



SPSD/M



Release 6.0 Update

This guide is designed to provide SPSPD/M users with new information relating to the release of version 6.0 data, algorithms, and software.

Date: November 5, 1997



Statistics
Canada

Statistique
Canada

Canada

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 easy 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.

Table of Contents

Overview	1
Relationship to Existing Documentation	1
Summary of Major Changes	1
Legislative Changes Modeled	2
Federal Changes.....	2
Provincial Changes	3
32-bit Environment.....	6
Printed Documentation	6
Installation Guide.....	7
Version 6.0 Package Contents	7
On-line Documentation Installation	8
Users Guide	9
Semi-colons allowed in last XTSPEC line	9
Enhanced keyboard now supported.....	9
Programmers Guide	10
Algorithm Guide	11
Overview of algorithm changes	11
Changes by function	11
Parameter Guide.....	21
Adjustment Parameters.....	21
Tax/Transfer Parameters.....	21
Variable Guide.....	36
Alphabetical Listing of Variables.....	36
Database Creation Guide.....	42
Weight file updates.....	42
New Source of Data: SLID.....	42
Online Documentation	43

Overview

This document outlines the modifications that the SPSD/M has undergone subsequent to the version 5.2 release. This current release is called version 6.0 and is based on 1992 data. Users will note that the chapter headings in this Addendum correspond to guides in the manuals.

Users experiencing difficulties updating their black-box or glass-box applications to version 6.0 should contact Statistics Canada at (613) 951-3774.

This guide gives instructions pertaining to the installation of the SPSD/M on your system. The SPSD/M program and database files are stored in a compressed format. This means that the files are decompressed as part of the installation process. Be patient, installation time could be up to one-half hour.

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

Relationship to Existing Documentation

This Addendum is a guide to the changes in SPSD/M software and data between 5.2 and 6.0. This Addendum is intended to be used in conjunction with the other SPSD/M Guides included as part of the 6.0 release. The information in this Addendum supersedes the information in the documentation released with version 5.2.

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

Summary of Major Changes

DATABASE

- New Database built from 1992 micro data files
- New series of weight files extends series to 1984-2001
- Hours worked variables imputed from SLID
- 5 years UI history variables imputed
- CPP/QPP imputation problem corrected

ALGORITHMS

- Updates to fully reflect the 1996 tax forms
- 1996 and 1997 Federal and provincial budgets
- Seniors Benefit Proposed Reforms
- Employment Insurance Reforms
- Federal Child Benefit Reforms

PARAMETER FILES

New parameter files extending series to 1984-2001
Parameter file series is based on the latest SNA data
Incorporation of all 1996 tax/transfer legislation
1996 and 1997 federal and provincial budgets

DOCUMENTATION

New Growth and Validation Guide
All guides are now available on-line
On-line guides are only available for Windows 95 and Windows NT
Adobe Acrobat version of documentation files available on CD-ROM

Legislative Changes Modeled

The changes in tax transfer legislation that have been incorporated into the SPSD/M 6.0 are detailed in this section. Note that the legislative changes are categorized into two groups, Modeled and not-modeled. The legislated changes that have not been modeled are of three basic types; Commodity tax changes, Deduction Item Changes, and Quebec Tax system changes.

Commodity tax changes through 1995 are all up-to-date. However all changes beyond 1995 have yet to be modeled. There are two notable exceptions to this. First, The HST implementation in Atlantic Canada has been implemented in a rudimentary fashion. Secondly, and in a similar fashion, changes to the sales tax rates in Saskatchewan have also been implemented.

Deduction item changes are changes to programs that are not explicitly modeled but rather imputed from the 1992 Greenbook. New programs introduced after 1992 that do not have data on the 1992 Greenbook file will not be modeled. These programs will be picked up as a new database is created. For example, the RRSP maturity age has been lowered from 71 to 69 as of March, 1996. The SPSM will continue to report RRSP contributions by 69 and 70 year olds until version 8.0 with 1996 data.

Quebec Tax system changes have not yet been completed for Version 6.0. The Quebec system is as legislated in 1995 with appropriate rates and levels through 2001. Changes from the Quebec Budgets of 1996 and 1997 will be implemented for release 6.1

Federal Changes

Budget 1996

Changes Modeled

Increase the child care expense deduction age limit from 14 to 16, March 1996. See the parameter CCEAOAGE.

Increase Charitable donation limits from 20% to 50% of income, March 1996. See CHATNF.
Increase in Education Tax Credit (\$80 to \$100/month). See EDXPM.

Increase transferability of Education Credits (680 to 850)
Child care expense deduction, new limits for parents who are students.
Increase the WIS portion of the child tax benefit to 750, July 1997
Increase the WIS portion of the child tax benefit to 1000, July 1998
New Seniors Benefit for 2001

Changes Not Modeled

RRSP contribution limit frozen at 13,500 until 2004, indefinite carryover
RRSP Maturity Age lowered to 69 from 71
Increase tax deduction/turndown for infirm dependants
Increase RESP annual contribution limit
Tax treatment of child support payments

Budget 1997

Changes Modeled

Education credit amount increases to 150.00 per month from 100.00, in February 1997. See EDXPM
Charitable donation limits up from 50% to 75% of income. See CHATNF.
Increase WIS portion of the child tax benefit depending on number of children.
Education credit amount increases to 200.00 per month from 150.00 in January 1998. See EDXPM

Other Federal Changes

Changes Modeled

UI Reform - New EI system to be implemented
Increase in CPP/QPP premiums to 6% in 1997 and 6.4% in 1998
CHST reforms. Provinces responsible for all SA

Changes not modeled

Increase in taxes - \$1.40 per carton in Ontario, Quebec, New Brunswick, Nova Scotia
Increase in excise tax on tobacco for sale in PEI
UI Reform - minimum 26 weeks to qualify for EI instead of 20 weeks

Provincial Changes

The changes reported in this section are derived from both the 1996 and 1997 provincial budgets as well as news releases or special working papers tabled in provincial legislatures.

Newfoundland

Changes Modeled

GST and PST harmonization to 15 percent value-added tax
Implementation of high income surtax
Refundable Sales Tax Credit

Changes not modeled

GST and PST harmonization to 15 percent value-added tax
Increase in Tobacco taxes, April 1, 1997.

Prince Edward Island

Changes Modeled

Change in high income surtax thresholds from 12,500 to 5,200

Changes not modeled

Increase in gasoline tax rate from 12 to 13 cents per liter

Increase in retail sales tax rate on private motor vehicle sales 10 to 12.5 percent, April 1997.

Nova Scotia

Changes Modeled

Personal income tax rate reduction from 59.5 to 57.5 per cent of the fed. Rate, July 1, 1997

Low income tax reduction increases from \$200 to \$300 for adults and from \$105 to \$165 for each dependent child.

Changes not modeled

Change in fuel tax rate

Reduction in the tax rate on propane fuel from 13.5 per liter to 7 cents per liter

GST and PST harmonization to 15 percent value-added tax

Introduction of Direct Assistance Program, April 1 1997.

New Brunswick

Changes Modeled

Implementation of N.B. Child Tax Benefit (imnbcben)

Implementation of N.B. Working Income Supplement (imnbwis)

Personal income tax rate reduction of 3.1 percent, July 1997.

Personal income tax rate reduction of 3.2 percent, January 1998.

Personal income tax rate reduction of 3.9 percent to 57.5 percent of basic federal tax, January 1999.

Changes not modeled

Reduction to the N.B. Labour Sponsored Venture Capital Tax Credit

2% increase in provincial social assistance

Quebec

Changes Modeled

Refundable sales tax credit

Revision of calculation on net income and taxable income to include new available data.

Changes not modeled

Reduction in the amount of specific non-refundable tax credits: a person living alone (QLAXM), persons age 65 & over (QAXM) and those with certain types of retirement income (QYPDL).

Reduction of 7.5% and half of each tax credit will apply.

Tax credit reduction to FSTQ and Fondation (Labour-sponsored venture capital tax credit).

Reduction in the amount of specific non-refundable tax credits: a person living alone (QLAXM), persons age 65 & over (QAXM) and those with certain types of retirement income (QYPDL).

Reduction 15% for each dollar of net income in excess of \$26,000

Tax credit for medical expenses to be revised - elimination of fixed amount of \$1,614 (QMEDALL) and total net income of two spouses instead of one for claiming credit.

Conversion of the deductions for union dues, professional dues and for dues to a recognized artistic association into tax credits of 20%.

The ceiling on tax breaks used to calculate the minimum tax to be reduced from \$40,000 to \$25,000.

Major tax reform - reduction in personal income tax

Increase in provincial sales tax from 6.5 to 7.5 %.

Adjustments to the refundable sales tax credit scale for adults and persons living alone

Change in Quebec tobacco tax from 2.53 to 2.67 cents per cigarette

Improving tax assistance for low-income households - to a maximum income level of \$26,000

Ontario

Changes Modeled

Phased in Ontario income tax rate reduction from 1996 to 1999 where it is scheduled to be 40.5 percent of Basic Federal Tax in 1999. See OPTF.

Fair Share Health Care Levy to be incorporated and phased into surtax on Ontario income tax. Effective 1996. See OSSMR2 and related parameters.

Ontario tax reduction to decline in a phased in way from 1996 through 1999. See OTRBPA and related parameters.

Code updated to include the Ontario Employer's Health Tax (EHT) which is paid by self-employed individuals (imonteht).

Implementations of new child care tax credit

Manitoba

Changes Modeled

Implementation of a new refundable learning tax credit in 1996. See immanltc.

Saskatchewan

Changes Modeled

Saskatchewan \$150 debt reduction surtax amount to be fully implemented

Changes not modeled

Saskatchewan aviation fuel tax reduction now a permanent reduction

Reduction to Saskatchewan's Education and Health Tax from 9% to 7% (sales Tax)

Increase to the tobacco tax on cigarettes, cut tobacco and cigars.

Alberta

Changes Modeled

Phase 1 implementation of the Alberta Family Employment Tax Credit (originally referenced in the Alberta News Release, Line 93).

Full implementation of Employment Tax Credit (originally referenced in the Alberta News Release, Line 94).

Changes not modeled

Selective tax reduction benefit to apply to those with family income under \$50,000 only.

Reduction to Alberta's railway fuel tax from 9 cents to 6 cents a liter, 1998.

Reduction to Alberta's railway fuel tax from 6 cents to 3 cents a liter, 1999.

