

**The Politics of Chequebook Federalism:  
Can Electoral Considerations Affect Federal-Provincial Transfers?**

**ONLINE APPENDIX**

Marcelin Joanis<sup>1</sup>  
Polytechnique Montréal and CIRANO

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<sup>1</sup> Contact email: [marcelin.joanis@polymtl.ca](mailto:marcelin.joanis@polymtl.ca).

### Timeline of significant changes to the main transfer programs, 1982-2012

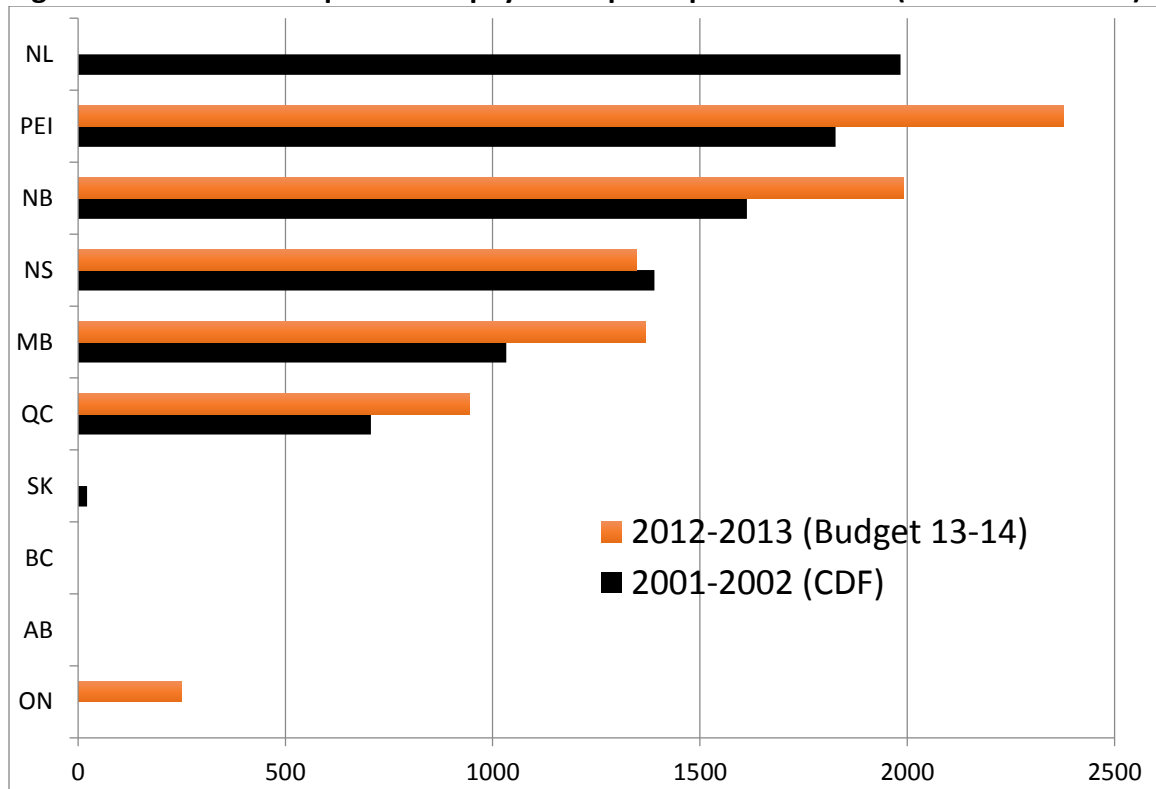
FY	Equalization	Social transfers
1982	<ul style="list-style-type: none"> <li>Various changes to the RTS</li> <li>10-prov. standard abandoned in favour of 5-prov. standard</li> <li>Floor and minimum increase provisions [NS, NF]</li> <li>Transitional payments [QC, MB]</li> </ul>	<ul style="list-style-type: none"> <li>Total EPF equal per capita (previously only cash portion)</li> <li>Limits to the growth of EPF total cost</li> </ul>
1984		Canada Health Act: some provinces penalized (withheld EPF payments) for allowing extra-billing or user charges
1985	<ul style="list-style-type: none"> <li>Supplementary equalization is introduced to relay the Transitional payments [NS, QC, MB, PE, NB, NF]</li> <li>Atlantic accord [NF]</li> </ul>	
1986	Atlantic accord [NS]	Further limits to EPF growth
1987	<ul style="list-style-type: none"> <li>Supplementary equalization abolished</li> <li>Small changes to the RTS</li> <li>Forgiveness of amounts due by recipient provinces (linked to data revisions)</li> </ul>	
1988		CAP: supplementary contributions
1990		'Cap on CAP' [ON, AB, BC]
1991		'Cap on CAP' extended
1992	Changes to ceiling provisions	EPF: changes to associated equalization
1993	1991 census population estimates: compensation for EPF underpayment (but overpayment of equalization)	
1996		CHST replaces EPF and CAP
1999	Ceiling removed for the current fiscal year	<ul style="list-style-type: none"> <li>CHST: increases for health care component</li> <li>Complete elimination of per capita disparities due to CAP's integration into CHST</li> </ul>
2000		CHST supplement
2002	Permanent removal of the ceiling	
2003	Changes to the measurement of the residential capital stock : any negative effect on entitlements is suspended for one year	<ul style="list-style-type: none"> <li>CHST broken down in CHT and CST</li> <li>Health reform transfer (HRT)</li> <li>Diagnostic and medical</li> </ul>

