Maytree
Poverty • Rights • Change

How social protections can make Canada strong for all

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Canada is still failing people with low incomes

In 1976, Canada committed under international law to progressively realize the right to an adequate standard of living, which includes the right to adequate housing. This obligates governments to use the maximum of their available resources to further this right for everyone.

Fifty years later, millions of Canadians are struggling to afford the necessities of daily life. Canada's rates of poverty, homelessness, and food insecurity are far too high – especially for one of the richest countries in the world.[1,2] In fact, a global human rights index found that Canada's outcomes in fulfilling the rights to food, education, and work rank as "bad" or "very bad."[3]

The reality is that many low-income Canadians are no better off today than they were two years ago, even as those with higher incomes have benefited from thousands of dollars in federal tax cuts and other affordability measures. Not only did low-income households not benefit from the recent middle class tax cut, the elimination of the Canada Carbon Rebate (CCR) constituted a net loss of hundreds of dollars a year.[4] Though welcome, the new Canada Groceries and Essentials Benefit only partially offsets other losses, leaving low-income households with a net reduction in federal income support.[5]

Amid higher oil prices, the economic impact of high tariffs, and trade uncertainty, the negative effects will fall hardest on people with the least protection.

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1 Maytree. (2026). *Stubbornly high: Canada's poverty reduction efforts have stalled*. https://maytree.com/publications/stubbornly-high-canadas-poverty-reduction-efforts-have-stalled/.

2 Housing, Infrastructure and Communities Canada. (2026). *Everyone Counts 2025: Results from the Annual Enumeration of Homelessness*. https://housing-infrastructure.canada.ca/homelessness-sans-abri/reports-rapports/everyone-counts-2025-tout-monde-compte-eng.html.

3 White, Alexi. (2026). *Canada is too rich to be failing this badly on economic and social rights*. Institute for Research and Public Policy. https://policyoptions.irpp.org/2026/08/canada-social-rights/.

4 Dahir, Nicholas, and Leslie Shiell. (2025). *From Rebate to Rate Cut: Low-Income Households Lose Out*. C.D. Howe Institute. https://cdhowe.org/publication/from-rebate-to-rate-cut-low-income-households-lose-out/

5 Laidley, J. & Oliveira, T. (2026). *Welfare in Canada, 2025*. Maytree. https://maytree.com/wp-content/uploads/Welfare_in_Canada_2025.pdf.

The way forward: Invest in social protections

It is in this context that we applaud the government's commitment to "building Canada strong for all." Now is the time to begin implementing policies that will deliver inclusive prosperity and build resilience in today's turbulent times. In Budget 2026, the federal government should begin by investing in a range of proven social protections, especially income supports.

Maytree's recommendations

1. Make income support for renters the centrepiece of the next National Housing Strategy by extending the Canada Housing Benefit beyond 2028 and introducing a new Canada Renters Credit

Canada needs more social and supportive housing. But building this type of housing at the scale needed will take years, and many people with low incomes cannot afford to wait. In the meantime, income supports are a proven way to help people afford rent in the private market. Supporting people today while we build the housing of tomorrow is how Canada can progressively realize the right to adequate housing.

Unfortunately, the current patchwork of income supports for renters, from social assistance programs to the Canada Housing Benefit (CHB), is insufficient and fails to reach many in need.

To ensure that the nearly 300,000 households who have been assisted by the CHB continue to receive the critical income support they need to stay housed, Maytree recommends that the government maintain and extend the program's funding.

In parallel, the federal government should introduce a Canada Renters Credit – Maytree's proposal for direct support to renters delivered efficiently through the tax system.[6] The proposal is similar to the Canada Child Benefit, but aimed at renters with low incomes. No cumbersome applications, no referrals, no waitlists. Just one national income floor from coast to coast.

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6 DiBellonia, S. (2026). *Proposal for a Canada Renters Credit: A new tool to complement and reform the Canada Housing Benefit*. Maytree. https://maytree.com/publications/proposal-for-a-canada-renters-credit/.

The Canada Renters Credit would:

- Provide entitlement-based support available to market renters who meet income eligibility requirements;
- Provide up to $200 per month for a single-person household, with benefit amounts scaled to household size;
- Gradually decrease as income increases, keeping support targeted without discouraging work; and
- Reach roughly 2 million renter households in need at a cost of about $4.7 billion annually.