British Columbia

Changes Modeled

BC personal income tax rate to be cut by two points. The reductions will be phased in over

1996 and 1997. The tax reduction will be capped for taxpayers earning more than \$80,000. See CPTF.

Implementation of BC family bonus initiative. See BCFBFLAG and related parameters and variables.

Changes not modeled

Increase in tax on tobacco from 8.4 to 11 cents per gram

Aviation fuel tax reduction in 1998 and 1999.

32-bit Environment

As with Version 5.2, users running the Windows 95 or Windows NT operating systems on their computers can make use of the 32-bit versions of the SPSM and all associated tools contained in this release package. These versions have no memory limitations, and execute about twice as fast as their DOS counterparts.

The 16-bit environment will not be supported for Version 7.0 and subsequent releases.

This means that users will have to have either Windows95 or Windows NT to be able to use the model at that time.

Printed Documentation

Version 6.0 is being shipped with only three printed guides: the Installation Guide, the Introduction and Overview and the Addendum. Users with 32-bit systems (NT or Win95) can access all guides on-line using the included windows help file. The directory “/Doc” on the CD-ROM contains a printable version of all Guides for those users with 16-bit systems or for those who wish printed versions of the other guides. These are PDF files and can be read on-line or printed using the Adobe Acrobat reader. The Adobe Acrobat reader can be installed from the /Doc directory on the CD-ROM. The self-extracting installation programs are called ar32e30.exe for 32-bit systems and ar16e30.exe for 16-bit systems.

Once you have installed Adobe Acrobat on your system you can simply navigate to the \Doc directory on the CD-ROM using the File Manager or Explorer. Find the guide you wish to view or print and double-click it. Adobe will start up and open the file you selected.

Installation Guide

Release 6.0 is disseminated on one CD-ROM or can be downloaded from the World Wide Web. The CD-ROM contains information for both the SPSD/M 6.0 as well as for the on-line documentation.

Prior to installation of Release 6.0 it is **strongly** recommended that you either remove the \spsm directory from your system or rename it to \spsm52. If you wish to keep running the old version of SPSM, you should also rename the \spsd directory to \spsd52. SPSD/M 6.0 will be installed in new \spsm and \spsd directories. Like version 5.2, version 6.0 has a \spsm directory structure that allows for both an MS-DOS operating system and a 32-bit operating system such as Windows NT or Windows 95. The executable files are placed in the \spsm\msdos and \spsm\win32 directories respectively, and no files are written to the old \spsm\bin directory. It is necessary to change your PATH environment variable to include \spsm\msdos if you are using MS-DOS or Windows 3.1 as your operating system, or \spsm\win32 if you are using Windows95 or Windows NT.

Install the SPSD/M 6.0 CD-ROM using the same general procedure described in the *SPSD/M Installation Guide*. Please read the entire installation guide and follow the instructions that apply to your system and the version of the model that you wish to install. The packages contained on the CD-ROM supersede the contents of the 5.2 package and upon installation will overwrite the 5.2 files if left in the default directory. The install.exe program on the CD-ROM should be run to perform the installation of the new version of the model.

Because the install.exe program is a DOS program (so that it will run on all platforms), it is essential that all directory names (i.e. target install locations provided by the user) be less than 8 letters. If this condition is not satisfied, then directory (and sub-directory) names will be truncated by DOS to 8 letters, resulting (in this case) in an installation to a different directory than that specified.

Version 6.0 Package Contents

This section describes each package in the installation kit. The SPSD/M version 6.0 installation kit contains the following packages:

Package Name	Function	Directory
SPSM	The package contains all the MS DOS executable programs and language-specific dialogue files. It also contains a directory of example control parameter include files described in the SPSD/M manuals.	\spsm
SPSM(NT)	This package contains the SPSM executable programs that run under the Windows NT and Windows 95 operating systems.	\spsm
SPSD(5%)	This package contains the 5% sub-sample demographic weight files for the years 1984	\spsd

	through 2001.	
PARAMETERS	This package contains the control, database adjustment, and tax/transfer parameter files. Also included is the factors.txt file that contains the growth factors used to statically age the SPSPD.	\spsd
GLASS_BOX	This package includes all necessary files, including template files for standard and alternate algorithms, for the 'glass box' user. Please see the <i>SPSD/M Programmer's Guide</i> for information on using SPSM in 'glass box' mode.	\spsm
SPSD(100%)	This package contains demographic weight files for 1984 through 2001.	\spsd
On-line Documentation	This package contains on-line documentation. This documentation will only work under Windows NT or Windows 95.	\spsm

On-line Documentation Installation

The SPSPD/M documentation is now installed as a package within the main SPSPD/M installation. The documentation will ONLY work for Windows NT or Windows 95. The English version of the help file is called spsme.hlp and found in the spsm folder. Use the help facilities by navigating to the proper directory (e.g. by using the Explorer) and double clicking on the spsmhelp.hlp file.

Users Guide

Semi-colons allowed in last XTSPEC line

The last table specified in XTSPEC may now end with a semi-colon. Though a semi-colon is not necessary, it is considered good SPSM programming practice to end each table specification with a semi-colon.

Enhanced keyboard now supported

The arrow keys in the enhanced keyboard are now supported when using the SPSD/M interactively.

Programmers Guide

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

Algorithm Guide

Several changes have been made to the SPSM algorithms. The following section titled “Overview of algorithm changes” provides a list of 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

Federal

- Unemployment Insurance Reform and Employment Insurance Reform
- Seniors Benefit
- Child Benefit Working Income Supplement
- Housing Renovation Removed
- Foreign Credit and Education Credit modified
- Child Care Expense Tax Credit
- Child Tax Credit
- Sales Tax Credit

Provincial

- Newfoundland Stock Savings Plan tax credit was removed
- Newfoundland surtax
- Newfoundland Sales Tax Credit
- Nova Scotia tax reduction
- Nova Scotia pharmacare
- Quebec deductions on net income
- Quebec refundable sales tax credit
- Quebec Child Benefit
- Quebec Newborn Allocation modified.
- Ontario Refundable childcare tax credit
- Ontario Employer Health Tax
- Manitoba Learning Tax Credit
- Saskatchewan Tax incentives removed
- Alberta Royalty tax rebates and credit removed
- Alberta stock savings plan recovery removed
- Alberta Family Employment Tax Credit
- British Columbia Family Benefit

Changes by function

cceopt **zero CCE for young kids if optimal**

This release of SPSD/M includes parameters for the Seniors Benefit. There is an

optimization procedure that is calculated since nobody aged 60 or over in 1996 should lose by this calculation. Hence, when SBOPTFLG is on, the taxes and transfers for persons aged 60 or over in 1996 are calculated first using the seniors benefit package. They are then recalculated under the OAS/GIS system. The two results are compared, and if the OAS/GIS is lower, then the taxes and transfers are calculated for a third time using the seniors benefit.

Employment Insurance now includes family benefits that depend on the amount of Child Tax Benefits received. Thus the amount of child tax benefits received are calculated and kept in memory for families who received EI and the tax and transfer system is recalculated. This only happens if UIEIOPT is equal to 2.

ctmod Compute commodity taxes for individuals and households

Removed housing renovations (fxhreno) from household expenditures not stated elsewhere (ctnes).

drv Tax/Transfer Calculator

The seniors benefit function, senben(hh) is added to the calculator.

fa Compute family allowance

A minor modification to address MS-DOS memory limitations.

A minor adjustment to the Quebec Newborn Allowance permits a random increase of the kid ranks for a better adjustment to target values.

gis Compute GIS/SPA for elderly

Added seniors benefit optimization. Zeroes out imigis and imispa when the seniors benefit is calculated. See ccept for more details on the optimization procedure and senben for details the seniors benefits.

Also changed code to avoid a year 2000 problem. TARGETYEAR is now a 4 digit number.

gist Compute Provincial GIS top-ups for elderly

Allows the seniors benefit to also trigger receipt of GIST programs. The mixed case (eligible-ineligible) were remodeled in Ontario, Saskatchewan, and British Columbia to reflect administrative practices.

memol Compute memo items for reporting

Added seniors benefits to accounting. Seniors benefits are added to imfran.

Added imigispa, which includes the GIS (imigis) and the Spouses Allowance program (imispa).

Added NB Child Tax Benefit, BC Family Bonus and Ontario Refundable child care tax credit to impfp.

oas **Compute OAS for elderly**

Added seniors benefits optimization. Zeroes out imioas when the seniors benefit is calculated. See ccept for more details on the optimization procedure and senben for details the seniors benefits.

In order to avoid a year 2000 problem, TARGETYEAR is now four digits.

senben **Compute Seniors Benefit**

The Seniors Benefit program was added to the model based on the description provided with the 1996 Federal Budget. The Seniors Benefit will replace the OAS/GIS benefits in 2001. It will be a tax-free, income tested benefit which will be determined on the basis of the incomes from both spouses. The maximum benefits will be \$120 more than the maximum OAS/GIS for 2001. These rates are fully indexed for inflation.

There are six family types considered by the program.

GIS/SPA Type	Family Status
1. Single Pensioner:	Unattached Individual, OAS Pensioner
2. Widowed Pensioner:	Unattached Individual, Age 60-64, Widowed
3. Married 2 Pensioner:	Married Couple, Both OAS pensioners
4. Married pensioner with SPA spouse:	Married Couple, OAS Pensioner with SPA recipient
5. Married pensioner with older spouse non-pensioner:	Married couple, 1 OAS pensioner, spouse ineligible for OAS or SPA is the older
6. Married pensioner with younger spouse non-pensioner:	Married couple, 1 OAS pensioner, spouse ineligible for OAS or SPA is the younger

The maximum benefit is reduced in two steps. The first step is analogous to GIS. The benefit is reduced at a first step rate associated with the family type, for all income over the first step threshold. The result cannot be reduced to anything smaller than imsboas, which is the OAS portion of the seniors benefit. The length of residency in Canada affects imsboas. The resulting Seniors Benefit is then reduced at the second step rate for all incomes over the second step threshold.

People aged 60 or over on December 31, 1995 will be able to choose to move to the Seniors Benefit or keep the existing OAS/GIS payments. The SPA program remains in place but is enriched by \$120.

