



Putting commitment into action: How social protections can make Canada strong for all

Written submission for the pre-budget
consultations in advance of the 2026
federal budget

Submitted by:

Maytree

May 2026

Maytree
77 Bloor Street West
Suite 1600
Toronto, ON M5S 1M2
CANADA

+1-416-944-2627

info@maytree.com
www.maytree.com

ISBN: 978-1-996945-02-5
© Maytree, 2026

Maytree's recommendations

Improve support for people facing the greatest affordability challenges

Recommendation 1: Work with provinces and territories to create a new Canada Housing Benefit System.

Recommendation 2: Increase and expand targeted income supports, such as the Canada Groceries and Essentials Benefit and the Canada Disability Benefit.

Recommendation 3: Ensure that the government's next national housing strategy continues to focus on people in deepest housing need.

Reduce barriers to accessing support

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

Recommendation 5: Replace the restrictive Disability Tax Credit (DTC) disability definition with a new broader definition and grant automatic DTC eligibility to individuals receiving disability benefits through social assistance.

Recommendation 6: Address DTC access barriers through an overhaul of the application process and related supports.

Take accountability for advancing human rights

Recommendation 7: Align the next national housing strategy with the federal National Housing Strategy Act, 2019.

Recommendation 8: Recommit to, and explore ways to strengthen, the federal plan to reduce poverty as set out in Canada's Poverty Reduction Strategy.

The situation: Canada's affordability crisis is hitting people with low incomes the hardest

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.

Canada's record in the ensuing five decades calls into question our commitment to human rights. Compared with the situation before the pandemic, [homelessness](#), [core housing need](#), [poverty](#), and [food insecurity](#) have increased significantly. More recently, the elimination of the Canada Carbon Rebate has left many low-income Canadians with less income support than they had before the last election, even after accounting for other tax cuts and new benefits. Today, it is the lowest-income households [who will suffer most](#) from the spike in oil prices, and who benefit the least from broad-based responses such as reducing taxes on gasoline.

The solution: Strengthen Canada's social protections

The federal government is investing in Canada's economic growth through significant capital investments, with the goal of "[building Canada strong for all](#)." While we applaud these efforts, without equal attention to social protections – especially income support for people in deepest need – the benefits of economic growth will only go to the wealthy.

For example, the new housing-enabling infrastructure stream in the [Build Communities Strong Fund](#) is rightly focused on projects that support and enable housing supply, such as roads, bridges, and public transit. Though they are necessary, it is also important to recognize that physical infrastructure projects can take years or even decades to be completed. In the meantime, tens of thousands of people across Canada need support now to be able to afford the necessities of a dignified life, including housing.

Allowing our system of social protections to perpetuate poverty and homelessness constitutes both a moral failure and an economic mistake. Investments in a more equitable society boost inclusive long-term economic growth, but the government's

fixation on “balancing the operating budget” is akin to declaring that the only investments worth making are ones that support things, not people.

In Budget 2026, Maytree recommends that the government put its commitment to build Canada strong for all Canadians – including those in deepest housing and income need – into action. To make this commitment a reality, policies should focus on improving supports for people with the lowest incomes, reducing barriers to accessing these supports, and setting up rights-based mechanisms to measure progress.

The way forward

Improve support for people facing the greatest affordability challenges

Recommendation 1: Work with provinces and territories to create a new Canada Housing Benefit System.

Canada needs more social and supportive housing for renters with low incomes. But building this type of housing at the scale that is needed will take years – years that many people cannot afford to wait for.

In the meantime, income is what allows people to rent immediately in the private market, where most housing is available. Supporting people today while we build the housing of tomorrow is not only necessary, but the most cost-effective option for the progressive realization of the right to housing.

Unfortunately, the current patchwork of income support for housing, such as social assistance programs and the Canada Housing Benefit (CHB), is inadequate compared to the cost of rent and fails to reach all who need it. On top of that, federal funding for the CHB is set to expire in 2028, leaving as many as 330,000 households at risk.

Rather than layering new benefits on top of an already overly complex benefit landscape, we can streamline and enhance what we already have. That is why [Maytree is proposing](#) a Canada Housing Benefit System for renters where:

1. The federal government, provinces, and territories work cooperatively to develop a standard for housing benefits across Canada. Provinces and territories can negotiate some flexibility in meeting the standard to reflect local circumstances.

2. The housing benefit standard largely mirrors the design of Manitoba's Rent Assist program – one of the most impactful housing benefits in Canada.
3. The default benefit calculation follows a simple formula: Recipients contribute 30 per cent of their income towards rent, and the benefit fills the gap between that contribution and 80 per cent of the median market rent for an appropriately sized unit in the jurisdiction's most populous region.
4. Federal, provincial, and territorial governments contribute as equal partners in both financial and non-financial ways.
5. Provinces and territories retain responsibility over administration, working with the Canada Revenue Agency (CRA). Most households would access benefits through the tax system, with a transitional stream operating through social assistance systems to respond to urgent needs.

We urge the federal government to commit to implementing a new Canada Housing Benefit System as it develops its next national housing strategy.

However, we recognize that this system is a long-term vision that could take some time to fully implement. In the interim, the federal government should ensure that Canada Housing Beneficiaries continue to be supported. This means, at a minimum, extending funding until a permanent support is developed.

Recommendation 2: Increase and expand targeted income supports, such as the Canada Groceries and Essentials Benefit and the Canada Disability Benefit.

In 2024, just over [18 per cent of people lived in households](#) that reported experiencing moderate or severe food insecurity. While working does help to increase overall income levels, [it is not a sufficient protection](#) against food insecurity.

