



*SPSD/M* 

# Release 16.1 Update

This guide is designed to provide SPSPD/M users with new information relating to the release of Version 16.1 algorithms and software.



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## WARNING

This software is complex. It is designed to be easy to use. However, the institutions and programs it models are themselves complex. **It is thus possible to make subtle mistakes that may result in significant estimation errors.** To make the best use of the SPSD/M, please read the available documentation. Then if you have any problems or you are unsure of the simulation approach or results, please phone us at (613) 951-3774.

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## Overview

This document outlines the modifications that the SPSPD/M has undergone subsequent to the version 16.0 release. This current release is called version 16.1 and users will note that the chapter headings in this Addendum correspond to guides in the manuals.

This version of the SPSPD/M is only fully compatible with Windows XP/2000. Microsoft Vista users will be able to use the SPSPD/M once they download a file from the Microsoft website which will allow them to view the help system. See <http://go.microsoft.com/fwlink/?LinkID=82148>. Users of older operating systems should contact Statistics Canada at (613) 951-3774 to find out if an unsupported version can be used with their operating system.

Users experiencing difficulties updating their black-box or glass-box applications to version 16.1 should contact Statistics Canada at (613) 951-3774.

If you are a new SPSPD/M user, you should look at the *Introduction and Overview* manual first, since much of the material here will be incomprehensible without some familiarity with SPSPD/M concepts.

### **RELATIONSHIP TO EXISTING DOCUMENTATION**

This Addendum is a guide to the changes in SPSPD/M software between 16.0 and 16.1. This Addendum is intended to be used in conjunction with the other SPSPD/M Guides included as part of the 16.1 release. The information in this Addendum supersedes the information in the documentation released with version 16.0.

It is worth noting that the examples in the *Introduction and Overview* will still function. However the screen images and the exact results may vary.

### **SUMMARY OF MAJOR CHANGES**

#### **DATABASE and GROWTH**

Recent economic growth projections from Finance Canada are incorporated into the parameter files.

Parameter and weight files are now provided to 2013.

#### **TAX/TRANSFER ALGORITHMS AND PARAMETERS**

Parameter files updated through 2008 tax forms.

Parameter files updated with 2009 federal and provincial TD1 forms.

The Saskatchewan Low Income Tax Credit was implemented. It replaces the Saskatchewan Sales Tax Credit. This enhanced credit became effective in July 2008.

Changes to the calculation of employment income to exclude in the determination of the Alberta Seniors Benefit have been implemented. The change became effective in July 2008.

The changes to the Manitoba Fifty-Five Plus program for 2009 were implemented.

The Manitoba Fifty-Five Plus (MFFP) program has been changed in order to allow for more flexibility.

The calculation of social assistance payments for the elderly has been redesigned.

### **LEGISLATIVE CHANGES MODELED**

The changes in tax transfer legislation that have been incorporated into the SPSPD/M 16.1 are detailed in this section.

#### **Federal Changes**

There were no federal changes in this release.

#### **Provincial Changes**

##### **Quebec**

The maximum amount of retirement income eligible for the tax credit will be raised from \$1,500 to \$2,000 in 2009. In addition, this amount will be indexed at the indexing rate of the personal income tax system as of 2010.

##### **Ontario**

The income threshold for the Ontario Property and Sales Tax Credit for senior couples has been set at \$24,300 for 2008.

##### **Manitoba**

The changes to the Manitoba Fifty-Five Plus program for 2009 were implemented.

##### **Saskatchewan**

The Saskatchewan Low Income Tax Credit was implemented. It replaces the Saskatchewan Sales Tax Credit. This enhanced credit became effective in July 2008.

Increases to the basic personal amount, spousal amount and dependent child amount have been implemented for the 2008 taxation year.

The Saskatchewan Income Plan has been renamed to the Seniors Income Plan, which offers higher benefits to eligible seniors. The calculation of the benefit remains unchanged.

## **British Columbia**

The rate decrease in the provincial tax table for 2008 has been applied. The lowest tax bracket is now 5.06%, down from 5.24%, while the second bracket is reduced to 7.7% from 7.98%.