It is a new program and the bulk of the code is in a new function senben.c that is called by drv. This program also caused some changes in the oas, gis, and ccept functions. In order to optimize eligible persons benefits with the OAS/GIS programs, the seniors benefit is optimized for these seniors. First, the seniors benefit is calculated. Then ccept calls drv again, and the benefit is zeroed out and OAS/GIS is calculated instead. For persons who lost

under this change, drv is called a third time with the seniors benefit package. See oas, gis, and ccept for more information on this optimization procedure.

The SPSM derives the Seniors Benefit in the following way. First, the eligibility for the program depending on the length of residency in Canada is calculated. The total income that will be used to derive the amount of the benefit is then calculated. For married couples, the income from both spouses is included. The previous year's income is estimated as

Net Income = PYINC *	Deflator To Simulate Previous Years Income
Imicapgt	Taxable Capital Gains
+ idivid	Dividends Received
+ idiint	Investment Income
+ idiemp	Employment Income
+ idisenf	Non-Farm Self Employment Income
+ idisefm	Farm Self Employment Income
+ idioinv	Other Investment Income
+ iditoh	Other Income
+ idiroom	Income From Roomers
+ idicqp	CPP/QPP Benefits
+ idipens	Private Pension Income
+ iditogv	Other Taxable Government Transfers
+ imiuib	Unemployment Insurance Benefits
- imalexp	Other allowable Employment Expenses
- imcqpc	CPP/QPP Contributions
- imuic	Unemployment Insurance Contributions

The model then derives the Seniors Benefit for six different types of seniors.

1) Eligible single persons 65 and over

The maximum benefit (imsbmax) is derived as SBBENS + SBPREM, where SBBENS is the amount which a single pensioner could have received under OAS/GIS under full indexation. The benefit is then reduced in two steps. The first step is analogous to GIS. The benefit is reduced at a rate SBRR1 for all income over GISRLS (this is a small amount which prevents tiny cheques). The result cannot be reduced to anything smaller than imsboas, which is the OAS portion of the seniors benefit. The length of residency in Canada affects imsboas, but under full residency requirements it is defined as SBRL1. The resulting Seniors Benefit is then reduced at a rate SBRR2 for all income over SBRL2.

2) Widow or Widower aged 60-64

The maximum benefit (imsbmax) is derived as SBSPA + SBRL1 + SBPREM. The benefit is reduced for income over the reduction level SBARL, at the rate SPAOASRR for the OAS portion of the benefit and GISRRS for the GIS portion of the benefit.

3) Couple with both spouses over 65 and eligible for the Seniors Benefit

The maximum benefit (imsbmax) for each spouse is derived as $SBBENM + SBPREM$, where $SBBENM$ is the maximum amount which single person could have received under OAS/GIS under full indexation. The benefit is then reduced in two steps. The first step is analogous to GIS. The benefit is reduced at a rate $SBRR1/2$ for all income over $GISRLM$ (this is a small amount which prevents tiny cheques). The benefit cannot be reduced to anything smaller than $imsboas$, which is the OAS portion of the seniors benefit. The length of residency in Canada affects $imsboas$, but under full residency requirements it is defined as $SBRL1$. The resulting Seniors Benefit is then reduced at a rate $SBRR2/2$ for all income over $SBRL2$. The income used is the income of both spouses, and halving the reduction rates ($SBRR1, SBRR2$) means that both spouses will receive identical amounts.

4) Couple with the youngest spouse eligible for Spouse's Allowance and the oldest spouse eligible for the Seniors Benefit

The benefit for the older spouse is derived in the same manner as for couples with both spouses eligible for the Seniors Benefit (case 3). The youngest spouse's maximum benefit is defined as $BOAS + GISM + SBPREM$. The spouse's benefit is reduced using the SPARL reduction level, the OAS portion of the taxback rate ($SPAOASRR$), and the GIS portion of the taxback rate ($GISRRM$).

5) Couple with the youngest spouse eligible for the Seniors Benefit but not the older spouse

The benefit is derived in the same manner as for eligible single persons over 64 (case 1).

6) Couple with the oldest spouse eligible for the Seniors Benefit but not the younger spouse

The benefit is derived in the same manner as for eligible single persons over 64 (case 1).

txalta Compute provincial taxes for Alberta

The royalty tax rebate ($idroyreb$), the royalty tax credit ($idroytc$), the stock savings plan tax credit ($idstkccf$), and the stock savings plan recovery ($idrecssp$) were removed from the model since there was no data for 1992.

A slight modification to the algorithm to the Political contribution and the Family Employment Tax Credit ($imiafetc$) is implemented.

txbc Compute provincial taxes for British Columbia

The Family Bonus is implemented, starting in July 1996 ($imibcfb$).

When the parameter $BCFBFLAG$ is set to one the value of this variable is calculated as $BCFBBAS$ times the number of children in the nuclear family ($nfnkids$) reduced by a proportion of head plus spouse net income (

$iminet + imisa$) above the turndown of $BCFBTD$. This proportion for families with one child

is BCFBRRS and for multiple child families is BCFBRR. The value calculated in this manner is multiplied times the parameter BCFBPI.

B.C. Family Bonus benefits are assigned to the mother if present, or if not to the head of the nuclear family.

txcalc Calculate federal income tax

Fixed foreign tax credit bug and modified the algorithm for education credits.

txccea Compute child care expense allowance

Instead of setting the maximum age at which older children are capable of receiving childcare allowances to 14, it is now parameterized as CCEAOAGE. The full-time student status is parameterized to CCESFLAG. There was a minor modification to address MS-DOS memory limitations.

txctc Compute child tax credit

Added an enriched Working Income Supplement. When the FCBEIE flag is turned on, the Working Income Supplement has a different rate according to the number of children in the household, FCBEIS1, FCBEIS2, FCBEIS3 and is also reduced at varying rates, FCBERR1, FCBERR2, FCBERR3. The enriched WIS is phased in starting at family incomes FCBEIC and reaches its maximum at FCBEMX. The phase in rate is linear and depends again on the number of children in the family.

There was also a fix for the Quebec child tax benefits. The benefits (QCBC3) are now being assigned to the third and each additional child in a family.

txfstc Compute federal sales tax credit

When FSTCREF is set to 1, the federal sales tax credit is claimable at age 19. Parents may claim additional amounts for children aged 18 and younger. When the flag is set to 0, the credit is claimable at age 18 and only children aged 17 and younger can be claimed by their parents. This change required a shift from nuclear family loop to census family loop.

When calculating the GST credit, the income concept used is the previous year's incomes. The GST credit for a given year, say 1992, would represent the amounts paid from July 1992 to July 1993.

txhstr Compute family-related deductions or credits

A minor modification to address MS-DOS memory limitations.

txinet Compute net income

Two major Employment Insurance Reforms were added, the difference in contributions, and the benefits repayable. When Employment Insurance is activated (UIEIOPT = 2), then the EI

contributions (imuic) are calculated using the UI contribution rate on earnings (UIPF) with no weekly maximums and no exemptions for low income. The EI contribution refund (imuicrf) is then calculated and subtracted from the contributions.

The method of calculating UI/EI benefit recovery (imuibr) is also changed when UIEIOPT is activated. It now depends on the amount of previous weeks of EI received. If employment insurance benefits (imiuib) have been received and net income is in excess of: (a) UIBRA for persons with previous EI receipt, or (b) UIBRANR for persons with little previous benefits or for persons not on regular EI claims; UIEIRPR is applied to the lower of (a) total EI benefits and (b) the excess net income up to a maximum percent of their total benefits (UIEIBRP), to calculate the repayment. See UIEIRPR, UIBRANR, UIEIBRP, UIBRA, and UIEINRT for more details.

txman Compute provincial taxes for Manitoba

A refundable learning tax credit (immanltc) was added. The credit is equal to MANLTCF times (the tuition amount (idtuit) plus the education amount (ideduc * EDXPM) plus the education amounts transferred from a spouse or kids (imedrcv) minus the education amounts which have been transferred to a spouse or parents (imedtrf)). It is included in the refundable tax credits (imptc).

txnb Compute provincial taxes for New Brunswick

The non-refundable provincial tax credits (imnptc) used to be discounted twice in the model while the political contribution tax credit (impptc) was not discounted. This has been remedied.

When NBCTBFLG is assigned a value of 1, the New Brunswick Child Tax Benefit calculation is activated. iminbcben is the total benefits received under the New Brunswick Child Benefits program announced in the 1997 New Brunswick Budget and commencing in April 1997. A first component is the base amount, imnbcbc, which is calculated as the base amount per child, NBCBBAS, times the number of children. The level of benefit is reduced, based on family income, at a rate NBCBRRS for families with only one child, and at rate NBCBRR for the others.

If the family gross employment income is higher than a threshold, NBCBECI, then the maximum supplement is NBCBEIS. The supplement is reduced at a rate NBCBESR for each \$ of employment income exceeding the threshold FCBECI. If the family income is higher than NBCBETD then the supplement is reduce at a rate NBCBERR. The final value of the work income supplement is stored in imnbwis.

txnfld Compute provincial taxes for Newfoundland

A new refundable sales tax credit was modeled and added to the provincial tax credit (imptc). Similar to the federal credit, it allows for NSTCA dollars for each adult, NSTCC dollars for each child, and it reduced starting at family incomes over NSTCL at a rate of NSTCR.

The stock savings plan tax credit (idstksav) is no longer modeled due to insufficient data.

A provincial surtax (impsur) was modeled as a percentage (NSF) of provincial taxes (imtxp) above the level NSCI.

txns Compute provincial taxes for Nova Scotia

The Nova Scotia tax reduction was modeled. It is assigned to the person with the highest income in the family. Depending on the family type, the reduction is comprised of the base amount (VTRBAS), the spousal amount (VTRSP), the equivalent to married amount (VTREM), and the children amount (VTRKID). The reduction is then subject to a family income test with a turndown level (VTRTD) and reduction rate (VTRRR) applied to the parents net income (iminet).

The pharmacare program tax and refundable tax credit was modeled. For persons 65 and over, the pharmacare premium impeht is set equal to VPHPREM. If they received GIS, they are eligible for a refundable tax credit impehtc. The tax credit is defined using the base credit VPHTC, the reduction rate VPHRR, and the turndown level VPHTD which is applied to the income imigisinc.

The stock savings plan tax credit (idstksav) is no longer modeled due to insufficient data.

txont Compute provincial taxes for Ontario

Refundable childcare tax credit added (imoccea). The credit is calculated when the parameter OCCEAFLG is set to 1, the maximum amount of the benefit is calculated as the lower of either actual child care expenses (imccet) or of a specified amount per child (OCCEAYNG) times the number of children age 6 and under in the census family. Maximum family benefits are then reduced by a proportion (OCCEARR) of family net income above the threshold (OCCEATD). The model assigns the imputed Child Care credit (imoccea) to the mother if present or otherwise to the head of the census family.