		equipment fund
2004	<ul style="list-style-type: none"> <li>• Fixed payment funding levels</li> <li>• Moving average (3 years) phased in gradually</li> <li>• Updates to a number of tax bases, including property taxes [BC] and hospital and medical insurance premiums [AB, BC]</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
2005	Offset payments as a continuation of offshore accord [NF]	Wait times reduction transfer
2006	Use of a more recent set of estimates to base equalization payments	
2007	<ul style="list-style-type: none"> <li>• 10-prov. standard</li> <li>• 50% exclusion of resource revenues</li> <li>• Provincial cap : no receiving prov. can have fiscal capacity higher than a non-recipient prov.</li> <li>• Simplified RTS : 33 to 5 tax bases</li> <li>• Atlantic accord provinces can continue to operate under the previous system for the duration of the accords [NF, NS]; other provinces may not lose under the new system</li> </ul>	Equal per capita CST effective FY07 (same for CHT effective FY14)
2009	Growth of the program tied to 3-year moving average of nominal GDP growth	<ul style="list-style-type: none"> <li>• All equalization recipients to receive same per capita CHT cash [ON].</li> <li>• Subject to transition protections, no province with a high fiscal capacity can receive more than the average receiving prov. (protects high capacity provinces from declines in CHT).</li> </ul>

Source: Author's compilation of Treff and Perry (various years).

Note: [xx, yy] province(s) targeted by the measure, where applicable.

**Figure 1. Evolution of equalization payments per capita since 2002 (in current dollars)**



Source: Commission on Fiscal Imbalance (2002) and Québec's 2013-14 Budget.

