Dictionary, Census of Population, 2021

Low-income measure, after tax (LIM-AT)

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Definition

The Low-income measure, after tax, refers to a fixed percentage (50%) of median adjusted after-tax income of private households. The household after-tax income is adjusted by an equivalence scale to take economies of scale into account. This adjustment for different household sizes reflects the fact that a household's needs increase, but at a decreasing rate, as the number of members increases.

Using data from the 2021 Census of Population, the line applicable to a household is defined as half the Canadian median of adjusted household after-tax income, multiplied by the square root of household size. The median is computed from all persons in private households. Thresholds for specific household sizes are presented in Table 2.4 Low-income measures thresholds (LIM-AT and LIM-BT) for private households of Canada, 2020, *Dictionary, Census of Population, 2021*.

When the unadjusted after-tax income of household pertaining to a person falls below the threshold applicable to the person based on household size, the person is considered to be in low income according to LIM-AT. Low-income status is typically presented for persons but, since the LIM-AT threshold and household income are unique and shared by all members within each household, low-income status based on LIM-AT can also be reported for households.

For the 2021 Census, the reference period for low-income data is the calendar year 2020.