

POLICY PRIORITIES FOR ONTARIO'S 2022 ELECTION

April 2022

APPROACH

Cardus believes that governments have an important but limited function that includes enabling other civil-society institutions to thrive. As a non-partisan think tank, we do not advocate for any political party or candidate. In the lead-up to Ontario's 2022 election, we are sharing our existing research with everyone equally and seek to collaborate with all people of goodwill. In this spirit and based on our existing research, we have identified several policy priorities for legislators and voters to consider in this election.

FAMILY RECOMMENDATION

Policy Recommendation: Help more families with their child care costs

The provincial Childcare Access and Relief from Expenses (CARE) credit helps parents with their child care fees. The CARE credit should be enhanced by increasing the credit's clawback threshold, indexing it to inflation, and removing two-thirds of the lower-income limit.

- Only one-third of children under the age of 6 use the kind of care covered by the federal-provincial \$10-a-day child care agreement. Given that most families will not benefit from that program, the CARE credit remains an important support for families. Unlike the federal-provincial child care deal, the CARE credit applies to a wide range of child care options for children aged 0 to 17.
- **Why it matters:** The current credit does not go far enough to help the low- and middle-income families who need it most.
- **Details:** The CARE credit is clawed back at a household income of \$20,000 annually. This threshold isn't currently indexed to inflation. Since the purchasing power of \$20,000 isn't what it used to be, the clawback threshold should be increased and tied to inflation. The credit is also limited to two-thirds of the income of the lower-earning parent. As this tends to disproportionately impact lower-income families, the limit for this credit should be removed.

For more details read Cardus's [Policy Brief: Enhancing Ontario's Child Care Tax Credit](#).

ABOUT CARDUS

CARDUS is a non-partisan think tank dedicated to clarifying and strengthening, through research and dialogue, the ways in which society's institutions can work together for the common good.

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