## **COMTAX**

Economic data for 2004 to 2007 has been revised from the previous version.

There were no other changes to the COMTAX model.

## **How to Run the SPSM guide**

It is now possible to run glass box executables (variant executables) using Visual SPSM.

## **User's guide**

It is now possible to run glass box executables (variant executables) using Visual SPSM. See the How to Run the SPSM guide for more details.

## **Tool User's guide**

It is now possible to use the bldspd facility to build spsd files which have household sequence numbers starting at a non-zero value.

## **Programmer's Guide**

It is now possible to run glass box executables (variant executables) using Visual SPSM. See the How to Run the SPSM guide for more details.

Please call the SPSM hotline at (613) 951-3774 if you have any questions about using SPSM in glass-box mode.

## **Commodity Tax User's Guide**

There were no changes in this release.

## **Algorithm Guide**

The following section titled "Overview of algorithm changes" provides a list of the major changes organized by level of government and tax/transfer program. The following sections present the changes organized by the C++ language functions which were required to implement the programs. (A change in tax/transfer legislation may require changes to multiple functions.)

## **OVERVIEW OF ALGORITHM CHANGES**

## **Database adjustment**

There were no changes in this release

## **Federal**

There were no major changes in this release

## **Provincial**

The Saskatchewan Low Income Tax Credit was implemented. It replaces the Saskatchewan Sales Tax Credit. This enhanced credit became effective in July 2008.

Changes to the calculation of employment income to exclude in the determination of the Alberta Seniors Benefit have been implemented. The change became effective in July 2008.

The Manitoba Fifty-Five Plus (MFFP) program has been changed in order to allow for more flexibility.

The calculation of social assistance payments for the elderly has been redesigned.

## **CHANGES BY FUNCTION**

### **cceopt      Multiple calls of tax/transfer calculator**

Users now have the option of which income concept to use to maximize the optimization of the pension income splitting scheme. Users may now optimize the federal pension income splitting scheme on either consumable income or disposable income. A separate option has been added for the Quebec pension income splitting scheme allowing users to select either consumable income or disposable income on which to optimize pension income splitting for Quebec provincial taxes.

The variable for the British Columbia Seniors Supplement (imbcss) has been replaced by the amount of GIST which goes into social assistance (imgistsa).

### **gis      Compute GIS/SPA for elderly**

Workers compensation benefits have been added to the income test for GIS.

### **gist      Compute Provincial GIS top-ups for elderly**

As part of the redesign of the calculation of social assistance payments for the elderly, the new variable imgistsa contains the amount of GIST which is considered to be social assistance.

The Manitoba Fifty-Five Plus (MFFP) program has been changed in order to allow for more flexibility. The MFFP provides quarterly benefits to Manitoba residents who

are in receipt of certain levels of GIS and SPA benefits, including extended and widowed SPA recipients (the senior component). MFFP also provides benefits to persons aged 55 and over who do not qualify for OAS (the junior component). In the case of GIS/SPA recipients there the maximum benefit is MFFPSBEN and it is reduced by MFFPSRR. In the case of people who are not recipients, the maximum benefit is MFFPJBEN which is reduced at a rate of MFFPJRR for income over MFFPJTD.

The Alberta Seniors Benefit income test was revised in July 2008. Applicants are now able to exclude up to ASBEMPDD of employment income in the calculation of income for benefit turndown. The new parameter ASBEMPOPT handles the employment income exclusion option, when set to 1, 5% of employment income may be excluded, when set to 2, up to \$3600 of employment income in 2008 may be excluded. The revised income test has also been implemented for the benefit calculation for the calendar year.

#### **mpc     Calculate derived model parameters and do edits**

An edit check was added to ensure that SAELDOPTPR is not greater than 5.

#### **samod     Compute social assistance or guarantees**

The calculation of social assistance payments for the elderly has been redesigned. For persons aged 65 and over there are now five possible means of calculating social assistance. They are controlled by the SAELDOPTPR parameter which allows for different values for each province. A bug was also fixed in the split of social assistance payments between the federal and provincial portions.