Employer Health Tax added (imonteht). It only applies to self-employed persons, and is calculated when OEHTFLAG is set to 1. When a person's income from self-employment is less OEHTTD1, the Employer Health Tax is calculated using the rate OEHTRR1 on self-employment earnings over the exemption OEHTEX. When a person's income from self-employment is less than this value, but greater than OEHTTD1, the Employer Health Tax is calculated by adding OEHTRR1 times the difference between the first turndown (OEHTTD1) and the exemption rate (OEHTEX) and OEHTRR2 times the difference between earnings from self-employment and OEHTTD1. When self-employment earnings are greater than OEHTTD2, the Ontario Employer Health Tax is calculated as OEHTRR3 times earnings from self-employment which are greater than the exemption OEHTEX.

txqcalc Calculate income tax (Québec)

The Quebec tax reduction (imqittr) is now constrained so that it cannot be greater than the provincial income tax payable.

The refundable sales tax credit (imqstr) is activated when QSTRFLAG is set to 1. The sales tax credit includes a base credit (QSTRBCRD), a credit (QSTRCHILD) is added for each

child in the family. A second credit is added (QSTRFTP3) when no spouse is present and at least one dependent child is present, And finally another credit is added (QSTRFTP4) is for a person living alone or with at least one dependent. The credit is reduced by the income considered at a rate QSTRRR.

There was also a minor modification to address MS-DOS memory limitations.

txqinet Calculate net income(Québec)

Definition of deductions to total income (imqdedft) includes now idothded, idmovexp, and iddalimo because concepts are now similar to those used in the Federal tax form.

txqtax Calculate taxable income(Québec)

Deductions on net income now includes Capital gains exemptions (idcapgex), residence in remote areas (idnorth), and limited partner loss (idpartlo) as part of Non-capital losses, and , as part of Miscellaneous deduction: stock option deduction (idstkded) and home relocation loan deduction (idemplo).

txsask Compute provincial taxes for Saskatchewan

The Saskatchewan debt surtax amount (SDSRA) is deducted from the debt surtax (impsur).

The Saskatchewan tax incentives (idsaskti) were dropped from the model due to lack of data.

ui Compute UI benefits

The Employment Insurance reforms were added to the model. When UIEIOPT=2 then these major reforms are in effect. The changes to fishing benefits have not yet been implemented.

1? Qualifying for benefits is now based on hours of work instead of weeks of work

Since the SPSD does not contain total hours of work, these are derived using the weeks of work prior to claim (ucwwork) multiplied by a new variable: the average weekly hours of work (ucwchr) which was imputed from the Survey of Labour and Income Dynamics. For more information, see UIREGHRMIN, UIMATHRMIN, UISICHRMIN, and UIEIHWCFC.

As for fishing benefits, qualification is based on earnings in the past 31 weeks. These are derived using weeks of work prior to claim (ucwwork) and average weekly earnings (ucern). It is assumed that the weeks ucwwork occurred immediately prior to the start of the claim. See UIFSHERMIN.

2? The Family Income Supplement was added

The Family Income Supplement is given to EI recipients who have low incomes and are raising a family. They are tied to the federal child tax benefits (imfcben). They are reduced when family income is over UIEIFSRL at a rate of UIEIFSRR. See

UIEIFSFLG, UIEIFSRL, UIEIFSRR and UIEIMFSP for more details.

3? The Intensity Rule

For persons receiving regular or fishing EI benefits and who did not receive the Family Income Supplement, the intensity rule was applied. The benefit rate (UIEIRATE) depends on the number of weeks of EI collected in the past. See UIEIFIFLG, UIEIRATE, UIEYRS, ubeiwbp, ucy1, ucy2, ucy3, ucy4, ucy5 for more details.

4? The Minimum Divisor

In order to obtain their maximum benefits, EI claimants must work two weeks more than the minimum entrance requirements. Parameters were added to allow users to model this change and to add the behavioural response they deem suitable. This change may be modeled using UIEIDIVOPT, UIWK26, UIBXWK, AND UIEIDIV.

5? Minor Changes

There was a minor change in the method used to derive training weeks and training benefits.

Minor modifications to address MS-DOS memory limitations.

The method of using the UI regular benefit weeks adjustment factor UIREGWKFCT was adjusted.

Parameter Guide

This section describes new parameters as well as conceptual changes that have occurred to SPSM tax/transfer parameters. Parameters which have been deleted, or whose interpretations have changed, are identified in this section by a preceding asterisk. As at this release the 1995 model parameters fully reflect the 1995 tax forms.

Adjustment Parameters

Many of the adjustment parameters have been modified to reflect the changes in the economic growth of each province. The parameters inflate the database variables by the growth in conceptually similar aggregates produced by the System of National Accounts. The near-future estimates of these variables are based on short-term forecasts.

Adjustment parameters for variables no longer part of the SPSD have been removed. The discontinued adjustment parameters are: **GFRECSSP**, **GFROYREB**, **GFROYTC**, **GFSASKTI**, **GFSTKCCF**, **GFSTKSAV**, **GFHRENO**. In addition the parameter EDXPMBY was removed. This parameter was not in use in version 5.0 but had not been removed.

The only new adjustment parameter is:

IMPCQOPT: Imputation method, CQP

CPP/QPP benefits are under-reported on the SCF, as compared to administrative data. In the process of SPSD creation, a statistical method of correcting this problem has been made. This option has been provided to select between using this correction [default] or to disable CPP/QPP imputation altogether.

Tax/Transfer Parameters

AFETCFLAG: Alberta family employment tax credit activation flag

This flag parameter activates the calculation of the Alberta Employment Tax Credit program (imiafetc) introduced in the Alberta budget of 1997.

AFETCBPC: Alberta family employment tax credit benefit per child

This parameter represents the maximum per child amount used to determine maximum family benefits for the Alberta Employment Tax Credit program (imiafetc).

AFETCNC: Alberta family employment tax credit maximum number of children

The maximum number of children in a family for whom the basic Alberta Employment Tax Credit benefit amount (AFETCBPC) may be claimed. The maximum family benefit is determined by multiplying the basic benefit amount (AFETCBPC) times the number of children in the nuclear family to a maximum of AFETCNC.

AFETCCI: Alberta family employment tax credit benefit cut-in level

The level of family employment income below which no Alberta family employment tax credit (imiafetc) is payable.

AFETCBR: Alberta family employment tax credit benefit rate

This parameter represents the proportion of family employment income by which the Alberta family employment tax credit (imiafetc) will be increased when family employment income exceeds the (AFETCCI) cut-in level.

AFETCTD: Alberta family employment tax credit turndown level

The level of family net income above which the Alberta family employment tax credit (imiafetc) is reduced at the rate (AFETCRR).

AFETCRR: Alberta family employment tax credit reduction rate

This parameter represents the proportion of family net income which will be used to reduce the Alberta family employment tax credit (imiafetc) when family net income exceeds the (AFETCTD) turn down level.

BCFBFLAG: Activate B.C. Family Bonus Program

The activation flag of the BC Family Bonus (imibcfb). The calculation is activated when the value is set to 1, no calculation if the value is zero.

The basic amount of benefits is related to the number of children in the family. This amount is reduced according to the net family income. A different reduction rate is used if the family include only one child.

BCFBPI: B.C. Family Bonus phase-in

When the parameter BCFBFLAG is set to one, The value of this parameter is always multiplied times the calculated amount of the B.C. Family Bonus (imibcfb). The parameter was designed to simulate the mid-year commencement of the program in July 1996.

BCFBBAS: B.C. Family Bonus amount per child

This is the basic amount of the B.C. Family Bonus (imibcfb) allowed per child per year.

BCFBTD: B.C. Family Bonus Turndown

This parameter represents the proportion of family net income which will be used to reduce the Alberta family employment tax credit (imiafetc) when family net income exceeds the (AFETCTD) turn down level.

BCFBRRS: B.C. Family Bonus single child reduction rate

The rate at which family net income (head plus spouse) above the threshold BCFBTD reduces the B.C. Family Bonus (imibcfb) for families with one child.

BCFBRR: B.C. Family Bonus multiple child reduction rate

The rate at which nuclear family net income (head plus spouse) above the threshold BCFBTD reduces the B.C. Family Bonus (imibcfb) for families with two or more children.

CCEAOAGE: CCEA Maximum Eligible Age for Oldest Child

The child care expense allowance has two different levels of deductions depending on the child's age. This parameter sets the age of children above which child care expenses may not be claimed. Children below CCEAOAGE but above age 6 have their child care expense allowance imcceca calculated with 'Limit C' set to CCEAOLD.

See also: CCEAYNG CCEAOLD

CCESFLAG: Full-time Student Flag

When this flag is set to 1, for full-time students who are single parents or where both parents are students, the Childcares Expense deduction is applied to all income (iminet) as opposed to earned income. CCEAEMPF is then applied to total income in these cases.

CTCIFLAG: Refundable tax credits social assistance income inclusion flag

This parameter controls whether the original earned income supplement (also known as the working income supplement) is used, or whether the enriched version, with different amounts depending on the number of children in the family, is used. When FCBECEI is set to 0, the original earned income supplement is used. When it is set to 1, the enriched working income supplement proposed in the 1997 budget is calculated.

FCBEIE: Flag for WIS dependent on number of children

This parameter controls whether the original earned income supplement (also known as the working income supplement) is used, or whether the enriched version, with different amounts depending on the number of children in the family, is used. When FCBECEI is set to 0, the original earned income supplement is used. When it is set to 1, the enriched working income supplement proposed in the 1997 budget is calculated.

FCBEIS1: Enriched WIS for first child

This parameter represents the amount received for the first child in a family from the proposed enriched federal earned-income supplement which increases the Federal Child Benefit for low-income working families (1997 Budget).

FCBEIS2: Enriched WIS for second child

This parameter represents the amount received for the second child in a family from the proposed enriched federal earned-income supplement which increases the Federal Child Benefit for low-income working families (1997 Budget).

FCBEIS3: Enriched WIS for each additional child

This parameter represents the amount received for the third and additional child in a family from the proposed enriched federal earned-income supplement which increases the Federal Child Benefit for low-income working families (1997 Budget).