Combined with the Canada Housing Benefit, a Canada Renters Credit would move us closer to an integrated Canada Housing Benefit System where all current and would-be renters have access to adequate income support delivered through multiple access pathways.[7]

The federal government should also work with the CRA to implement a Canada-wide system, modelled on the approach of Revenu Québec, requiring landlords to submit basic tenancy information through tax reporting. This would make it easier to verify eligibility for housing benefits and for renters to access them, reducing duplication, administrative burden, and intrusive reporting requirements. Tenants could then report a landlord-provided reference number on their tax return, enabling the CRA to match their information to the landlord's filing.

2. Align the next national housing strategy with the federal National Housing Strategy Act, 2019

The National Housing Strategy Act, 2019 (NHSA) recognizes that adequate housing is a fundamental human right and commits the government to further the progressive realization of this right. The NHSA requires that the Minister of Housing and Infrastructure develop and maintain a National Housing Strategy, that, among other things:

- Establishes national goals relating to housing and homelessness, and identifies related priorities, initiatives, timelines, and desired outcomes;
- Focuses on improving housing outcomes for persons in greatest need; and

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7 DiBellonia, S. (2026). *Blueprint for a Canada Housing Benefit System: Architecture and design features*. Maytree. https://maytree.com/publications/blueprint-for-a-canada-housing-benefit-system-architecture-and-design-features/.

- Provides for participatory processes to ensure the ongoing inclusion and engagement of civil society, stakeholders, vulnerable groups, and persons with lived experience of housing need and homelessness.

Since the government's current national housing strategy was developed before the NHSA was established, these commitments have yet to be realized. The launch of the next National Housing Strategy presents an opportunity to put our human rights commitments into action.

Maytree recommends that the government establish an explicit process for embedding a human rights-based approach across the National Housing Strategy, including ways for people who have faced a denial of their housing rights to participate in the strategy's development and implementation. At a policy level, a human rights-based approach would prioritize those in greatest housing need, establish a realistic plan to end homelessness and reduce core housing need, and offer clear targets and metrics to measure progress.

3. Enhance the Canada Groceries and Essentials Benefit to address soaring food insecurity

In June, the government released its National Food Security Strategy, outlining a framework meant to strengthen food systems across Canada. While Maytree agrees with the strategy's aim to address the "structural causes of food insecurity," we are concerned that it does not sufficiently bolster income assistance – a targeted policy tool with a proven record of reducing food insecurity.

To better meet the needs of millions of Canadians struggling with the cost of food, Maytree recommends that the government create a more generous Canada Groceries and Essentials Benefit using the design proposed by the Affordability Action Council.[8] At the very least, the government should make permanent the one-time 50 per cent top-up to the benefit that was delivered in spring 2026.

We also echo the calls from several food security organizations for the government to convene a cross-departmental roundtable on food security. This roundtable would involve representatives from Agriculture and Agri-Food Canada, Employment and Social Development Canada, Indigenous Services Canada, Health Canada, and other relevant departments, alongside civil society organizations, researchers, Indigenous partners, and people with lived experience of food insecurity. The purpose of this roundtable should be to discuss the National Food

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8 Affordability Action Council. (2023). *Groceries and Essentials Benefit: Helping People with Low Incomes Afford Everyday Necessities*. https://irpp.org/research-studies/groceries-and-essentials-benefit/.

Security Strategy, explore opportunities to strengthen its implementation, and ensure that food security is addressed through a whole-of-government approach.[9]

4. Expand eligibility for automatic tax filing so that more people with low incomes receive the benefits to which they are entitled

The tax system acts as the gateway to most income supports in Canada, including the Canada Child Benefit, the Canada Disability Benefit, and the Canada Groceries and Essentials Benefit. That is why we strongly support the government's automatic federal benefits initiative, including Budget 2025's proposal to allow the CRA to file a tax return on behalf of many low-income individuals.

However, further action is needed to ensure that everyone can access the benefits to which they are entitled, including:

- Accelerating the phase-in of automatic federal benefits, prioritizing social assistance recipients;
- Expanding eligibility for deemed filing by increasing the income threshold closer to Canada's Official Poverty Line and providing continuous access; and
- Working with provinces and territories to expand automatic eligibility to provincial and territorial tax-based benefits.

Canada's approach to automatic federal benefits has been, and remains, far too cautious. The time for tinkering and piloting is over.