#### **txalta     Compute provincial taxes for Alberta**

A flag was added to the provincial Medical Expense Tax Credit to allow users an option to easily turn on/off this non-refundable tax credit.

#### **txbc     Compute provincial taxes for British Columbia**

A flag was added to the provincial Medical Expense Tax Credit to allow users an option to easily turn on/off this non-refundable tax credit.

#### **txcalc     Calculate federal income tax**

The variable for the British Columbia Seniors Supplement (imbcss) has been replaced by the amount of GIST which goes into social assistance (imgistsa).

#### **txinet     Compute net income**

The variable for the British Columbia Seniors Supplement (imbcss) has been replaced by the amount of GIST which goes into social assistance (imgistsa).



### **txitax      Compute taxable income and individual credits**

The variable for the British Columbia Seniors Supplement (imbcss) has been replaced by the amount of GIST which goes into social assistance (imgistsa).

A flag was added to the provincial Medical Expense Tax Credit to allow users an option to easily turn on/off this non-refundable tax credit.

### **txman      Compute provincial taxes for Manitoba**

A flag was added to the provincial Medical Expense Tax Credit to allow users an option to easily turn on/off this non-refundable tax credit.

The amount of GIST which goes into social assistance (imgistsa) was added to the model.

### **txnb      Compute provincial taxes for New Brunswick**

A flag was added to the provincial Medical Expense Tax Credit to allow users an option to easily turn on/off this non-refundable tax credit.

The amount of GIST which goes into social assistance (imgistsa) was added to the model.

### **txnfld      Compute provincial taxes for Newfoundland**

A flag was added to the provincial Medical Expense Tax Credit to allow users an option to easily turn on/off this non-refundable tax credit.

The amount of GIST which goes into social assistance (imgistsa) was added to the model.

### **txns      Compute provincial taxes for Nova Scotia**

A flag was added to the provincial Medical Expense Tax Credit to allow users an option to easily turn on/off this non-refundable tax credit.

The amount of GIST which goes into social assistance (imgistsa) was added to the model.

### **txont      Compute provincial taxes for Ontario**

A flag was added to the provincial Medical Expense Tax Credit to allow users an option to easily turn on/off this non-refundable tax credit.

The amount of GIST which goes into social assistance (imgistsa) was added to the model.

### **txpei      Compute provincial taxes for P.E.I.**

A flag was added to the provincial Medical Expense Tax Credit to allow users an option to easily turn on/off this non-refundable tax credit.

### **txqcalc      Calculate income tax (Quebec)**

A flag was added to the provincial Medical Expense Tax Credit to allow users an option to easily turn on/off this non-refundable tax credit.

Adjustments were made to the earned income test in the calculation of the Quebec Work Premium to reflect the changes effective for the 2008 taxation year.

The amount of GIST which goes into social assistance (imgistsa) was added to the model.

### **txqhstr      Compute family-related deductions or credits (Quebec)**

The amount of GIST which goes into social assistance (imgistsa) was added to the model.

### **txqinet      Compute net income (Quebec)**

The amount of GIST which goes into social assistance (imgistsa) was added to the model.

### **txqitax      Calculate taxable income and individual credits (Quebec)**

The amount of GIST which goes into social assistance (imgistsa) was added to the model.

### **txsask      Compute provincial taxes for Saskatchewan**

A flag was added to the provincial Medical Expense Tax Credit to allow users an option to easily turn on/off this non-refundable tax credit.

The Saskatchewan Low Income Tax Credit was implemented. It replaces the Saskatchewan Sales Tax Credit. This enhanced credit became effective in July 2008. The basic and spousal tax credits increased to \$216 per person, and \$84 per child up to 2 children. The income threshold where the tax credit begins to be reduced is increased to \$28,335, up from a low of \$13,935 under the Sales Tax Credit program. Lower income individuals are no longer penalized for earning less than \$7200, as the income phase in has been eliminated. The credit amounts and income threshold will be indexed.

## **Parameter Guide**

This section describes new parameters as well as conceptual changes that have

occurred to SPSM parameters. Parameters which have been deleted, or whose interpretations have changed, are identified in this section by a preceding asterisk.