Strengthening our income security system remains the best tool to reduce or eliminate food insecurity, particularly for lower-income households. Though Maytree commends the federal government's recent investments to enhance and replace the GST/HST credit with the Canada Groceries and Essentials Benefit, rising food costs and [persistent demand for food banks](#) show that more still needs to be done.

Maytree recommends that the federal government align the benefit design with the [recommendations made by the Affordability Action Council](#), so that benefits provide up to \$1,800 per adult and \$600 per child annually. In the meantime, the federal government should make permanent the one-time 50 per cent top-up to the GST/HST credit that is currently limited to spring 2026.

In addition, the government must continue to invest in the Canada Disability Benefit (CDB). Although the CDB is a positive step forward, people with disabilities [still have inadequate incomes](#) that are often far below Canada's Official Poverty Line. The government should increase benefit amounts so that people with disabilities who have very low incomes are supported to live with dignity.

Recommendation 3: Ensure that the government's next national housing strategy continues to focus on people in deepest housing need.

While Maytree supports the government's plan to build affordable housing at scale through Build Canada Homes, the current approach is not ambitious enough. By building housing on government land and retaining ownership of the asset, Build Canada Homes could build [exponentially more housing than currently planned](#), with negligible impact on the government's bottom line.

But even with these improvements, this initiative will not be able to meet the varying housing challenges faced by people across the housing continuum, especially the needs of lower-income renters and people experiencing homelessness.

As the government develops its next national housing strategy, it should consider ways to strengthen programs that focus on these individuals. In addition to reforming the Canada Housing Benefit, these programs are:

- Reaching Home;
- The Unsheltered Homelessness and Encampments Initiative;
- The Renters' Bill of Rights;
- The Canada Rental Protection Fund;
- The Rapid Housing Sub-Stream of the Affordable Housing Fund;
- The Federal Community Housing Initiative; and
- The Canada Community Housing Initiative.

Reduce barriers to accessing support

Recommendation 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 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.

Recommendation 5: Replace the restrictive Disability Tax Credit (DTC) disability definition with a new broader definition and grant automatic DTC eligibility to individuals receiving disability benefits through social assistance.

The DTC uses a particularly complex definition of disability considered to be among the most restrictive of all disability support programs in Canada. As a result, it shuts out hundreds of thousands of people with disabilities who qualify for a disability-related social assistance program.

Budget 2026 should commit to a process for broadening the definition of disability so that it is inclusive of all provincial and territorial disability definitions, ensuring that a person receiving disability support through social assistance in any province or territory will also qualify for federal benefits.

Once a broader definition is in place, the federal government should work with provinces and territories to create a seamless data sharing process to facilitate automatic qualification for federal disability benefits.

Recommendation 6: Address DTC access barriers through an overhaul of application processes and related supports.

No government program should be so burdensome that it gives rise to a [for-profit industry of “promoters”](#) devoted solely to providing navigation support, yet this describes the DTC today. While Maytree supports the federal government’s decision, announced in the [Spring Economic Update 2026](#), to streamline the DTC application process for people with long-lasting medical conditions, this will address only a few of the many structural and administrative barriers that prevent access. An overhaul of the full application process is long overdue.

The overcomplicated system should be replaced with a new streamlined, plain-language application, tested with people with disabilities. Functional assessment questions should be consolidated to reduce duplication and confusion, and

applicants should be empowered to complete the functional assessments themselves, with clinicians confirming accuracy rather than acting as form writers.

Another critical barrier to the DTC is the fees that medical practitioners charge for completing the required forms. Previous federal budgets have promised a partial reimbursement system, but this leaves out too many applicants. Additionally, too many DTC recipients have been forced to repeat the application multiple times. Requiring repeated applications causes unnecessary stress and expense on applicants and our health system.

Budget 2026 should commit to federal reimbursement of medical practitioners' charges, reducing the use of unnecessary temporary certificates, and establishing a simplified renewal process nationwide, building on the [Manitoba pilot](#). Additionally, Budget 2026 should increase funding for the Disability Benefit Navigation program, which funds not-for-profit community-based organizations to help people access the Disability Tax Credit, the CDB, and other provincial and territorial disability benefits.

Take accountability for advancing human rights

Recommendation 7: 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
- 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, they were never fully aligned. The launch of the next housing strategy presents an opportunity to get this alignment right.

Maytree recommends that the government establish an explicit process and timeline to embed a human rights-based approach across its existing housing

policies and programs, as well as any new ones that are developed as part of the next strategy. Such an approach would include a commitment and plan to end homelessness and reduce core housing need, as well as clear targets and metrics to measure progress. This approach echoes the calls from a [recent letter from the National Housing Council](#) to Minister Robertson, which recommends that the next national housing strategy focuses on, among other objectives, reducing homelessness to functional zero and reducing the number of households experiencing persistent need.

In addition, aligning the new strategy with the NHSA will require ensuring the views of people with lived expertise are reflected in its development and implementation. It is therefore critical that any consultations on the new plan are informed by meaningful engagement with people with lived experience of housing precarity and homelessness.

Recommendation 8: Recommit to, and explore ways to strengthen, the federal plan to reduce poverty as set out in Canada’s Poverty Reduction Strategy.

Canada is at risk of missing its target of cutting poverty in half by 2030 compared to 2015. The government’s own [National Advisory Council on Poverty](#) is concerned about this trend, and there is still no realistic plan that would see Canada get back on course.

The federal government should recommit to its 2030 poverty reduction target and release a renewed plan with a realistic chance of success. Targets embedded in a renewed strategy should use new measurement tools that will better gauge progress towards the right to an adequate standard of living. For example, Food Banks Canada’s proposed design for a [Material Deprivation Index \(MDI\)](#) for Canada could better measure people’s actual experiences of poverty.

Maytree is pleased to have the opportunity to provide input in advance of the 2026 federal budget. We welcome any feedback on our recommendations.