit and Canada Child Benefit than those not enrolled in a MEP.
- More payers enrolled in a MEP were employed in the construction industry (18%), recipients enrolled in a MEP were more likely to be employed in the health care and social assistance sector (19%). In comparison, more payers not enrolled in a MEP were employed in public administration (21%), while recipients not enrolled in a MEP were more likely to be employed in an education, health care and social assistance sector (27%).
- A small proportion of payers and recipients enrolled and not enrolled in a MEP self-identified as visible minorities or as Indigenous.
- For of payers and recipients enrolled in a MEP:
 - Payers were mostly male and recipients were mostly female
 - Payers were older than recipients.
 - Most payers and recipients contributed and received maintenance payments that were less than 25% of their income.
 - Payers with higher education credentials were less likely to owe arrears and were more likely to comply with regular and total monthly payments.

Based on the tables provided, recipients enrolled in a MEP were in worse economic situations than payers, for instance:

- The median gross income of recipients was lower than that of payers.

²⁷ The data includes payers and recipients who ever claimed social assistance and had arrears owed in the same month, at any point in a calendar year.

- More recipients lived in poverty than payers.
- A higher proportion of recipients received government transfers, social assistance, received GST credits, and claimed CCB.
- More payers were employed than recipients.
- Home ownership among payers enrolled in a MEP was higher than that of recipients enrolled in a MEP. Recipients enrolled in a MEP were more likely than payers enrolled in a MEP to live in a subsidized housing.

This study shines a light on the socio-economic characteristics of recipients and payers of child support for the three provinces that participated in the data linkage project. To obtain a national picture of socio-economic characteristics of payers and recipients of child and spousal support, more information is needed. In addition, further study is needed to examine the factors affecting arrears and compliance with support payments.