## **CONTROL PARAMETERS**

There were no parameters modified or deleted since the last release.

### **New Parameters**

#### **GLASSEXE: Name of glass box executable**

When this flag is set to 1, the allowable medical expenses are calculated as actual expenses less either AMEDANF percent of net income, or AMEDALL, whichever is less. The Alberta non-refundable medical expense tax credit is only calculated when ATXFLG is set to 1.

## **ADJUSTMENT PARAMETERS**

There were no parameters modified, added or deleted since the last release.

## **TAX/TRANSFER PARAMETERS**

There were no parameters modified since the last release.

### **New Parameters**

#### **AMEDEXFLG: Alberta Medical Expense Tax Credit activation flag**

When this flag is set to 1, the allowable medical expenses are calculated as actual expenses less either AMEDANF percent of net income, or AMEDALL, whichever is less. The Alberta non-refundable medical expense tax credit is only calculated when ATXFLG is set to 1.

#### **ASBEMPDD: Alberta seniors benefit employment income maximum deduction**

This parameter represents the maximum value of employment income that may be deducted from total income when calculating the non-deductible income for the Alberta Seniors Benefit. It is only applied when ASBEMPOPT is set to 2.

#### **ASBEMPDDP: Alberta seniors benefit employment income maximum deduction for 1<sup>st</sup> half of year**

This parameter represents the maximum value of employment income that may be deducted from total income when calculating the non-deductible income for the Alberta Seniors Benefit. It is only applied when ASBEMPOPTP is set to 2.

When ASBCYFLG is activated, July to June programs are calculated on a calendar year basis. This parameter is used to replicate the July to June program for the first half of the year, using the program design from the previous year. The annual

benefit will be equal to half the value calculated for the first half of the year and half the value calculated using the current year's parameters, representing the second half of the year. When the ASBCYFLG is turned off, this parameter is not used as it represents the value for the previous year.

**ASBEMPOPT: Alberta seniors benefit employment income option [1=ASBEMP, 2=ASBEMPDD]**

This option parameter determines the treatment of employment income when calculating the non-deductible income for the Alberta Seniors Benefit. When set to 1, a proportion (ASBEMP) of employment income may be deducted for total income. When set to 2, employment income up to the maximum value of ASBEMPDD may be deducted from total income.

**ASBEMPOPTP: Alberta seniors benefit employment income option for 1<sup>st</sup> half of year [1=ASBEMP, 2=ASBEMPDD]**

This option parameter determines the treatment of employment income when calculating the non-deductible income for the Alberta Seniors Benefit. When set to 1, a proportion (ASBEMPP) of employment income may be deducted for total income. When set to 2, employment income up to the maximum value of ASBEMPDDP may be deducted from total income.

When ASBCYFLG is activated, July to June programs are calculated on a calendar year basis. This parameter is used to replicate the July to June program for the first half of the year, using the program design from the previous year. The annual benefit will be equal to half the value calculated for the first half of the year and half the value calculated using the current year's parameters, representing the second half of the year. When the ASBCYFLG is turned off, this parameter is not used as it represents the value for the previous year.

**BMEDEXFLG: N.B. Medical Expense Tax Credit activation flag**

When this flag is set to 1, the allowable medical expenses are calculated as actual expenses less either BMEDANF percent of net income, or BMEDALL, whichever is less. The New Brunswick non-refundable medical expense tax credit is only calculated when BTXFLG is set to 1.

**CMEDEXFLG: B.C. Medical Expense Tax Credit activation flag**

When this flag is set to 1, the allowable medical expenses are calculated as actual expenses less either CMEDANF percent of net income, or CMEDALL, whichever is less. The British Columbia non-refundable medical expense tax credit is only

calculated when CTXFLG is set to 1.

**MEDEXFLG: Medical Expense Non-refundable Tax Credit activation flag**

When this flag is set to 1, the allowable medical expenses are calculated as actual expenses less either MEDANF percent of net income, or MEDALL, whichever is less.

**MFFPJ BEN: Manitoba GIS supplement: maximum benefit for junior component**

The annual amount for the Manitoba Fifty Five Plus benefit for the junior component (people under the age of 65). It varies depending on idspoflg. Note that though the program runs from April to March, the SPSPD/M assumes that the program starts in January.

