
THE BILLION DOLLAR OPPORTUNITY

Setting the stage

3:00 - 4:00 pm, May 8, 2018

Our Panel

Elizabeth Mulholland (Moderator)

CEO, Prosper Canada

Simon Brascoupé

Vice President, Education and Training, AFOA Canada

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Executive Director, PLAN Institute

Steve Vanderherberg

Director, Strategic Initiatives, WoodGreen Community Services

Marie-Josée Gagné

Manager, Outreach and Communications Section, Canada Revenue Agency

The \$1+ Billion Opportunity

Tax filing is an opportunity to boost incomes by:

- claiming benefits directly
- establishing eligibility for non-tax benefits

But many people don't know they are eligible or experience barriers to tax filing.

This means many people with low incomes are not getting their benefits.

Benefit	Take-up rate	Missed benefits (\$ millions)
Guaranteed Income Supplement (GIS)	88% ¹	\$255+ ⁶
Working Income Tax Benefit (WITB)	85% ²	\$175 ⁷
Canada Child Benefit (First Nations - On Reserve)	79% ³	\$108 ⁸
Disability Tax Credit (DTC)	40% ⁴	--
Canada Learning Bond (CLB)	34% ⁵	\$900 ⁹
	TOTAL	\$1,438

Note: Based on best available estimates

ABLE members are leading many efforts to expand tax and benefit assistance



Althea



Louise
Jeff



Noralou



John

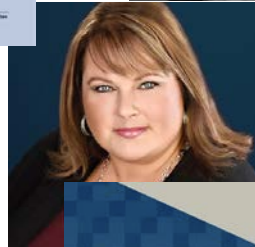
Simon



INCREASING INDIGENOUS BENEFIT TAKE-UP IN CANADA
2018 Federal Budget Proposal
November 15, 2017
All images courtesy of Simon Brascoupe, AFDA Canada.



Gary



Sherra



Support from **intuit**, community and research partners is helping to shed light on this issue and solutions

- **Survey of 300+ practitioners, 14 expert interviews** and a **literature review** on tax filing barriers and solutions.
- National **Tax Time Diaries Study** examining tax filing experiences of **55+** people with low incomes from **9** provinces
- Developing and testing of online **Benefit Screening Tool**

Results will be released at a **Research Symposium** this fall.

Stay tuned!

Barriers to tax filing and accessing benefits

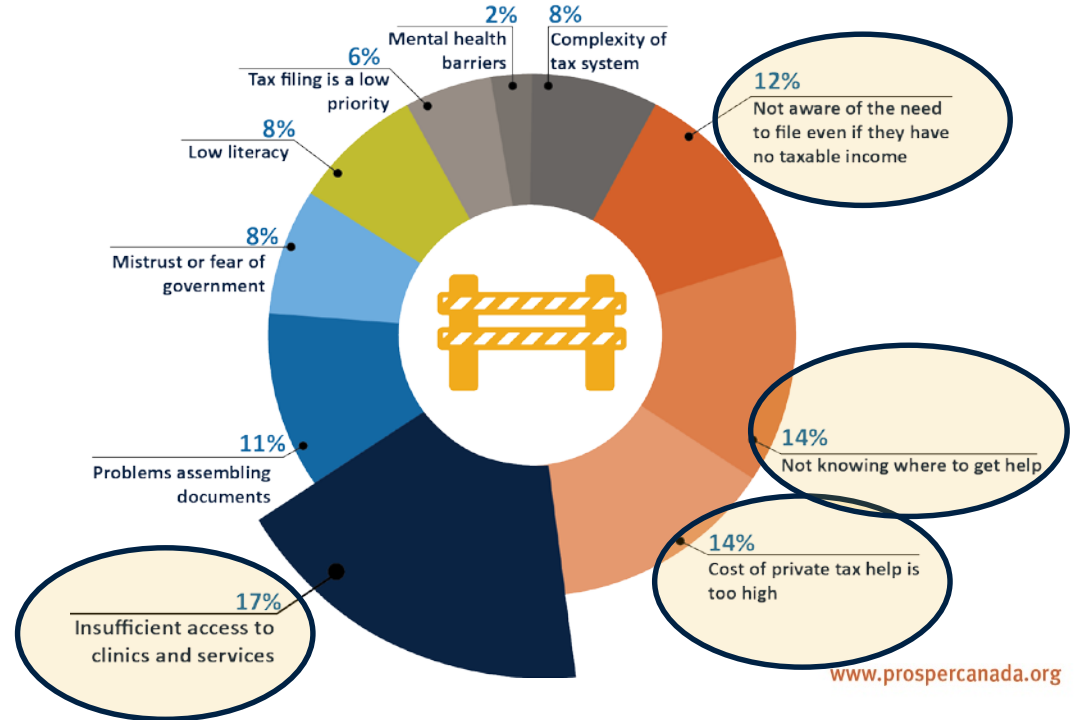
Lack of information

+

Poor access to tax filing and benefits help

+

Lack of targeted outreach and supports



Groups experiencing barriers



- People with **low incomes**
- **Families** with children
- **Single-parent** families
- **Indigenous** people
- **Newcomers**
- **Seniors**
- **Young** people
- People with **addictions & mental health challenges**
- People with **precarious housing**
- People with **low literacy/education** levels
- People with **disabilities** and **caregivers**

Removing roadblocks to tax filing and accessing benefits

ACCESS



A simplified filing process would make tax filing easier.

