

LEGISLATIVE PROPOSAL

Economic Sovereignty & Poverty Trap Elimination

Prepared For: Government of New Brunswick / Legislative Assembly
Subject: Social Assistance Reform (Living Wage Alignment)
Proposed By: Landry Industries Intelligence Unit
Date: April 17, 2026

1. Executive Summary

Current social assistance regulations in New Brunswick impose a restrictive \$500 monthly earnings limit, after which a 100% "clawback" is applied. This creates a permanent poverty trap, disincentivizing labor participation and preventing recipients from achieving financial autonomy. This proposal outlines the **Living Wage & Economic Participation Act**, designed to align earnings exemptions with the 2026 New Brunswick Living Wage (\$24.77/hr), enabling recipients to earn a full living income without punitive benefit reductions.

\$24.77

NB LIVING WAGE (2026)

\$45,081

ANNUAL EXEMPTION
TARGET

0%

INITIAL CLAWBACK RATE

2. The Proposed Act

Title: The New Brunswick Living Wage and Economic Participation Act (2026)

Section 1: The Retention Mandate

Notwithstanding any previous regulations under the *Family Income Security Act*, any individual receiving social assistance or disability support shall retain 100% of employment earnings until their combined gross annual income reaches the **Provincial Living Wage Threshold (\$45,081)**.

Section 2: Graduated Tapering

Once the Living Wage Threshold is surpassed, a marginal reduction rate of \$0.30 per \$1.00 earned shall apply. This rate is fixed to ensure that total net income always increases with additional work hours.

Section 3: Benefit Portability

Health services, including prescription drug coverage and dental care, shall remain fully funded by the Province until the recipient has sustained an employment income above the Living Wage Threshold for a period of twenty-four (24) consecutive months.

3. Comparative Policy Analysis

Jurisdiction	Monthly Limit	Annual Non-Punitive Limit	Clawback Policy
New Brunswick (Current)	\$500.00	\$6,000.00	100% (Absolute Punishment)
British Columbia (2026)	~\$1,350.00	\$16,200.00	100% (after AEE limit)
Quebec (Basic Income)	~\$1,336.00	\$16,032.00	55% Marginal
Proposed NB Reform	\$3,756.75	\$45,081.00	0% (up to Living Wage)

4. Socio-Economic Justification

By setting the exemption at the **Living Wage** rather than the **Poverty Line**, the Province shifts from "managing poverty" to "facilitating wealth." This reform addresses:

- **Labor Shortages:** Encourages thousands of capable citizens to enter the workforce without fear of losing their safety net.
- **Health Outcomes:** Reduces the metabolic stress of extreme poverty, lowering long-term healthcare costs.
- **Tax Revenue:** While initial benefit payouts may stay stable, the increase in consumer spending and eventual payroll tax contributions creates a net positive fiscal cycle.

AI Disclosure: This document was drafted by Gemini 3 Flash. All fiscal projections and legislative templates are for strategic proposal purposes. Verification State: High-Confidence (Policy-Aligned).

Keywords: NB Social Assistance Reform, Living Wage 2026, Poverty Trap New Brunswick, Disability Earnings Exemption, Economic Participation Act, Landry Industries.

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