**MFFPJRR: Manitoba GIS supplement: reduction rate for junior component**

The reduction rate for the Manitoba Fifty Five Plus benefit for the junior component (people under the age of 65). It varies depending on idspoflg. Note that though the program runs from April to March, the SPSPD/M assumes that the program starts in January.

**MFFPJTD: Manitoba GIS supplement: turndown for junior component**

The turndown amount for the Manitoba Fifty Five Plus benefit for the junior component (people under the age of 65). It varies depending on idspoflg. Note that though the program runs from April to March, the SPSPD/M assumes that the program starts in January.

**MFFPS BEN: Manitoba GIS supplement: maximum benefit for senior component**

Maximum annual Manitoba Fifty Five Plus benefit for the senior component (people aged 65 and over). The maximum depends on imoldtyp. Note that it is calculated as a sum of individual quarterly maximums. Though the program runs from April to March, the SPSPD/M assumes that the program starts in January.

**MFFPSRR: Manitoba GIS supplement: reduction rate for senior component**

The reduction rate for the Manitoba Fifty Five Plus benefit for the senior component (people aged 65 and over). It varies depending on imoldtyp. Note that though the program runs from April to March, the SPSPD/M assumes that the program starts in January.

**MFFSAFLAG: Manitoba GIS supplement: flag that only people without SA can apply**

When this flag is turned on, the Manitoba Fifty Five Plus benefit is only given to people who have no social assistance.

**MMEDEXFLG: Man. Medical Expense Tax Credit activation flag**

When this flag is set to 1, the allowable medical expenses are calculated as actual expenses less either MMEDANF percent of net income, or MMEDALL, whichever is less. The Manitoba non-refundable medical expense tax credit is only calculated when MTXFLG is set to 1.

**NMEDEXFLG: NFLD Medical Expense Tax Credit activation flag**

When this flag is set to 1, the allowable medical expenses are calculated as actual expenses less either NMEDANF percent of net income, or NMEDALL, whichever is less. The Newfoundland non-refundable medical expense tax credit is only calculated when NTXFLG is set to 1.

**OMEDEXFLG: Ont. Medical Expense Tax Credit activation flag**

When this flag is set to 1, the allowable medical expenses are calculated as actual expenses less either OMEDANF percent of net income, or OMEDALL, whichever is less. The Ontario non-refundable medical expense tax credit is only calculated when OTXFLG is set to 1.

**PMEDEXFLG: P.E.I. Medical Expense Tax Credit activation flag**

When this flag is set to 1, the allowable medical expenses are calculated as actual expenses less either PMEDANF percent of net income, or PMEDALL, whichever is less. The P.E.I. non-refundable medical expense tax credit is only calculated when PTXFLG is set to 1.

**QMEDEXFLG: Quebec Medical Expense Tax Credit activation flag**

When this flag is set to 1, the allowable medical expenses are calculated as actual expenses less either QMEDANF percent of net income, or QMEDALL (when QMEDOPT is set to 1), whichever is less.

**QSPLTPNSOPT: Quebec option for income concept to optimize split pension income**

This parameter provides users with an option of which income concept to use to optimize the pension income splitting scheme. When set to 1, consumable income

(immicons) is the income concept used in the optimization test. When set to 2, the income concept used in the optimization test is disposable income (immdisp). This parameter is only used when QSPLTPNSFLAG is set to 1.

**QWPEXPFLG: Quebec Work Premium employment deduction application flag**

When this flag is set to 1, allowable employment expenses (imqalexp) and the clergy residence deduction (idclergy) are subtracted from employment related income in the earned income concept for the Quebec Work Premium; when set to 0, they are not deducted in the earned income test. The Quebec Work Premium is only calculated when QWPFLAG is set to 1.

**QWPSEINC: Quebec Work Premium self employment income concept flag**

When this flag is set to 1, self employment income including losses are included in the earned income concept for the Quebec Work Premium; when set to 0, only positive self employment income is included in the earned income test. The Quebec Work Premium is only calculated when QWPFLAG is set to 1.