FCBEMX: Earnings at which WIS phase-in is at maximum

This parameter controls whether the original earned income supplement (also known as the working income supplement) is used, or whether the enriched version, with different amounts depending on the number of children in the family, is used. When FCBECEI is set to 0, the

original earned income supplement is used. When it is set to 1, the enriched working income supplement proposed in the 1997 budget is calculated.

FCBERR1: WIS reduction rate for families with 1 child

This parameter controls whether the original earned income supplement (also known as the working income supplement) is used, or whether the enriched version, with different amounts depending on the number of children in the family, is used. When FCBECEI is set to 0, the original earned income supplement is used. When it is set to 1, the enriched working income supplement proposed in the 1997 budget is calculated.

FCBERR2: WIS reduction rate for families with 2 children

This parameter controls whether the original earned income supplement (also known as the working income supplement) is used, or whether the enriched version, with different amounts depending on the number of children in the family, is used. When FCBECEI is set to 0, the original earned income supplement is used. When it is set to 1, the enriched working income supplement proposed in the 1997 budget is calculated.

FCBERR3: WIS reduction rate for families with 3+ children

This parameter controls whether the original earned income supplement (also known as the working income supplement) is used, or whether the enriched version, with different amounts depending on the number of children in the family, is used. When FCBECEI is set to 0, the original earned income supplement is used. When it is set to 1, the enriched working income supplement proposed in the 1997 budget is calculated.

FSTCREF: Federal sales tax credit reform - age

This parameter controls whether the original earned income supplement (also known as the working income supplement) is used, or whether the enriched version, with different amounts depending on the number of children in the family, is used. When FCBECEI is set to 0, the original earned income supplement is used. When it is set to 1, the enriched working income supplement proposed in the 1997 budget is calculated.

MANLTCF: Manitoba leaning tax credit factor

This parameter controls whether the original earned income supplement (also known as the working income supplement) is used, or whether the enriched version, with different amounts depending on the number of children in the family, is used. When FCBECEI is set to 0, the original earned income supplement is used. When it is set to 1, the enriched working income supplement proposed in the 1997 budget is calculated.

MTCINCFL: Manitoba tax credit income definition flag

This parameter is the activation flag for the inclusion of head and spouse incomes from transfer programs (imisa, imigis, imispa) in the calculation of Manitoba Net Property Tax Credit (impptxc).

NBCTBFLG: NB child benefit activation flag

When this parameter is assigned a value of 1, the New Brunswick Child Tax Benefit calculation is activated. With a value of 0, the calculation of the New Brunswick Child Tax

Benefit is suppressed.

NBCBBAS: NB Basic child benefit (per child)

This is the basic amount of the New Brunswick Child Tax Benefit allowed per child per year.

NBCBTD: NB child benefits family income turndown

The level of family net income (head plus spouse) above which the New Brunswick Child Benefit begins to be paid at a lower rate. If family income exceeds this amount, the Child Benefit will be reduced by a proportion (NBCBRR) for families with two or more children or by (NBCBRRS) for families with one child.

NBCBRR: NB Multi-children family income reduction rate

The rate at which family net income (head plus spouse) reduces the New Brunswick Child Benefit for families with two or more children.

NBCBRRS: NB Single-child family income reduction rate

The rate at which family net income (head plus spouse) reduces the New Brunswick Child Benefit for families with one child.

NBCBEIS: NB Child benefits earned income supplement

This parameter represents the maximum family amount of the New Brunswick earned-income supplement which increases the New Brunswick Child Benefit for low-income working families.

NBCBESR: NB Child benefits earned income supplement rate

This parameter represents the rate at which the New Brunswick earned income supplement (NBCBEIS) to the New Brunswick Child Tax Benefit will be increased when family net income exceeds the (NBCBECI) cut-in level.

NBCBERR: NB Child benefits earning supplement reduction rate

This parameter represents the rate at which the New Brunswick earned income supplement (NBCBEIS) portion of the New Brunswick Child Tax Benefit will be reduced by when family net income exceeds the (NBCBETD) turn down level.

NBCBECI: NB Child benefits earning supplement cut-in level

The level of employment income below which no earning supplement is payable to families with children under the New Brunswick Child Tax Benefit.

NBCBETD: NB Child benefits earning supplement turndown level

The level of family net income above which the earning supplement portion of the New Brunswick Child Tax Benefit is reduced at the rate (NBCBERR).

NBCBPI: NB Child benefits phase-in rate

When the parameter NBCTBFLG is set to one, the value of this parameter is always multiplied times the calculated amount of the New Brunswick Child tax benefit (imnbcben).

The parameter was designed to simulate the partial year benefits due to the commencement of the program in April 1997.

NETOASFLG: Net the Clawback from Old Age Security

When this parameter is assigned a value of 1, the Old Age Security clawback (imoasr) is netted from OAS (imioas). It thus appears as a lower transfer and lower tax – government and household balance variables are unaffected. With a value of 0, the OAS clawback is reported as a tax.

NSCI: Newfoundland Provincial Tax Above Which Surtax Applies

This is the level of provincial tax payable (imtxp) above which a surtax at the rate of NSF applies.

For Newfoundland, the SPSM calculates provincial surtax (impsur) as NSF percent of provincial taxes (imtxp) above the level NSCI.

NSF: Newfoundland Provincial Surtax Rate

This is the level of provincial tax payable above which a surtax at the rate of NSF applies.

For Newfoundland, the SPSM calculates provincial surtax (impsur) as NSF percent of provincial taxes (imtxp) above the level NSCI.

NSTCA: Nfld sales tax credit amount for adults

This is the level of provincial tax payable above which a surtax at the rate of NSF applies.

For Newfoundland, the SPSM calculates provincial surtax (impsur) as NSF percent of provincial taxes (imtxp) above the level NSCI.

NSTCC: Nfld sales tax credit amount for children

This is the level of provincial tax payable above which a surtax at the rate of NSF applies.

For Newfoundland, the SPSM calculates provincial surtax (impsur) as NSF percent of provincial taxes (imtxp) above the level NSCI.

NSTCFLAG: Nfld sales tax credit activation flag

This is the level of provincial tax payable above which a surtax at the rate of NSF applies.

For Newfoundland, the SPSM calculates provincial surtax (impsur) as NSF percent of provincial taxes (imtxp) above the level NSCI.

NSTCL: Nfld sales tax credit reduction level

This is the level of provincial tax payable above which a surtax at the rate of NSF applies.

For Newfoundland, the SPSM calculates provincial surtax (impsur) as NSF percent of provincial taxes (imtxp) above the level NSCI.

NSTCR: Nfld sales tax credit reduction rate

This is the level of provincial tax payable above which a surtax at the rate of NSF applies.

For Newfoundland, the SPSM calculates provincial surtax (impsur) as NSF percent of

provincial taxes (imtxp) above the level NSCI.

OCCEAFLG: Ont. Child Care Expense Credit activation flag

The activation flag of the Ontario refundable child care expense tax credit (imoccea). The calculation is activated when the value is set to 1, no calculation if the value is zero.

OCCEAYNG: Ont. Child Care Expense Credit allowance per child

Upper limit of the amount that can be claimed per child under the Ontario refundable child care expense tax credit. This dollar amount is applied to all children up to the age of 6.

See also: imoccea

OCCEAPCT: Ont. Child Care Expense Credit qualifying percentage

This is the allowable portion of actual child care expenses which may be claimed. The allowable portion can be claimed up to a maximum of OCCEAYNG per child.

See also: imoccea

OCCEATD: Ont. Child Care Expense Credit family income turndown

The level of family net income (head plus spouse) above which the refundable Ontario child care expense tax credit (imoccea) begins to be paid at a lower rate. If family income exceeds this amount, the maximum family benefit will be reduced by a proportion (OCCEARR) of net income.

OCCEARR: Ont. Child Care Expense Credit benefit reduction rate

The rate at which census family net income (head plus spouse) above the threshold OCCEATD reduces the maximum family benefit under the Ontario refundable child care expense tax credit (imoccea).

OEHTDRR: Ontario Employer Health Tax Income Tax Deduction Rate

When OEHTFLAG is set to 1, the Ontario Employer Health Tax is calculated. It is reduced using a deduction which is calculated as OEHTDRR times the total tax due. The total tax minus the deduction is the tax due (imonteht).

OEHTEX: Ontario Employer Health Tax Exemption

This is the amount of self-employed earnings which is exempt from the Ontario Employer Health Tax. The tax is calculated when OEHTFLAG is equal to 1.

OEHTFLAG: Ontario Employer Health Tax Flag

When set to 1, the Ontario Employer Health tax is calculated for persons who are self-employed.

OEHTRR1: Ontario Employer Health Tax Rate 1

This is the first tax rate for the Ontario Employer Health Tax. When a person's income from self-employment is less than OEHTTD1, the Employer Health Tax is calculated as the rate times any self-employment earnings greater than the exemption OEHTEX.

The Ontario Employer Health Tax is only calculated when OEHTFLAG is equal to 1. The Tax is then reduced by a tax deduction calculated using OEHTDRR.

OEHTRR2: Ontario Employer Health Tax Rate 2

This is the second rate for the Ontario Employer Health Tax. When a person's income from self-employment is less than OEHTTD2, but greater than OEHTTD1, the Employer Health Tax is calculated by adding OEHTRR1 times the difference between the first turndown (OEHTTD1) and the exemption rate (OEHTEX) and OEHTRR2 times the difference between earnings from self-employment and OEHTTD1.

The Ontario Employer Health Tax is only calculated when OEHTFLAG is equal to 1. The Tax is then reduced by a tax deduction calculated using OEHTDRR.

OEHTRR3: Ontario Employer Health Tax Rate 3

When self-employment earnings are greater than OEHTTD2, the Ontario Employer Health Tax is calculated as OEHTRR3 times earnings from self-employment which are greater than the exemption OEHTEX.

The Ontario Employer Health Tax is only calculated when OEHTFLAG is equal to 1. The Tax is then reduced by a tax deduction calculated using OEHTDRR.

OEHTTD1: Ontario Employer Health Tax Turndown 1

This is the first turndown for the Ontario Employer Health Tax. When a person's income from self-employment is less than this value, the Employer Health Tax is calculated using the rate OEHTRR1 on self-employment earnings over the exemption OEHTEX. The Ontario Employer Health Tax is only calculated when OEHTFLAG is equal to 1.