The complexity of the tax system and of tax forms is intimidating and can lead to errors. Online software, prompts, and automatic form filling can make the process more manageable. Widely accessible online benefit screening tools can also help increase eligibility awareness.



Boost access to tax support with more tax clinic locations, longer hours, year-round service.

Mobile or pop-up clinics during tax season can help overcome geographic barriers and new partnerships (e.g. with libraries) can make clinics more accessible. Offering child care and transportation may also make it easier for people to attend clinics.



Stream more resources to the Community Volunteer Income Tax Program (CVITP) to increase the number of free income tax clinics.

Running an income tax clinic is resource intensive and time consuming. To help lighten the load for community organizations, CRA could cover more of the operational costs of CVITP, as well as provide incentives and more robust training for volunteers.

Progress:



Removing roadblocks to tax filing and accessing benefits

COMMUNICATIONS



The message matters.
Organizations can put their own spin on tax clinics to show people how tax filing can help them.

“Get Your Piece of the Money Pie” in New Brunswick and “Make Tax Time Pay” in Edmonton make it clear to potential filers that they stand to benefit from filing their taxes.



CRA and partner organizations should actively promote the benefits of tax filing.

Many people don't file because they aren't aware that filing is a necessary pathway to benefits and benefit eligibility. Communications materials that promote the benefits of tax filing can combat the common belief that there is no point to filing for people living on very low incomes.



Trusted intermediaries can help address fear around tax filing with the development of tailored outreach and communications materials.

Fear, lack of confidence and bad experiences with government services prevent people from filing their taxes. Trusted intermediaries can leverage quality information sources and channels to help disenfranchised groups overcome their fears and access services.

Progress:



Removing roadblocks to tax filing and accessing benefits

TARGETED APPROACHES



When it comes to tax help, not all needs are the same. CRA can fill existing gaps by expanding and building upon the CVITP model. People may face complex tax situations that require special attention. Tax clinics should provide services tailored to the diverse needs of communities, such as victims of family violence, the self-employed, people with disabilities, and First Nations.



Collaboration with large service sectors can help increase access and awareness of tax filing supports. Partnerships with health-care, housing, settlement, and other services offer opportunities to connect more people with the help that they need to tax file and apply for benefits.



Schools should offer financial education that covers tax filing. Teaching students the importance of tax filing and providing them with key skills for preparing and filing taxes will fill the knowledge gap for future generations.

Progress:



Sources

1. Employment and Social Development Canada. *Evaluation of the Guaranteed Income Supplement Take-up Measures and Outreach*. February 2010. Accessed April 30 2018: <https://www.canada.ca/en/employment-social-development/corporate/reports/evaluations/income-2010-february.html>
2. Dean Beeby. “\$175M in federal money for working poor goes unclaimed.” *CBC News*. Posted: Nov 29 2017. Accessed April 30 2018: <http://www.cbc.ca/news/politics/working-income-low-poor-canada-revenue-agency-tax-benefits-1.4423280>
3. Canada Revenue Agency. *Meeting with Prosper Canada - Key findings from the 2015 tax year*. PowerPoint presentation delivered April 30, 2018. Estimates based on use of linkage rates between 2015 tax filing data and 2016 census data as a proxy indicator for tax filing rates. Actual benefit take-up rates are unknown.
4. Erica Alini. “The CRA makes it so hard to get the disability tax credit, many don’t even try,” *Global News*. Jan 11, 2018. Accessed Apr 30 2018: <https://globalnews.ca/news/3956042/cra-disability-tax-credit-canada/>
5. Employment and Social Development Canada. *Canada Education Savings Program Annual Statistical Review 2016*. 2017. Accessed Apr 30 2018: <https://www.canada.ca/en/employment-social-development/services/student-financial-aid/education-savings/reports/statistical-review-2016.html>

Sources (cont'd)

6. Based on estimated 49,100 to 61,900 of eligible seniors who don't receive GIS payments and are non-tax filers according to ESDC 2010 GIS evaluation (above) . Assumes average payment of \$432 per month (50% of maximum).
7. Beeby 2017.
8. Rough estimate based on 102,425 First Nations children aged 0 to 15 years living on reserve and the following assumptions:
 - Most families would be eligible for CCB payments (up to \$6,400 per child under six and \$5,400 for each older child)
 - 79 per cent of eligible families on reserve tax file and potentially receive child benefits (using 2016 census and 2015 tax filing data linkage rates as a proxy for tax filing)
 - \$5,000 per child average CCB income
9. ESDC (2015)