5. Make it easier to apply for and receive federal disability benefits

Canada's disability support programs are too often focused on screening people out when they should be welcoming them in. The problem begins with the federal government's reliance on the Disability Tax Credit (DTC) as the single access point for 17 federal disability programs. Though it was not designed for this purpose, the DTC has become the de facto doorway to a wide range of supports for people with disabilities, including income security, housing, employment, education, health care, child care, and accessibility.

9 Right to Food. (2026). *Collective statement: A strong national food security strategy starts with meaningful partnership with the food security sector*. https://righttofood.ca/a-strong-national-food-security-strategy-starts-with-meaningful-partnership-with-the-food-security-sector/.

Yet this doorway is too narrow and too difficult to navigate.[10] The DTC is still treated largely as a non-refundable tax credit, even though its primary function today is as a social policy tool that determines access to much of Canada's disability support system. As a result, restrictive eligibility rules and administrative barriers do not just limit access to one tax credit; they shut people out of a broader network of federal, provincial, and territorial supports.

We need a government-wide shift in mindset. Maytree recommends a series of changes to the federal disability system:

- Embed a human rights framework ("nothing about us without us") in all federal disability policy.
- Adopt the broader definition of disability used in the Accessible Canada Act. Failing this, reverse-engineer a definition that is broad enough to include all existing provincial/territorial definitions used for disability income assistance.
- Grant automatic federal qualification to anyone already receiving provincial/territorial disability benefits.
- Transfer disability eligibility assessment from the Canada Revenue Agency (CRA) to Employment and Social Development Canada and move appeals to the Social Security Tribunal rather than Tax Court.
- Rename the DTC certificate (e.g., "federal disability benefits certificate") to reflect its true function.
- Launch a national awareness strategy with disability organizations, tax clinics, and caregiver networks.
- Redesign the application form in plain language; allow applicants to complete functional sections themselves.
- Reimburse medical practitioners directly, mirroring the existing Canada Pension Plan Disability model.
- Increase funding for the Disability Benefit Navigation program.
- Develop a comprehensive DTC data strategy to measure outcomes and accountability.

Accessing benefits is important, but so is ensuring these benefits offer adequate support. The government must continue to invest in the Canada Disability Benefit

10 White, A. (2026). *From screening out to welcoming in: Promoting access to federal disability benefits*. Maytree. https://maytree.com/publications/from-screening-out-to-welcoming-in-promoting-access-to-federal-disability-benefits/.

(CDB). The current maximum benefit is far too small to address disability poverty and provide for a life of dignity.[11] People with disabilities deserve better.

6. Introduce legislation to give the CRA authority to wind-down the pandemic benefit recovery regime

Canada's pandemic income supports were built for speed, not precision. Programs like the Canada Emergency Response Benefit (CERB) and Canada Recovery Benefit (CRB) delivered billions of dollars quickly through an attestation-based system that encouraged Canadians to apply if they believed they qualified. Millions did, often under conditions of fear, urgency, and unclear rules.

Six years later, the federal government is still pursuing repayment from many of those same individuals. This recovery regime is no longer justified – economically, administratively, or morally – and should be ended through a structured wind-down. Canada stands out for continuing full enforcement against low-income individuals, while other countries have recognized the inefficiency and inhumanity of continuing to pursue government debt incurred during a global crisis.

However, current pandemic benefit legislation leaves no room for negotiated settlements or write-downs. Finance Canada must introduce amendments to the Income Tax Act that allow a formal wind down of CERB/CRB collections to begin.[12]

7. Recommit to the poverty targets in Canada's Poverty Reduction Strategy

Canada is at risk of missing its target of cutting poverty in half by 2030 compared to 2015. But it is not too late to change course. The government should recommit to its target and develop policies, including enacting policies and programs that have a realistic chance of success.

A revitalized anti-poverty agenda should also look to new measurement tools that expand how we understand progress towards the right to an adequate standard of living. Food Banks Canada's proposed design for a Material Deprivation Index (MDI) is a prime example.[13]

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11 Laidley, J. & Oliveira, T. (2026). *Welfare in Canada, 2025*. Maytree. https://maytree.com/wp-content/uploads/Welfare_in_Canada_2025.pdf.

12 Stapleton, J. & Goodman, M. *Let it be over: It's time to wind down the collection of pandemic benefits from Canada's poorest and most marginalized residents*. Maytree. https://maytree.com/publications/let-it-be-over/.

13 Food Banks Canada. (2023). *Providing a fuller picture of poverty in Canada: The Material Deprivation Index*. https://foodbankscanada.ca/providing-a-fuller-picture-of-poverty-in-canada-the-material-deprivation-index/