OEHTTD2: Ontario Employer Health Tax Turndown 2

This is the second turndown for the Ontario Employer Health Tax. When a person's income from self-employment is less than this value, but greater than OEHTTD1, the Employer Health Tax is calculated by adding OEHTRR1 times the difference between the first turndown (OEHTTD1) and the exemption rate (OEHTEX) and OEHTRR2 times the difference between earnings from self-employment and OEHTTD1. The Ontario Employer Health Tax is only calculated when OEHTFLAG is equal to 1.

QCAPGFLAG: Capital gains deduction flag

This parameter controls the calculation of the Lifetime Capital Gains Deduction. A value of 1 implements the deduction.

QEMPLOFLAG: Database variable (emplo) activation flag

When this parameter is set to 1, the imputed variable for the employee home relocation deduction (idemplo) is included in the calculation of Quebec all deductions from net income (imqdedfn) as part of the other deductions. With a value of zero the employee home relocation deduction variable is not used.

QNBRFLAG: Quebec newborn family random increase of child rank

When QNBRFLAG is set to one then rank of children in a family of age 1 and 2 is randomly increase to reflect the rank structure observed by the Régie des rentes du Quebec. When the rank is increase, rank of older children is also increased.

QNORTHFLAG: Database variable(north) activation flag

When this parameter is set to 1, the imputed variable for the designated area deduction (idnorth) is included in the calculation of all Quebec deductions from net income (imqdedfn). With a value of zero the designated deduction variable is not used.

QPARTLOFLAG: Database variable (partlo) activation flag

When this parameter is set to 1, the imputed variable for Limited Partnership Losses (idpartlo) is included in the calculation of QuebecDeductions From Net Income (imqdedfn). With a value of zero the variable is not included.

QSTRBCRD: Quebec Sales Tax Rebate Base Credit

This amount is the base credit used to calculate the Quebec sales tax refund (imqstr) for Quebec Provincial Income Tax. The credit is base on family income (QSTROPT = 2) except for the first year of implementation where it is base on idigis (QSTROPT= 1). The calculation of the Sales Tax Rebate is activated with QSTRFLAG. A credit (QSTRCHILD) is added for each child in the family. A second credit is added (QSTRFTP3) when no spouse is present and at least one dependent child is present. An finally another credit is added (QSTRFTP4) is for a person living alone or with at least one dependent. The credit is reduced by the income considered at a rate QSTRRR.

QSTRCHILD: Quebec Sales Tax Rebate Children Dependent Credit

This amount is the child dependant credit used to calculate the Quebec sales tax refund (imqstr) for Quebec Provincial Income Tax.

QSTRFLAG: Quebec Sales Tax Rebate Activation Flag

In calculating total tax credits for Quebec Provincial Income Tax, this parameter controls whether or not the Quebec Sales Tax Rebate is included in the Provincial Tax Credit (imptc). If set to a value of 1, the Quebec Sales Tax Rebate is included, if set to 0, it is not.

QSTRFTP3: Quebec Sales Tax Rebate Family Type 3 Credit

This amount is the family type 3 dependant credit used to calculate the Quebec sales tax refund (imqstr) for Quebec Provincial Income Tax.

Family type 3 is when no spouse is present and at least one dependent child is present.

QSTRFTP4: Quebec Sales Tax Rebate Family Type 4 Credit

This amount is the family type 4 dependant credit used to calculate the Quebec sales tax refund (imqstr) for Quebec Provincial Income Tax.

Family type 4 is for a person living alone or with at least one dependent.

QSTROPT: Quebec Sales Tax Rebate Option=1 Based on idigis; =2 Otherwise

This amount is the option identifying the income use in the calculation of the Quebec sales tax refund (imqstr) for Quebec Provincial Income Tax. If QSTROPT is set to 2, it is the family income, if it is set to 1, it is the idigis.

QSTRRR: Quebec Sales Tax Rebate Reduction Rate

This rate calculates the fraction of the eligible income (imqei) used in the computation of the Quebec sales tax refund (imqstr).

***RECSSPFLAG: idrecssp Activation Flag**

This program is no longer modeled due to lack of data.

SBBENM: Seniors Benefit Maximum Rate for Couples

This is the maximum federal Seniors Benefit payable with respect to married pensioners.

SBBENS: Seniors Benefit Maximum Rate for Singles

This is the maximum federal Seniors Benefit payable with respect to single pensioners.

SBFLAG: Activate Calculation of Seniors Benefit

When this parameter is assigned a value of 1, the Seniors Benefit calculation is activated. With a value of 0, the calculation of the federal Senior's Benefit is suppressed.

SBOPTFLG: Optimize Seniors Benefit with OAS/GIS

When SBOPTFLG has a value of 0, the calculation of the federal Senior's Benefit is always used. When SBOPTFLG parameter is assigned a value of 1, the Seniors Benefit calculation is optimized for the nuclear family with respect to OAS/GIS. That is, the nuclear family's consumable income is calculated under the rules for both the Seniors Benefit and the rules for OAS/GIS. Whichever program results in the higher consumable income is the program whose benefits which will be assigned to the individual.

SBPREM: Seniors Benefit Premium over GIS

This is the supplementary amount by which the supplement portion of the federal Seniors Benefit exceeds maximum GIS. This amount also applies to the SPA program when the Seniors Benefit program is activated with SBFLAG.

SBRL1: Seniors Benefit First Benefit Reduction Plateau

The federal Seniors Benefit is reduced by a proportion (SBRR1) of income (imsbinc) until it reaches (SBRL1). Beginning at an nuclear family income level (imsbinc) of SBRL2, the benefit is further reduced by a proportion SBRR2 of additional income(imsbinc).

SBRL2: Seniors Benefit Second Reduction Level

The federal Seniors Benefit is reduced by a proportion (SBRR1) of income (imsbinc) until it reaches (SBRL1). Beginning at an nuclear family income level (imsbinc) of SBRL2, the benefit is further reduced by a proportion SBRR2 of additional income(imsbinc).

SBRR1: Seniors Benefit First Reduction Rate

The federal Seniors Benefit is reduced by a proportion (SBRR1) of income (imsbinc) until it reaches (SBRL1). Beginning at an nuclear family income level (imsbinc) of SBRL2, the benefit is further reduced by a proportion SBRR2 of additional income(imsbinc).

SBRR2: Seniors Benefit Second Reduction Rate

The federal Seniors Benefit is reduced by a proportion (SBRR1) of income (imsbinc) until it reaches (SBRL1). Beginning at an nuclear family income level (imsbinc) of SBRL2, the benefit is further reduced by a proportion SBRR2 of additional income(imsbinc).

SBSPA: Seniors Benefit Maximum Rate for SPA

This parameter is used in the calculation of SPA (imisbspa) when the federal Senior's Benefit flag (SBFLAG) is set to one.

Maximum dollar benefits of the Guaranteed Income Supplement portion of Extended Spouses Allowance for widowed SPA recipients. This amount is combined with the OAS portion of Extended SPA to determine maximum extended SPA benefits. This value is calculated on an annual basis as the sum of the monthly maximums.

SDSRA: Saskatchewan Deficit Surtax Reduction Rate

Saskatchewan Debt Surtax Reduction Amount - Amount deducted from Saskatchewan debt reduction surtax.

***STKCCFFLAG: idstkccf Activation Flag**

This program is no longer modeled due to lack of data.

***TARGETYEAR: Year of Analysis**

This parameter is now 4 digits.

UIBAFNR: UI EI Benefit Recovery Base Amount Factor for Non-repeaters

The EI benefit recovery amount for persons who have received less than a set number of weeks of EI in the past or who are not on a regular EI claim (UIBRANR) is calculated as a proportion of the base EI benefit recovery amount (UIBRA) times UIBAFNR.

This parameter applies only if UIEIOPT is set to 2 (December 1995 reform implemented in 1997)

UIBRANR: EI Repayment Base Amount for Non-Repeaters

If EI benefits (imiuib) have been received, a proportion of net income in excess of this amount or of total benefits is repayable. The amount can depend on the type of claim and on previous receipt of EI. If the claim is not a regular EI claim or if a person has received less than a certain number of weeks of EI in the past (UIEINRT), then the amount which is repayable is UIBRANR. Otherwise, the amount repayable is (UIBRA). This is a derived parameter calculated in mpc.c using (UIBAFNR).

This parameter applies only if UIEIOPT is set to 2 (December 1995 reform implemented in 1997)

UIBXWK [UIbxwkmax] [LKP_COLS]: Behavioural Response Rate to Minimum Divisor
Probability that a person will make up the extra weeks in order to avoid falling under the minimum divisor rule. It is a user-defined behavioural parameter which depends on the unemployment rate in the region. It is only in effect when UIEIDIVOPT is equal to 3 and UIEIOPT is equal to 2.

UIEIBRP [UIEIBRPMAX] [LKP_COLS]: Clawback Rate Under EI Reform

If employment insurance benefits (imiuib) have been received and net income is in excess of the base amounts (UIBRA) for persons with previous EI receipt or (UIBRANR) for persons with little previous benefits or for persons not on regular EI claims, the repayment is calculated at a rate (UIEIRPR) up to a maximum proportion of total benefit received (UIEIBRP). The rate depends on the previous number of weeks of EI received in the past.

UIEIDIV [UIEIDIVMAX][Lkp_COLS]: EI Minimum Divisor

Under the minimum divisor rule in EI, the earnings in the past 26 weeks are divided by either the weeks worked or the minimum divisor. This lookup table has the minimum divisor in the left most column and the unemployment rate in the middle column. It is only implemented when UIEIOPT is equal to 2 and UIEIDIVOPT is equal to 2 or 3.

UIEIDIVOPT: EI Minimum Divisor Options

This parameter allows the user to adjust weekly earnings in order to take into account the minimum divisor rule. If UIEIDIVOPT=1, the minimum divisor rule is not implemented. If UIEIDIVOPT=2 or UIEIDIVOPT=3 the number of weeks worked in the past 26 weeks is estimated to be a proportion (UIWK26) of the number of weeks worked in the past year (ucwork). The minimum divisor rule is then applied using UIEIDIV. If UIEIDIVOPT=3, a further behavioural response parameter, UIBXWK, allows a proportion of claimants to make up the extra weeks.

UIEIFIFLG: EI Intensity Rule Exemption for Family Supplement Receivers

When UIEIFIFLG is set to 1, claimants receiving a Family Income Supplement are exempt from the Intensity rule.