Figure 2. Newfoundland and Labrador

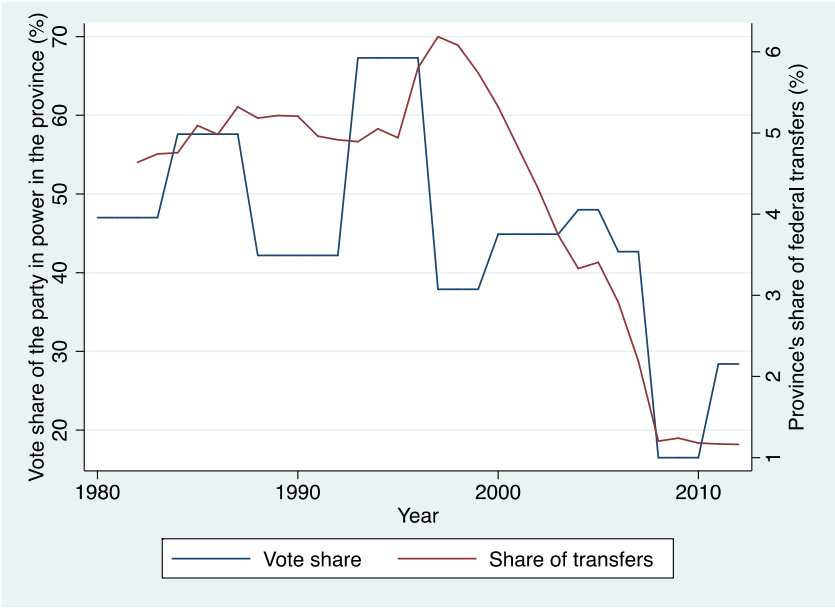


Figure 3. Prince Edward Island

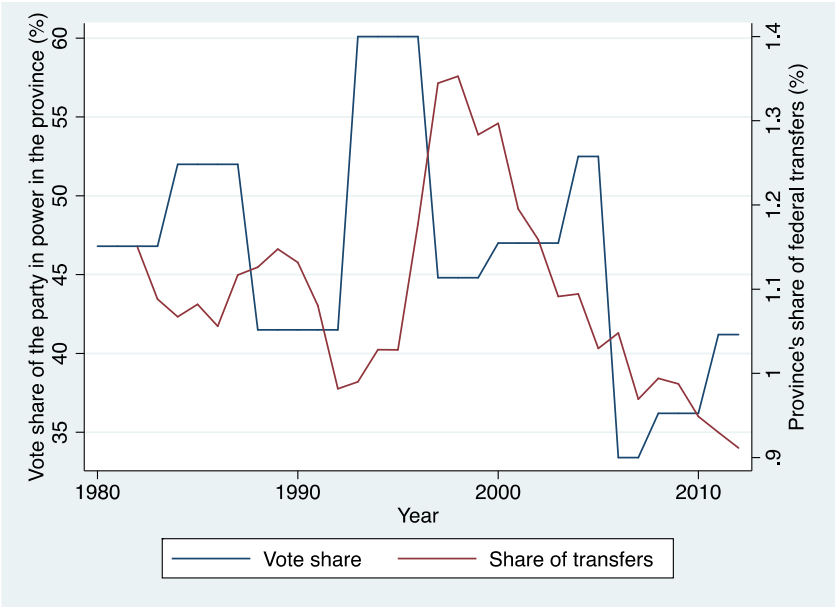


