



**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
FRATERNITÉ INTERNATIONALE DES OUVRIERS EN ÉLECTRICITÉ**



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TO ALL IBEW FIRST DISTRICT LOCAL UNIONS

Greetings:

The Broadbent Institute recently released a study that looked at who would benefit from the income splitting proposal advocated by the Harper Conservatives, finding nine out of ten Canadian households would receive no benefit at all from the proposed tax policy. This policy, like so many others put out by the Conservatives, does not stand to offer any benefits to the majority of our members and working people across Canada.

In 2007, the Harper Conservatives began experimenting with income splitting, and have pledged to extend it to all families with children under 18 after the budget is balanced, a piece of policy likely to be included in the next federal budget. Their current proposal would allow families with children under 18 to shift up to \$50,000 of taxable income from the higher-income spouse to their lower-income partner.

The study by the Broadbent Institute looked at who would benefit from this proposal based on the combination of earnings and tax brackets for different families as well as what the regional variation in benefits would look like.

Key Findings:

- Two out of three families would receive less than \$500
- To gain from income splitting, a family with children under 18 must have two parents in different tax brackets to share income. Thus single parent families (20.2%) and those with partners in the same tax bracket (28.9%) are automatically excluded from benefitting.
- Just 1.7% of all Canadian families with children under age 18 – those who have one earner in the top tax bracket of 29% and another parent who pays zero tax rate – would be eligible for the maximum benefit.
- Only one in seven Canadian families with children under 18 (13.8%) would receive a benefit of \$2,000 or more.
- 61.1% of Quebec families with children under 18 would see no benefit at all, compared to 44.1% in Alberta.
- Nationally, 54.1% of families that are the target of the scheme would receive no benefit at all.
- Implementing the proposed tax policy would cost an estimated \$3 billion in lost federal revenues.



The late Jim Flaherty, Former Finance Minister, summed income splitting up well when he said it “benefits some parts of the Canadian population a lot. And other parts of the Canadian population virtually not at all.” If the intention is truly to help Canadian families, the Conservative government should scrap its plan to introduce this costly tax scheme – one that stands to increase income inequality.

You can find the full report here: <https://www.broadbentinstitute.ca/sites/default/files/thebigsplit-final.pdf>

To share an infographic summarizing the report on your website, or social media click here: <https://www.broadbentinstitute.ca/en/bigsplit/infographic>

In solidarity,

A handwritten signature in black ink, appearing to be "BD" followed by a stylized flourish.

Bill Daniels
International Vice President

BD/mw

cc: First District Representatives
System Council #11
IBEW CCO
NPAC