UIEIFSFLG: UI EI Calculate Family Supplement Flag

When UIEIFSFLG is set to 1, the Family Income Supplement is calculated.

UIEIFSRL: UI EI family supplement reduction level

When UIEIFSFLG is set to 1, the Family Income Supplement is calculated.

UIEIFSRR: UI EI family supplement reduction rate

When UIEIFSFLG is set to 1, the Family Income Supplement is calculated.

UIEIHWCf: EI Hours to Weeks Conversion Factor (hours/week)

In order to calculate the number of weeks of benefits under EI, hours of work are converted to weeks of work using UIEIHWCf, which can then be used in the (UIEWK) array.

UIEMFSP: EI Maximum Family Supplement Percent of Earnings

The maximum proportion of total earnings that the Family Income Supplement can amount to.

UIEIOPT: UI Employment Insurance Reform Option

When UIEIOPT is set to 1, Unemployment Insurance benefits are calculated. When it is set to 2, Employment Insurance benefits are calculated.

UIEIRATE [UIEIRMAX] [LKP_COLS]: Benefit Rate Under EI Reform

Employment Insurance benefit rate as a proportion of weekly insurable earnings. Under the Intensity Rule, the rate depends on the previous weeks of EI receipt.

UIEIREF: EI Contribution Refund Cut-in

If employment income is less than this amount, persons get their EI contributions (imuic) refunded (imuicrf).

UIEINRT: UI Non-repeater Level for Higher Clawback Turndown

The number of weeks of previous EI receipt which makes a recipient qualify for the intensity rule. If a person has less than UIEINRT weeks of EI in the past, then the intensity rule does not apply and UIBRANR is used to calculate the amount of EI which is repayable. Otherwise, the intensity rule is applied and UIBRA is used in the calculations.

UIEIRPR: UI EI Non Benefit Clawback Rate

If employment insurance benefits (imiuib) have been received and net income is in excess of the base amount (UIBRA) for persons with previous EI receipt or (UIBRANR) for persons with little previous benefits or for persons not on regular EI claims, this proportion is applied to the lower of (a) total EI benefits and (b) the excess net income up to a maximum percent of their total benefits (UIEIBRP), to calculate the repayment which is also a deduction from net income.

UIEIYRS: Number of Years of Previous EI Benefits Calculated

In Employment Insurance, in order to implement the intensity rule and the clawback, the number of weeks of EI benefits received in the past is needed. UIEIYRS is the number of years included in this calculation. If UIEIYRS is equal to 1, only the weeks of benefits in the past year are included. If UIEIYRS is equal to 4, the weeks in the past four years are included. The maximum number of years which can be calculated is 5.

UIFLAG: UI/EI Activation Flag

If UIFLAG is equal to 1, the Unemployment Insurance/Employment Insurance algorithm is run. Otherwise it is skipped.

UIFSHERMIN [UIRHRMAX][lkp_cols]: Minimum Earnings to Qualify for Fishing Benefits

This parameter represents the minimum hours of employment in the qualifying periods that are required for eligibility for EI regular benefits.

UIMATHRMIN: Minimum Hours to Qualify for Maternity Benefits

This parameter represents the minimum hours of employment in the qualifying periods that are required for eligibility for EI maternity benefits.

UIREGHRMIN[UIRMHRMAX][lkp_cols]: Minimum Hours to Qualify for Regular Benefits

This parameter represents the minimum hours of employment in the qualifying periods that are required for eligibility for EI regular benefits.

UISICHRMIN: Minimum Hours to Qualify for Sickness Benefits

This parameter represents the minimum hours of employment in the qualifying periods that are required for eligibility for EI sickness benefits.

UIWK26[uiwk26max][lkp_cols]: Weeks worked in 52 weeks to 26 weeks conversion rate

This represents the proportion of weeks worked in the past year which were worked in the past 26 weeks. It is used to calculate the minimum divisor rule (UIEIDIV) and is only in effect when UIEIOPT is equal to 2 and UIEIDIVOPT is equal to 2 or 3.

It is set up as a lookup table with the proportions in the left most column, and probability distribution (0-100) in the middle column. A random number is called in the program, and the proportion of weeks worked in the past 26 weeks is then derived.

VHOTM[VHOTMMAX][LKP_COLS]: Nova Scotia HOSP credit rate: Married[family net income,tax credit rate]

This parameter is used in the calculation of the Nova Scotia Home Ownership Savings Plan Tax Credit. The tax credit rate (column 3) is looked up according to the filer's qualifying adjusted income (column 1). This table is used for individuals who are married or living in a common-law relationship.

See also VHOSPRM

VHOSPRM: Nova Scotia qualified family income adjustment rate

This parameter is the proportion of qualified adjusted income a filer is allowed to claim when calculating the Nova Scotia Home Ownership Savings Plan Tax Credit. The proportion is applied to filers who have claimed a married tax credit.

VPHPREM: Nova Scotia Pharmacare Premium

This parameter gives the amount of the Nova Scotia Pharmacare premium. The premium is an annual head tax on all seniors age 65 and over. The premium was introduced in the 1995 Nova Scotia budget.

VPHRR: Nova Scotia Pharmacare Tax Reduction Reduction Rate

This parameter gives the amount of the Nova Scotia Pharmacare premium tax credit reduction rate. This is the proportion of income (imigisinc) above the turndown (VPHTD) which will be subtracted from the Maximum Pharmacare Tax Credit (VPHTC) to determine the allowable amount of the tax credit. The refundable tax credit was introduced in the 1995 Nova Scotia budget.

VPHTC: Nova Scotia Pharmacare Refundable Tax Credit

This parameter gives the amount of the Nova Scotia Pharmacare premium tax credit. This is a refundable tax credit available to all seniors age 65 and over and in receipt of GIS. The refundable tax credit was introduced in the 1995 Nova Scotia budget.

VPHTD: Nova Scotia Pharmacare Tax Credit Turndown

This parameter gives the amount of the Nova Scotia Pharmacare premium tax credit turndown. This is the level of income above which the Nova Scotia Pharmacare refundable tax credit begins to be reduced. The income is imigisinc. The refundable tax credit was introduced in the 1995 Nova Scotia budget.

***VSTMAX: Maximum Annual Nova Scotia Stock Savings Tax Credit**

The Nova Scotia Stock Savings Tax Credit is no longer modeled due to lack of data.

VTRBAS: Nova Scotia Tax Reduction Basic Amount

This parameter gives the maximum amount of the Nova Scotia tax reduction of the applicant for the reduction. Only one person in a head/spouse family may apply. This amount is then subject to a family income test.

VTREM: Nova Scotia Tax Reduction Equivalent to Spouse Amount

This parameter gives the maximum amount of the equivalent to married Nova Scotia tax reduction. Only the head of a single parent family may apply. A child being claimed for this amount may not also be claimed for the child amount. This total family tax reduction amount is then subject to a family income test.

VTRKID: Nova Scotia Tax Reduction Child Amount

This parameter gives the maximum amount of the Nova Scotia tax reduction for children. Only the head of a single parent family or one spouse in a head/spouse family may apply. The total family tax reduction amount is subject to a family income test.

VTRRR: Nova Scotia Tax Reduction Family Income Reduction Rate

This parameter gives the amount of the Nova Scotia tax reduction rate. This is the proportion of family income (iminet) above the turndown (VTRTD) which will be subtracted from the Maximum tax reduction amount to determine the allowable amount of the tax reduction.

VTRSP: Nova Scotia Tax Reduction Spouse Amount

This parameter gives the maximum amount of the Nova Scotia tax reduction of the spouse of the applicant for the reduction. Only one person in a head/spouse family may apply. This amount is then subject to a family income test.

VTRTD: Nova Scotia Tax Reduction Family Income Turndown

This parameter gives the amount of the Nova Scotia tax reduction turndown. This is the level of family net income above which the Nova Scotia tax reduction begins to be reduced. The income is iminet.

Variable Guide

This section includes descriptions of all new variables introduced in version 6.0. Variables which have been deleted, or whose interpretations have changed, are also described and are identified in this section by a preceding asterisk.

Alphabetical Listing of Variables

fxhreno: *Housing renovations

This variable has been eliminated.

idrecssp: *Alberta ssp tax credit recovery

This variable has been eliminated due to lack of data.

idroyreb: *Alta. Royalty tax rebate

This variable has been eliminated due to lack of data.

idroytc: *Alta. Royalty tax credit

This variable has been eliminated due to lack of data.

idsaskti: *Sask. Tax incentives

This variable has been eliminated due to lack of data.

idstkccf: *Alta stock savings plan tax credits

This variable has been eliminated due to lack of data.

idstksav: *Stock savings plan tax credit

This variable has been eliminated due to lack of data.

idccqp: *Converted CPP/QPP benefit*

This variable indicates if the individual had Canada Pension Plan (CPP) benefits or Québec Pension Plan (QPP) benefits which were converted from zero to a non-zero value using the rank order method of conversion. Note that the actual value of CPP/QPP (idicqp) reflects the choice made in the IMPCQPOPT adjustment parameter. Please see the *SPSD Database Creation Guide* for more information.

imedrcv: *Education and tuition credits transferred from others*

This variable indicates the dollar amount of SPA benefits received as calculated under the federal Senior's Benefits program. This variable is calculated for all individuals in the nuclear family context based on age, income, marital status, and immigration status. The variable does not include regular benefits under the federal Seniors Benefit program -- these are stored in the imisenb variable.

imedtrf: *Education and tuition credits transferred to others*

This variable indicates the dollar amount of SPA benefits received as calculated under the federal Senior's Benefits program. This variable is calculated for all individuals in the nuclear family context based on age, income, marital status, and immigration status. The variable does not include regular benefits under the federal Seniors Benefit program -- these are stored in the imisenb variable.

imiafetc: *Alberta Family Employment Tax Credit Benefits*

This variable contains the value of the Alberta Family Employment Tax Credit announced in

the Alberta Budget of 1997.

When the parameter AFETCFLAG is set to 1, the value of this variable is calculated as a percentage (AFETCBR) of nuclear family employment income above a threshold (AFETCCI) to a maximum dollar level which is calculated as AFETCBPC times the number of eligible children (nfnkids) up to a maximum number of children of AFETCNC. The maximum benefit is reduced by a percentage (AFETCRR) of nuclear family net income in excess of the threshold AFETCTD.

imibcfb: BC Family Bonus

Total benefits received under the British Columbia Family Bonus program commencing in July 1996.