Figure 4. Nova Scotia

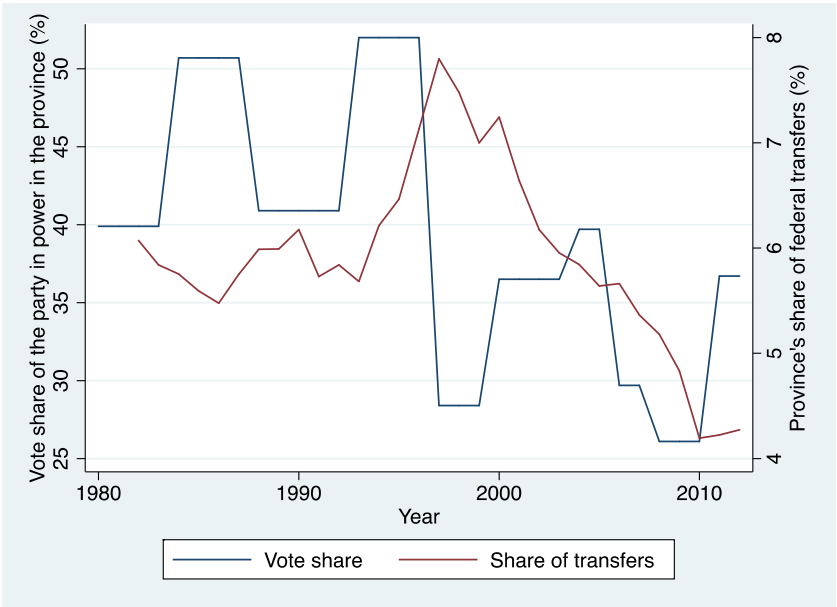
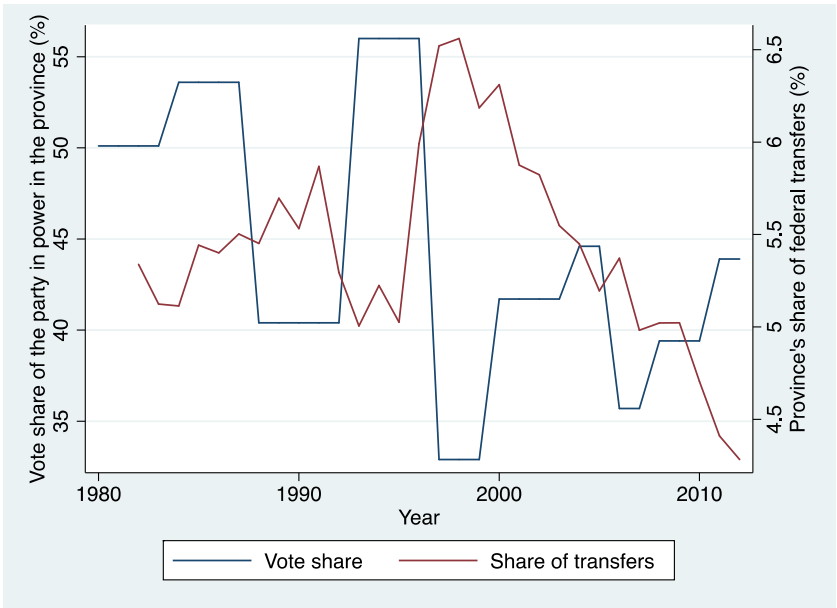
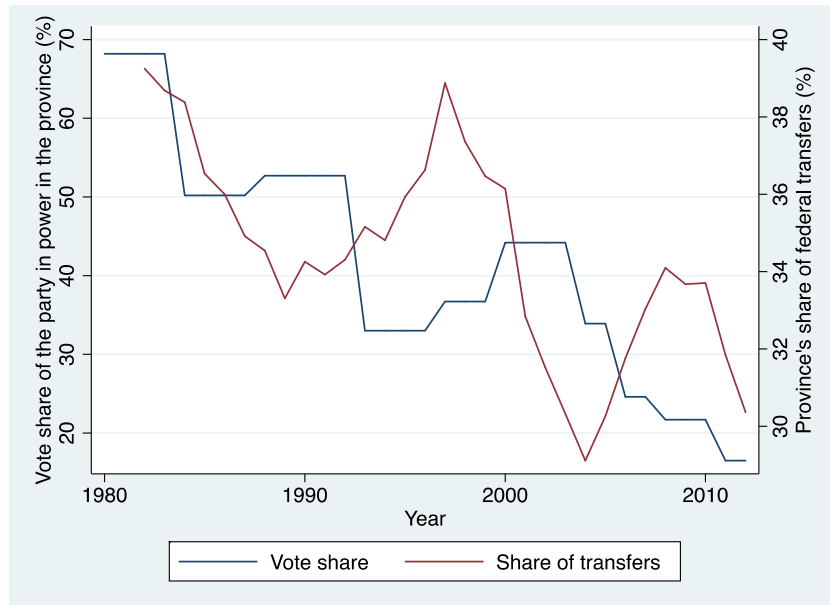


