



Guaranteed Annual Income Backgrounder

Change in Poverty Rates (after tax LICO)

Under the GPM’s proposed GAI, the poverty rate will drop from 9.5% (2014) to 4.9% of all adults or 45 per cent in the one to two years it takes to implement it.

The NDP’s Anti-Poverty Programs

The Manitoba Child Benefit reaches only 36 per cent of families eligible for it.

The 55PLUS Junior program reaches only 21% of individuals eligible for it.

The new Rent Assist program for low income renters in private market dwellings only reaches 7 per cent of individuals and families eligible for it.

The GPM’s GAI will reach all adults who file a tax return which represents over 95 per cent of all adult Canadians.

The Impact of the GPM’s GAI on Low-Income Families in Manitoba (after-tax LICO measure)

Type of Low-Income Family	Average Increase in After-tax Family Income	
	\$	%
ALL FAMILIES		
Single Parent	+\$3,660	+15.5%
Two Parent	+\$5,345	+18.6%
Single Non-elderly	+\$2,985	+30.9%
Non-elderly couple	+2,865	+14.1%
Single Elderly	+\$1,372	+7.3%
Elderly Couple	+\$4,601	+26.3%
Total	+\$3,050	+22.2%
FAMILIES ON WELFARE		
Single Parent	+\$2,046	+7.5%
Two Parent	+\$612	+2.6%
Single Adult - No Disability	+\$931	+10.4%
Single Adult- Disability	+1,292	+13.3%
Childless Couple	+\$177	+1.3%

Some Case Examples

Single Employable on Income Assistance

Total Needs Budget = \$8,400

Total GAI = \$6,300

Reduction in Total Needs Budget Due to GAI = \$4,221

Total Welfare Income = $(\$8,400 - \$4,221) + \$6,300 = \$10,479$ (+25%)

Single Adult Working Full Time Full Year (2000 hours) at Minimum Wage (\$11.00)

Average Gross Earnings = \$22,000

Average Additional Taxes Paid Due to GAI = \$1,222**

Average Net GAI Benefit = +\$2,766

Average Net Income After the GAI = $\$22,000 - \$1,222 + \$2,766 = \$23,544$ (+7%)

Single Parent with 1 Child Earning \$30,000

Average Gross Earnings = \$30,000

Average Additional Taxes Paid Due to GAI = \$1,716**

Average Net GAI Benefit = \$4,073

Average Net Income After the GAI = $\$30,000 - \$1,716 + \$4,073 = \$32,357$ (+8%)

Two Parent with 2 children Earning \$60,000

Average Gross Earnings = \$60,000

Average Additional Taxes Paid Due to GAI = \$1,276**

Average Net GAI Benefit = \$1,619

Average net Income After the GAI = $\$60,000 - \$1,276 + \$1,619 = \$60,342$ (+0.6%)

** The taxes paid increase because of the elimination of most of the non-refundable and refundable tax credits.