When the parameter BCFBFLAG is set to one the value of this variable is calculated as BCFBBAS times the number of children in the nuclear family (nfnkids) reduced by a proportion of head plus spouse net income (iminet + imisa) above the turndown of BCFBTD. This proportion for families with one child is BCFBRRS and for multiple child families is BCFBRR. The value calculated in this manner is multiplied times the parameter BCFBPI.

B.C. Family Bonus benefits are assigned to the mother if present, or if not to the head of the nuclear family.

imigspa: GIS and spousal allowance

This variable indicates the dollar amount of SPA benefits received as calculated under the federal Senior's Benefits program. This variable is calculated for all individuals in the nuclear family context based on age, income, marital status, and immigration status. The variable does not include regular benefits under the federal Seniors Benefit program -- these are stored in the imisenb variable.

imisbspa: Federal Seniors Benefit SPA

This variable indicates the dollar amount of SPA benefits received as calculated under the federal Senior's Benefits program. This variable is calculated for all individuals in the nuclear family context based on age, income, marital status, and immigration status. The variable does not include regular benefits under the federal Seniors Benefit program -- these are stored in the imisenb variable.

imisenb: Federal Seniors Benefit

This variable indicates the dollar amount of federal Senior's Benefits benefits received. This variable is calculated for all individuals in the nuclear family context based on age, income, marital status, and immigration status. The variable does not include SPA benefits calculated under the Seniors Benefit -- these are stored in the imisbspa variable.

imonteht: Ontario Employers Health Tax (Self-employed)

This is the value of the Ontario Employer Health Tax. It only applies to self-employed persons, and is calculated when OEHTFLAG is set to 1. This value represents the total tax minus the deduction.

immanltc: Manitoba learning tax credit

This is the Manitoba Learning Tax Credit. It is calculated as a proportion (MANLTFCF) of the education and tuition tax credits (imedtxc and imtutxc) minus the education credits transferred to parents or spouse (imedtrf) plus the education credits transferred from children or spouse (imedrcv).

imnbcbb: NB child tax Benefits base amount

Total benefits received less earned income benefits received under the New Brunswick Child Benefits program announced in the 1997 New Brunswick Budget and commencing in April 1997.

imnbcben: Total NB child tax Benefits

Total benefits received under the New Brunswick Child Benefits program announced in the 1997 New Brunswick Budget and commencing in April 1997.

imnbwis: NB child tax Benefits WIS

This variable contains the value of the supplemental earned income benefits received under the New Brunswick Child Benefits program announced in the 1997 New Brunswick Budget and commencing in April 1997.

The value of this variable is calculated as a percentage (NBCBESR) of nuclear family employment income above a threshold (NBCBECI) to a maximum of NBCBEIS less a percentage (NBCBERR) of nuclear family net income in excess of the threshold NBCBETD.

imoccea: Ont. Child Care Exp. credit allowed (Family)

This is the calculated amount of the Ontario refundable child care expense tax credit. When the parameter OCCEAFLG is set to 1, the maximum amount of the benefit is calculated as the lower of either actual child care expenses (imccet) or of a specified amount per child (OCCEAYNG) times the number of children age 6 and under in the census family.

Maximum family benefits are then reduced by a proportion (OCCEARR) of family net income above the threshold (OCCEATD). The model assigns the imputed Child Care credit (imoccea) to the mother if present or otherwise to the head of the census family.

imoccec: Ont. Child Care Exp. credit allowed (child)

This is the actual amount of refundable Ontario child care expenses tax credits claimed on behalf of this particular child.

impeht: Provincial Elderly Health Tax

Total provincial tax levied specifically for health care for the elderly. Currently this variable is only used by Nova Scotia for its Pharmacare program.

impehtc: Provincial Elderly Health Tax Credit

Total provincial refundable tax credits specifically for purposes of health care for the elderly. Currently this variable is only used by Nova Scotia for its Pharmacare program.

imqstr: Quebec sales tax refund

Sales tax refund applied to spouse and balance to elder, or the opposite, depending on which party has the higher income.

imrepay: Social Benefits Repayments

The sum of UI Benefits repaid (imuibr) and any simulated repayments for Family Allowance repayment and OAS repayment.

The standard algorithm allows the simulation of repayment of Family Allowances based on family net income and the repayment of OAS based on individual net income. A Family Allowance repayment rate (parameter FARR) may be applied to family net income exceeding a turndown level (parameter FATD). Similarly, for OAS, the reduction rate (OASTD) may be applied to net income exceeding a turndown level (OASTR).

imsbinc: Individual Income Reducing Seniors Benefit

This variable is an individual's income from a specified set of sources which is used to determine the amount of the federal Seniors Benefits, if any. The variable is multiplied by the parameter PYINC prior to applying needs testing algorithms.

The sum of all income from employment (idiemp, idisenf, idisefm), investment income (ididiv, idiint, idiroom, idioinv), taxable government transfers (iditogv, imiuib), pensions (idicqp, idipens) and taxable other income (iditoth) less allowable employment expenses (imalexp), CPP/QPP contributions (imcqppc) and Unemployment Insurance contributions (imuic).

imsbmax: Federal Seniors Benefit Maximum Benefit

This variable contains the amount of federal Senior's Benefits an individual could receive, before the amount is reduced based on income.

imsbni: Consumers Income with Seniors Benefit Not Zeroed

This variable is calculated during the federal Senior's Benefit program calculations if optimization is requested (SBOPTFLG). This is the income the individual would receive if the family chose to claim their federal Seniors Benefits and not their OAS/GIS instead.

imsboas: Federal Seniors Benefit OAS Portion

This variable indicates the dollar amount of the OAS portion of the federal Senior's Benefit. This portion is subject to modification for recent immigrants to Canada. The amount represents the maximum OAS portion available and not the payable amount after needs-testing.

imsbtyp: Type of Seniors Benefit Entitlement

This variable is calculated for all individuals in the census family context based on age and marital status.

This variable indicates the category of eligibility for the federal Senior's Benefits Program, before needs testing, for all individuals.

imsbz: Type of Seniors Benefit Zeroed?

When Seniors Benefit optimization is turned on (SBOPTFLG==1), this flag variable is set to 1 if the current family was better off in terms of consumable income by receiving OAS/GIS instead of the federal Senior's Benefit.

imsbzi: Consumers Income with Seniors Benefit Zeroed

This variable is calculated during the federal Senior's Benefit program calculations if optimization is requested (SBOPTFLG). This is the income the individual would receive if the family chose not to claim their federal Seniors Benefits and claimed their OAS/GIS instead.

imuicrf: UI EI contribution refund

This variable describes the amount of EI contribution, imuic, which a person with income less than UIEIREF would get refunded. It is subtracted from imuic.

ubcalfs: Family supplement paid in calendar year

This variable describes the total number of weeks of EI received in the past UIEIYRS years. It is derived using ucy1 to ucy5.

ubclmfs: Family supplement paid on claim

This variable describes the total number of weeks of EI received in the past UIEIYRS years. It is derived using ucy1 to ucy5.

ubeiwbp: *Weeks of past EI benefits*

This variable describes the total number of weeks of EI received in the past UIEIYRS years. It is derived using ucy1 to ucy5.

ucgotpa: *Received paternity benefits*

This flag is set to 1 if a person received paternity benefits and 0 otherwise. It is not currently used in the code which uses the UIEXTMATWKS parameter.

Source:

EIC Administrative Data.

ucuro: *Unemployment rate (X10) – Original value*

This variable contains the original local unemployment rate applicable in the week of claim initiation. This variable may be inconsistent with the province and urbanisation of the individual, since these data come from different data sources.

This variable is used only in the transfer of ucuer in ASCII format.

Source:

EIC Administrative Data.

ucprvwk: *Weeks on UI in 52 weeks before claim

This variable has been replaced with ucy1.

ucwkhr: *Average weekly hours of work*

This variable describes the average number of hours worked per week.

Source:

This item is imputed from the Survey of Labour and Income Dynamics (SLID)

ucy1: *Weeks on UI in first year before claim*

The number of weeks of EI receipt received in the first year prior to a claim.

Source:

EIC Administrative Data.

ucy2: *Weeks on UI in second year prior to claim*

The number of weeks of EI receipt received in the second year prior to a claim.

Source:

EIC Administrative Data.

ucy3: *Weeks on UI in third year prior to claim*

The number of weeks of EI receipt received in the third year prior to a claim.

Source:

EIC Administrative Data.

ucy4: *Weeks on UI in fourth year prior to claim*

The number of weeks of EI receipt received in the fourth year prior to a claim.

Source:

EIC Administrative Data.

ucy5: *Weeks on UI in fifth year prior to claim*

The number of weeks of EI receipt received in the fifth year prior to a claim.

Source:

EIC Administrative Data.

Database Creation Guide

Weight file updates

The weight files for 1994, 1995, and 1996 have been created and adjusted to be consistent with the average annual employment and unemployment to population ratios derived from the monthly Labour Force Surveys while maintaining consistency with demographic age structure .

New weight files representing 1997 to 2001 have been produced. The projection assumptions employed are the same as in previous releases. These provide a consistent time-series of weight files representing 1984 through 2001 centered on the 1992 SCF weights.

The SCF has readjusted their weights for 1992 based on the 1996 census. This adjustment resulted in wages and salaries to exceed appropriate SNA control totals by over 5%. For this reason, the SPSD/M version 6.0 continues to use the original SCF 1992 weights based on the 1991 census.

New Source of Data: SLID

The Survey of Labour and Income Dynamics (SLID) was used to impute (by categorical matching) average weekly hours worked to all UI claim recipients. Only UI recipients in SLID were used to derive these hours and only months with no receipt of UI and more than 15 hours worked were used in the calculation, since these are the months which will most likely match the type of work schedule prior to a UI claim. Finally, these average hours were matched to SPSD using industry, sex, and province.

Online Documentation

The SPSPD/M online documentation provides quick access to the full Documentation Guides. These online guides will only work Microsoft Windows 95 or Windows NT.

The installation is now done as a package within the main SPSPD/M installation. It will result in a file spsme.hlp in the main spsm folder. In order to use the help facility, navigate to the folder and run the file (e.g. using Explorer). You can navigate within the documentation in several ways: you can examine the index, use a full text search to identify which topics contain a given word or phrase or navigate using the hierarchical structure. A help file on using the online documentation is included and can be accessed from the application's help menu.

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.