**SAELDOPTPR: SA for elderly calculation method [prov]**

This parameter represents the maximum amount for the adult component of the Saskatchewan Low Income Tax Credit (imslitc).

**SLITCBAS: Sask. Low Income Tax Credit base amount**

This parameter represents the maximum amount for the adult component of the Saskatchewan Low Income Tax Credit (imslitc).

**SLITCBASP: Sask. Low Income Tax Credit base amount for 1<sup>st</sup> half of year**

This parameter represents the maximum amount for the adult component of the Saskatchewan Low Income Tax Credit (imslitc).

When GSTCYFLG is activated, the July to June programs are calculated on a calendar year basis. This parameter is used to replicate the July to June program for the first half of the year, using the program design from the previous year. The annual benefit will be equal to half the value calculated for the first half of the year and half the value calculated using the current year's parameters, representing the second half of the year. When the GSTCYFLG is turned off, this parameter is not used as it represents the value for the previous year.

**SLITCFLAG: Sask. Low Income Tax Credit activation flag**

The Saskatchewan Low Income Tax Credit is activated when this parameter is set to 1.

The Saskatchewan Low Income Tax Credit was introduced in July 2008, replacing the Saskatchewan Sales Tax Credit. The Saskatchewan Low Income Tax Credit (imslitc) will consist of an adult component and a child component. This credit will be fully refundable and is assigned to the spouse with the higher income.

The adult component of the Saskatchewan Low Income Tax Credit (SLITCBAS) will be granted to the first adult in the couple, and SLITCSP will be granted to the spouse. In the case of single parent families, SLITCBAS will be granted to the single parent and SLITCSP will be granted to the first child. The child component of the Saskatchewan Low Income Tax Credit will provide an additional SLITCKID per child, up to the maximum number of eligible children, SLITCNKID. In the case of single parent families, the maximum allowable children will be reduced by 1 if a child has been granted the adult amount.

The maximum credit is then reduced at a rate of SLITCRR as family net income rises over SLITCTD.

The value of the Saskatchewan Low Income Tax Credit is also added to provincial refundable credits (imptc).

**SLITCKID: Sask. Low Income Tax Credit child amount**

This is the maximum amount of the child component of the Saskatchewan Low Income Tax Credit (imslitc). For two-parent families, the maximum child component will be this amount for each eligible child up to the maximum number of children in SLITCNKID. For single parent families, the first child will be eligible for the adult benefit of SLITCSP and the maximum child component will be SLITCKID for other eligible children, up to SLITCNKID - 1.

**SLITCKIDP: Sask. Low Income Tax Credit child amount for 1<sup>st</sup> half of year**

This is the maximum amount of the child component of the Saskatchewan Low Income Tax Credit (imslitc). For two-parent families, the maximum child component will be this amount for each eligible child up to the maximum number of children in SLITCNKIDP. For single parent families, the first child will be eligible for the adult benefit of SLITCSPP and the maximum child component will be SLITCKIDP for other eligible children, up to SLITCNKIDP - 1.



When GSTCYFLG is activated, the July to June programs are calculated on a calendar year basis. This parameter is used to replicate the July to June program for the first half of the year, using the program design from the previous year. The annual benefit will be equal to half the value calculated for the first half of the year and half the value calculated using the current year's parameters, representing the second half of the year. When the GSTCYFLG is turned off, this parameter is not used as it represents the value for the previous year.

**SLITCNKID: Sask. Low Income Tax Credit Maximum Number of Children**

This is the maximum number of children that may be claimed for the Saskatchewan Low Income Tax Credit (imslitc). For single parent families, where the first child will be eligible for the adult benefit of SLITCSP, the maximum number of children that may be claimed for the child component will be reduced by 1.

**SLITCNKIDP: Sask. Low Income Tax Credit Maximum Number of Children for 1<sup>st</sup> half of year**

This is the maximum number of children that may be claimed for the Saskatchewan Low Income Tax Credit (imslitc). For single parent families, where the first child will be eligible for the adult benefit of SLITCSP, the maximum number of children that may be claimed for the child component will be reduced by 1.

