

## Budget 2016 Backgrounder New and Enhanced Benefits

### Newfoundland and Labrador Income Supplement

Budget 2016 introduced the Newfoundland and Labrador Income Supplement.

The Newfoundland and Labrador Income Supplement will be effective July 1, 2016 and eligible recipients will receive their first payment, consisting of two quarterly payments, in October 2016 (for July 2016 and October 2016). The next payments will be in January 2017 and April 2017.

No application for the supplement is required. However, eligible individuals must ensure their annual income tax return is filed in order to receive the supplement.

The annual amounts for the supplement are shown in the table below:

<b>NL Income Supplement Amount (Effective July 1, 2016)</b>	
Amount for Eligible Individuals	Basic credit of \$220 Maximum credit of \$450 <sup>(1)</sup>
Amount for Spouse	\$60
Amount for Eligible Children	\$200
Amount for Individuals Claiming the Disability Tax Credit	\$200 <sup>(3)</sup>
Phase-in Income Threshold for Eligible Individuals <sup>(1)</sup>	\$15,000
Beginning Phase-out Income Threshold <sup>(2)</sup>	\$40,000

(1) Additional amount of \$230 to be phased in at a rate of 4.6 per cent for family net income in excess of \$15,000. Eligible individuals with family net income of \$20,000 to \$40,000 will receive the maximum benefit of \$450.

(2) The phase out of the benefit begins at family net income of \$40,000 at a rate of 9 per cent. The income threshold at which the benefit is phased out completely will vary depending on individual circumstances.

(3) The additional amount for individuals claiming the disability tax credit will be phased out beginning at family net income of \$29,402 at a rate of 1.4 per cent.

The amount of the Newfoundland and Labrador Income Supplement for a single individual at various income amounts is shown in the table.

<b>Net Income</b>	<b>Annual Amount</b>	<b>Quarterly Installment <sup>(1)</sup></b>
\$15,000 & under	\$220	\$55.00
\$16,000	\$266	\$66.50
\$17,000	\$312	\$78.00
\$18,000	\$358	\$89.50
\$19,000	\$404	\$101.00
\$20,000 - \$40,000	\$450	\$112.50
\$41,000	\$360	\$90.00
\$42,000	\$270	\$67.50
\$43,000	\$180	\$45.00
\$44,000	\$90	\$22.50
\$45,000	\$0	\$0

(1) If the calculated amount of your quarterly installment for the Newfoundland and Labrador Income Supplement and the Seniors' Benefit is less than \$10, you will receive one lump sum annual payment in October. In subsequent years, a lump sum annual payment would be received in July.

### Seniors' Benefit

Budget 2016 increased the Newfoundland and Labrador Low Income Seniors' Benefit to provide additional support to the province's seniors. The maximum amount under the Seniors' Benefit will increase from \$1,063 to \$1,313, an increase of \$250 <sup>(1)</sup>.

About 48,000 households will benefit from these changes, including seniors who receive a higher benefit amount or receive a partial Seniors' Benefit for the first time.

The following table shows the impact of the announcements for seniors.

Family Net Income (\$)	Annual Increase to Seniors' Benefit (\$)	Total Annual Seniors' Benefit (\$)
< 29,402	250	1,313
30,000	250	1,243
31,000	250	1,127
32,000	250	1,010
33,000	250	893
34,000	250	777
35,000	250	660
36,000	250	544
37,000	250	427
38,000	250	310
39,000	194	194
40,000	77	77
40,500	19	19

(1) For 2015, the Seniors' Benefit was \$1,059. For 2016, the benefit would have been \$1,063 due to indexation, prior to the increase announced in Budget 2016.

Seniors with family net income more than \$40,663 are not eligible for the benefit.

Last year, the Seniors' Benefit was paid in a lump sum on October 5. Starting this year, the Seniors' Benefit will now be paid in quarterly installments by the Canada Revenue Agency, on the same cheque as the GST credit (July, October, January and April).

Eligible recipients will receive their first payment, consisting of two quarterly payments, in October 2016 (for July 2016 and October 2016). The next two payments will be in January 2017 and April 2017.

No application for the benefits is required. Eligible individuals must ensure their annual income tax return is filed in order to receive the benefits. Eligibility will be based on family net income from the previous year (i.e. 2016 benefits paid will be based on 2015 family net income).