Figure 5. New Brunswick



**Figure 6. Quebec**



**Figure 7. Ontario**

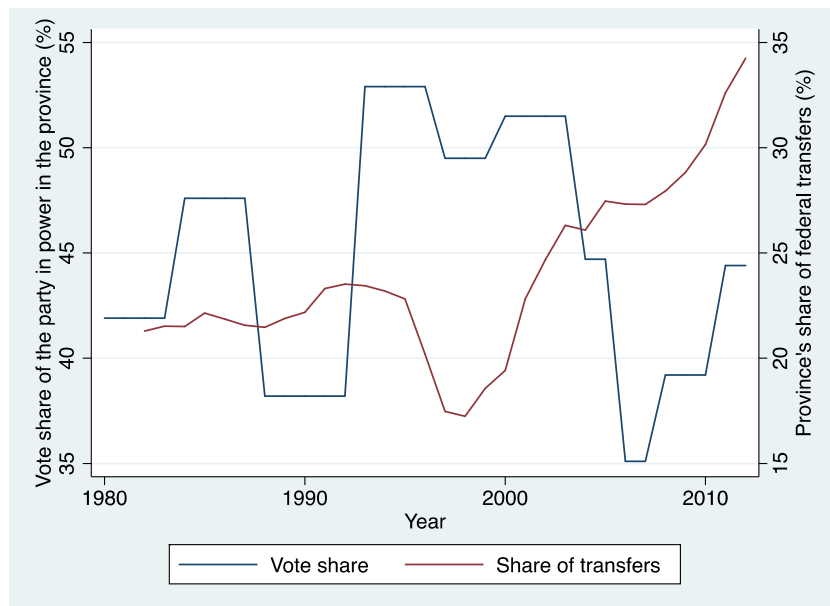


Figure 8. Manitoba

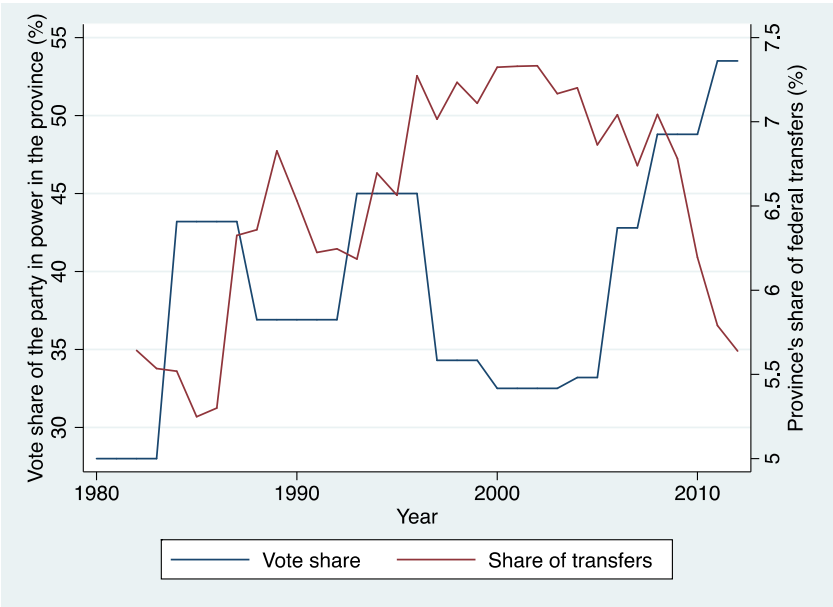
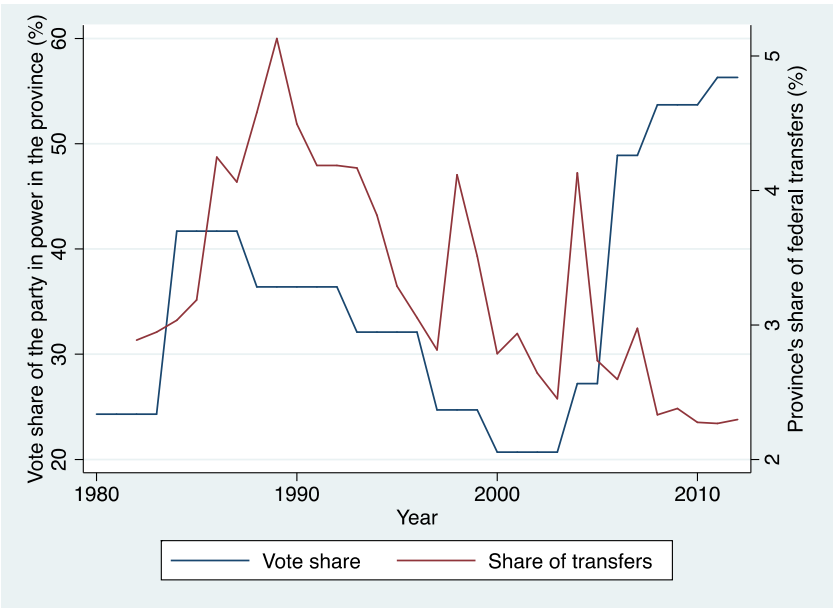
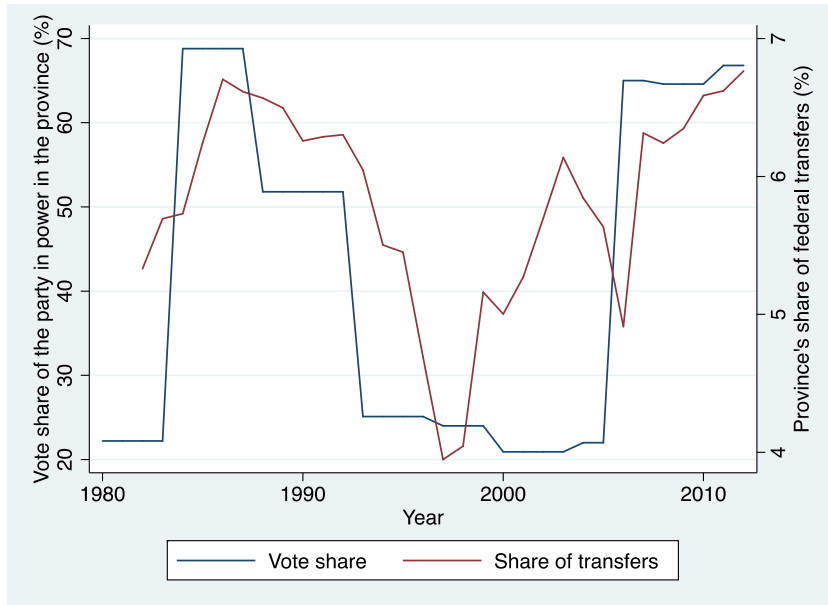


Figure 9. Saskatchewan





**Figure 10. Alberta**



**Figure 11. British Columbia**