When GSTCYFLG is activated, the July to June programs are calculated on a calendar year basis. This parameter is used to replicate the July to June program for the first half of the year, using the program design from the previous year. The annual benefit will be equal to half the value calculated for the first half of the year and half the value calculated using the current year's parameters, representing the second half of the year. When the GSTCYFLG is turned off, this parameter is not used as it represents the value for the previous year.

**SLITCRR: Sask. Low Income Tax Credit reduction rate**

This parameter represents the rate at which the Saskatchewan Low Income Tax Credit (imslitc) amount is to be reduced. The total value of the credit, the adult and child components together, will be reduced at this rate when family net income exceeds SLITCTD.

**SLITCRRP: Sask. Low Income Tax Credit reduction rate for 1<sup>st</sup> half of year**

This parameter represents the rate at which the Saskatchewan Low Income Tax Credit (imslitc) amount is to be reduced. The total value of the credit, the adult and child components together, will be reduced at this rate when family net income exceeds SLITCTDP.

When GSTCYFLG is activated, the July to June programs are calculated on a calendar year basis. This parameter is used to replicate the July to June program for the first half of the year, using the program design from the previous year. The annual benefit will be equal to half the value calculated for the first half of the year and half the value calculated using the current year's parameters, representing the second half of the year. When the GSTCYFLG is turned off, this parameter is not used as it represents the value for the previous year.

**SLITCSP: Sask. Low Income Tax Credit spousal amount**

This is the maximum value of the spousal equivalent amount of the Saskatchewan Low Income Tax Credit. An individual will be eligible for this amount in additional benefits for a dependent spouse or equivalent.

In the case of a single parent family, the first child will be eligible for this amount.

**SLITCSPP: Sask. Low Income Tax Credit spousal amount for 1<sup>st</sup> half of year**

This is the maximum value of the spousal equivalent amount of the Saskatchewan Low Income Tax Credit. An individual will be eligible for this amount in additional benefits for a dependent spouse or equivalent.

In the case of a single parent family, the first child will be eligible for this amount.

When GSTCYFLG is activated, the July to June programs are calculated on a calendar year basis. This parameter is used to replicate the July to June program for the first half of the year, using the program design from the previous year. The annual benefit will be equal to half the value calculated for the first half of the year and half the value calculated using the current year's parameters, representing the second half of the year. When the GSTCYFLG is turned off, this parameter is not used as it represents the value for the previous year.

**SLITCTD: Sask. Low Income Tax Credit turndown**

This parameter represents the income turndown level for the maximum amount of the Saskatchewan Low Income Tax Credit (imslitc). The Saskatchewan Low Income

Tax Credit amount will be reduced by SLITCRR as family net income increases above this amount.

**SLITCTDP: Sask. Low Income Tax Credit turndown for 1<sup>st</sup> half of year**

This parameter represents the income turndown level for the maximum amount of the Saskatchewan Low Income Tax Credit (imslitc). The Saskatchewan Low Income Tax Credit amount will be reduced by SLITCRRP as family net income increases above this amount.

When GSTCYFLG is activated, the July to June programs are calculated on a calendar year basis. This parameter is used to replicate the July to June program for the first half of the year, using the program design from the previous year. The annual benefit will be equal to half the value calculated for the first half of the year and half the value calculated using the current year's parameters, representing the second half of the year. When the GSTCYFLG is turned off, this parameter is not used as it represents the value for the previous year.

**SMEDEXFLG: Sask. Medical Expense Tax Credit activation flag**

When this flag is set to 1, the allowable medical expenses are calculated as actual expenses less either SMEDANF percent of net income, or SMEDALL, whichever is less. The Saskatchewan non-refundable medical expense tax credit is only calculated when STXFLG is set to 1.

**SPLTPNSOPT: Option for income concept to optimize split pension income**

This parameter provides users with an option of which income concept to use to optimize the pension income splitting scheme. When set to 1, consumable income (immicons) is the income concept used in the optimization test. When set to 2, the income concept used in the optimization test is disposable income (immdisp). This parameter is only used when SPLTPNSFLAG is set to 1.

