

February 28, 2023

BACKGROUND

Helping people through challenges now

Global inflation has brought new challenges for people. Budget 2023 launches new and expanded measures to help people with their expenses and new investments to build a stronger, more secure future for everyone.

Putting money back into people's pockets

The rising global cost of living has squeezed household budgets. The Province responded and has already rolled out almost \$2.4 billion in supports since summer 2022:

- three BC Affordability Credits in October, January and April;
- higher BC Family Benefit amounts for January, February and March;
- a \$100 credit for people's power bills;
- ICBC rebates for drivers; and
- enhanced School Affordability Fund to help parents and kids with back-to-school costs.

These one-time supports build on years of investments to reduce child care costs and create new affordable, quality, inclusive child care that families can depend on. Thousands of B.C. families are benefiting from lower child care fees through the Affordable Child Care Benefit, the \$10 a Day ChildCareBC program and the Child Care Fee Reduction Initiative, which saves families up to \$900 in savings per child per month.

Budget 2023 builds on these investments with an additional \$4.5 billion in new spending and credits over three years to help people with the effects of rising costs and to establish stable, sustainable support.

- Budget 2023 invests \$214 million over three years to expand existing school food programs and increase capacity to address student hunger in all districts. The program will help school-age children reliably access nutritious food in partnership with the Feed BC program, so that kids can eat healthy, local food and focus on learning.
- Starting April 1, 2023, B.C. will be the first jurisdiction in Canada to make prescription contraception free to all its residents.

- Budget 2023 dedicates \$119 million over three years to remove this cost and give people more choices about their own sexual and reproductive health.
- The program will fully cover prescription contraception options, including most oral hormone pills, contraceptive injections, copper and hormonal intrauterine devices, subdermal implants and Plan B (also known as the morning after pill).
- For a person who pays \$25 a month for hormonal pills, free prescription contraception could save them as much as \$10,000 over their lifetime.
- Families with children will see a 10% increase to the monthly BC Family Benefit starting in July 2023. At the same time, single parents will receive as much as \$500 annual top-up to help make ends meet.
 - For a two-parent family with two children, this amounts to as much as an additional \$250 per year to help buy healthy food, pay bills and enrol kids in extracurricular activities.
 - For a single parent with one child, this amounts to an additional \$650 per year or almost \$12,000 in extra support over 18 years.
- A new income-tested renter's tax credit will provide as much as \$400 annually to renters starting in 2024, giving the most support to households with moderate and low incomes.
 - With one in three B.C. households renting their home and facing increasing costs in a tight rental market, the income-tested renter's tax credit is expected to reach more than 80% of renter households, including people who receive income and disability assistance or support from the Rental Assistance Program (RAP) or Shelter Aid for Elderly Renters (SAFER).
 - Households that make less than \$60,000 per year will be able to claim the full credit amount, while households that earn as much as \$80,000 per year will receive a partial amount.
 - Starting with 2023 tax returns next year, the credit is expected to collectively put more than \$300 million back in B.C. renters' pockets per year.
- To help people with the costs of a changing climate and increases to the carbon tax across the country, the BC Climate Action Tax Credit will increase along with the carbon tax.
 - Last year, a two-parent family that received the full amount could have received \$500 through the Climate Action Tax Credit. As of July 2023, the same family could receive almost \$900 per year.
 - A single person that received the full \$193.50 credit amount last year will now receive \$447 per year.
 - As the carbon tax rate increases, the annual amounts paid through the Climate Action Tax Credit will also increase each year.
 - A significant majority of British Columbians are projected to receive more through the enhanced credit than they pay in increased carbon tax costs by 2030.
 - With the goal of reaching 80% of all B.C. households by 2030, the income ceiling for the Climate Action Tax Credit will also increase annually.

- For British Columbians with the lowest incomes, the Climate Action Tax Credit can more than offset their personal cost of the carbon tax.
- People looking for extra support and flexibility as they pursue higher education will be able to access more money through student loans and improved repayment terms.
 - Starting in June 2023, student loan maximums will double, providing students with a total of \$220 per week and \$280 per week for students with dependents.
 - Beginning Aug. 1, 2023, new repayment terms will align with the federal Repayment Assistance Program so that students and graduates who make less than \$40,000 won't have to make any payments on their outstanding loans.
 - For people making more than \$40,000, their student loan payments will be 10% of their annual household income rather than 20%.
 - With B.C. student loans interest-free since 2019, people pursuing an education in B.C. will have access to more flexible supports and options so that they can continue to grow, study and succeed.

Boosting systems of support

For people who receive income or disability assistance, the rising cost of living has added additional pressure to day-to-day life. Budget 2023 recognizes the added strain of the effects of global inflation and dedicates \$558 million to enhancing and expanding supports for people who need it most.

- For the first time since 2007, the shelter rate, which is a core part of the income and disability assistance rate, will increase by \$125 per month with increased payments starting July 2023. The increase will help approximately 160,000 people, including 33,000 children, throughout B.C.
 - On top of that, people receiving income and disability assistance who rent will be able to claim the new renter's tax credit, which can provide as much as \$400 annually.
- For people who have emergent or specific needs, such as medical transportation or dietary restrictions, increases to supplements will also make it easier to access and use individualized supports.
- People will be able to keep more of the money they earn from wages without having assistance payments reduced. Earnings exemption will increase by \$100 per month for people who receive income assistance and \$1,200 per year for people who receive disability assistance.

For many people who assist and care for children in care, extended family members or people with support needs, current prices have created new pressures when providing nurturing and quality care. During the next three years, \$264 million will go toward increasing financial supports, including care-provider rates by as much as 47%, so that foster families and caregivers have the support they need to continue this important work.

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