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Indexing of the parameters of the personal income tax system, social assistance benefits and certain government fees by 1.26% for the 2021 tax year

Quebec, November 12, 2020 – The Ministère des Finances du Québec announced today the indexing rate, which will apply as of January 1, 2021, with regard to parameters of the personal income tax system, social assistance benefits and certain government rates, will be 1.26%.

\$431 million to protect the purchasing power of Quebecers

The indexing rate of 1.26% protects the purchasing power of Quebecers to the tune of more than \$431 million.

Indexing the parameters of the personal income tax system corresponds to tax relief of nearly \$424 million for taxpayers. Thus, the value of most tax measures under the personal income tax system will increase by a level equivalent to the rise in consumer prices in Québec in 2020.

In addition, the indexation will allow the most disadvantaged Quebecers to benefit from additional financial assistance of nearly \$33 million under social assistance programs whose benefits will be indexed.

Lastly, the indexing rate will apply to government fees that are not yet subject to an indexing rule or set annually. Indexing reflects the increase in the cost of fee-based services without raising the service user's share of the cost. For a complete year, indexing will generate more than \$25 million in additional revenues, which will be used to maintain the quality of public goods and services.

Related link:

The document entitled *Parameters of the Personal Income Tax System for 2021* presents the main changes stemming from the indexing announced today and is available on the Ministère des Finances website at www.finances.gouv.qc.ca.

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