**VMEDEXFLG: N.S. Medical Expense Tax Credit activation flag**

When this flag is set to 1, the allowable medical expenses are calculated as actual expenses less either VMEDANF percent of net income, or VMEDALL, whichever is less. The Nova Scotia non-refundable medical expense tax credit is only calculated when VTXFLG is set to 1.

**Deleted Parameters**

**MANC: Manitoba GIS supplement: married pensioners**

This parameter was replaced by MFFPSBEN.

**MANCNPF: Manitoba GIS supplement reduction point: married**

This parameter was replaced by MFFPJEN.

**MANS: Manitoba GIS supplement: single pensioners**

This parameter was replaced by MFFPSBEN.

**MANSNPF: Manitoba GIS supplement reduction point: single**

This parameter was replaced by MFFPJEN.

**SAELDOPT: SA for elderly calculation method [1=~SA,2=GIST->~SA,3=diff]**

This parameter was replaced by SAELDOPTPR.

## Variable Guide

This section includes descriptions of all new variables introduced in version 16.1. Variables which have been deleted, or whose interpretations have changed, are also described and are identified in this section by a preceding asterisk.

### NEW VARIABLES

**imgistsa: Amount of GIST which goes into SA**

The Saskatchewan Low Income Tax Credit became effective in July 2008 as a replacement to the Saskatchewan Sales Tax Credit.

The program is activated by setting SLITCFLAG to 1. The Saskatchewan Low Income Tax Credit (imslitc) will consist of an adult component and a child component. This credit will be fully refundable and is assigned to the spouse with the higher income.

The adult component of the Saskatchewan Low Income Tax Credit (SLITCBAS) will be granted to the first adult in the couple, and SLITCSP will be granted to the spouse. In the case of single parent families, SLITCBAS will be granted to the single parent and SLITCSP will be granted to the first child. The child component of the Saskatchewan Low Income Tax Credit will provide an additional SLITCKID per child, up to the maximum number of eligible children, SLITCNKID. In the case of single parent families, the maximum allowable children will be reduced by 1 if a child has been granted the adult amount.

The maximum credit is then reduced at a rate of SLITCRR as family net income rises over SLITCTD.

The value of the Saskatchewan Low Income Tax Credit is also added to provincial refundable credits (imptc).

**imslitc: Saskatchewan refundable low income tax credit**

The Saskatchewan Low Income Tax Credit became effective in July 2008 as a replacement to the Saskatchewan Sales Tax Credit.

The program is activated by setting SLITCFLAG to 1. The Saskatchewan Low Income Tax Credit (imslitc) will consist of an adult component and a child component. This credit will be fully refundable and is assigned to the spouse with the higher income.

The adult component of the Saskatchewan Low Income Tax Credit (SLITCBAS) will be granted to the first adult in the couple, and SLITCSP will be granted to the spouse. In the case of single parent families, SLITCBAS will be granted to the single parent and SLITCSP will be granted to the first child. The child component of the Saskatchewan Low Income Tax Credit will provide an additional SLITCKID per child, up to the maximum number of eligible children, SLITCNKID. In the case of single parent families, the maximum allowable children will be reduced by 1 if a child has been granted the adult amount.

The maximum credit is then reduced at a rate of SLITCRR as family net income rises over SLITCTD.

The value of the Saskatchewan Low Income Tax Credit is also added to provincial refundable credits (imptc).

**DELETED VARIABLES****imbcss: British Columbia Seniors Supplement**

This variable was replaced by imgistsa.

**Growth and Validation Guide****GROWTH UPDATES**

The growth rates were changed to reflect the updated average of private sector forecasts.

**Online Documentation**

The SPSPD/M online documentation provides quick access to the full Documentation Guides. These online guides will only work with Windows 2000/XP. Vista users will be able to use the SPSPD/M once they download a file from the Microsoft website which will allow them to view the help system. See <http://go.microsoft.com/fwlink/?LinkID=82148>. The documentation can be found in

the SPSM menu under Start, Programs.

This product is similar to the standard windows help system and a full text search is supported. If you are having any problems using the online documentation please contact us at (613) 951-3774.