



firstcall BC CHILD AND YOUTH
ADVOCACY COALITION

Comparison of Provincial and Territorial Child Benefits and Recommendations for British Columbia

MAY 2018

putting children and youth **first**

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Notes to reader:

- The following provincial comparison and profiles are not a comprehensive review of every benefit that may be available to households with children.
- This information is intended as a broad comparison of the unique provincial and territorial **child benefit** programs.

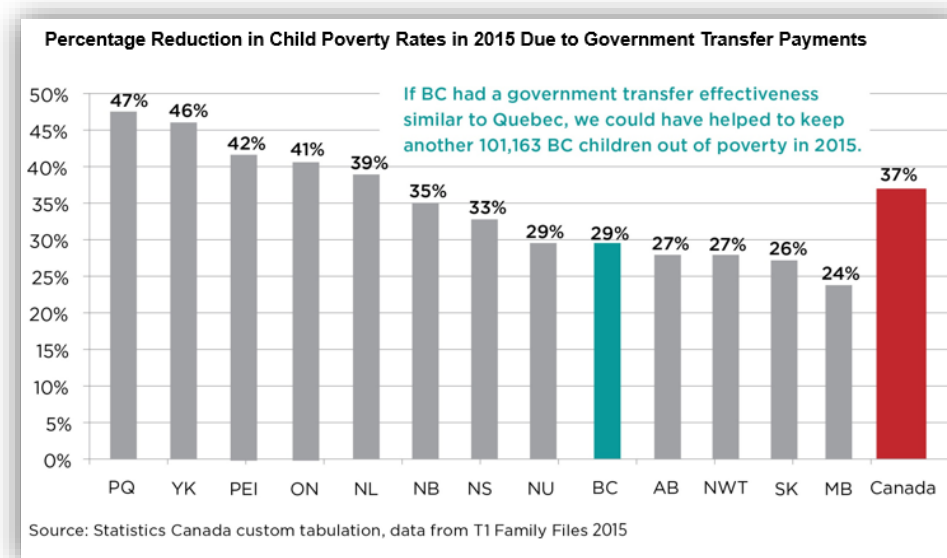
Introduction

“In Canada, child benefits — meaning income payments on behalf of children, delivered either in the form of cheques or income tax reductions — have historically pursued two fundamental and related purposes: poverty reduction and parental recognition. Under the poverty reduction objective, child benefits help fill the gap between the earnings of low- and modest-wage parents and their families’ income needs, based on the long-recognized reality that a market economy does not vary wages and salaries to take into account the number of family members dependant on that income. The parental recognition objective views child benefits as an important way for society to provide some financial recompense for the fact that parents bear expenses that childless households, at the same income level, do not.”¹

First Call has been tracking child and family poverty rates in BC for more than two decades. Every November, with the support of the Social Planning and Research Council of BC (SPARC BC), we release a report card with the latest statistics on child and family poverty in BC and recommendations for policy changes that would reduce these poverty levels.

In our 2017 report card, we made a recommendation to enhance BC’s current early childhood benefit to more effectively reach families with children living in poverty. We know, from international data that, on average, social transfers in high-income countries reduce child poverty rates by about one third.

Without government transfers, using only family market income, British Columbia’s child poverty rate was 25.8% in 2015. It came down to 18.3% after government transfers. BC’s government transfers were less effective than most provinces or territories at reducing child poverty, keeping 29% of children out of poverty, below the Canadian average of 37%. If BC had a government transfer effectiveness similar to Quebec, we could have helped to keep another 101,163 BC children out of poverty in 2015.²



The majority of poor children in BC live with parents in paid work, either full or part time. Low wages and precarious work are important causes of family poverty.³ And we know from the recent recalculation of the living wage: “The introduction of the Canada Child Benefit – which resulted in small

¹ Ken Battle, *Renewing Canada’s Social Architecture, Child Benefits in Canada: Politics Versus Policy*, June 2015

² First Call: BC Child and Youth Advocacy Coalition, *2017 BC Child Poverty Report Card*, November 2017

³ Iglia Ivanova, Canadian Centre for Policy Alternatives, *Working Poverty in Metro Vancouver*, 2016

decreases in the Metro Vancouver living wage for two consecutive years in 2016 and 2017 despite rising costs of living – shows how significant government transfers can be. However, most other government transfers and subsidies are reduced or eliminated once a family reaches an income level well below the living wage.”⁴

In light of the BC government’s commitment to reducing poverty, we revised our cross-Canada comparison of child benefits included in our child poverty report card to reflect 2018 information. This data is presented here.

Quebec’s Child Assistance Benefit continues to be the most generous benefit for families in Canada. Of the provinces offering benefits for families with children, BC continues to be the only one capping the eligibility age for children at 6 instead of 18 years of age. And while some provinces offer a type of ‘working’ or low-income’ tax benefit, they are not specifically aimed to assist families and are therefore omitted from the comparison chart.

Recommendations

We restate our recommendation from the *2017 BC Child Poverty Report Card* (also included as Recommendation 6 in our submission on a poverty reduction strategy for BC⁵).

Recommendation 1: Redesign the BC Early Childhood Tax Benefit into a BC Child Benefit that covers children under 18, increase the maximum benefit to \$1,320 per child per year and index it annually to the cost of living.⁶

This recommendation would bring BC’s benefit close to the Ontario Child Benefit, while recognizing that the additional costs of raising children do not disappear when they turn 6, and many families with children 6 and older are also struggling in deep poverty.

We think the province can better target its resources to lift more families with children out of poverty by reducing the earning threshold above which the benefit begins to diminish. We suggest the full benefit be available to households with annual net incomes that approximate a living wage for families as calculated by the Living Wage for Families Campaign⁷. This measure is the best available approximation of an adequate income that supports a ‘bare bones’ budget for a family with children and is broadly accepted by both the social services and business communities in BC.

Recommendation 2: Ensure that households with an annual net income of up to \$80,000 receive the full, increased child benefit and phase out the benefit for households with annual net incomes above \$100,000.

⁴ Canadian Centre for Policy Alternatives *Working for a Living Wage: 2018 update*

⁵ First Call, *Submission to the British Columbia Poverty Reduction Strategy Consultation*, March 2018 <https://engage.gov.bc.ca/app/uploads/sites/242/2018/04/First-Call-BC-Child-and-Youth-Advocacy-Coalition.pdf>

⁶ Ibid. 5

⁷ Ibid. 4

Overview of Canadian Provincial and Territorial Child Benefits as of May 2018

	Child's age	Annual benefit dollar amount (1 child) 2016	Annual benefit dollar amount (1 child) 2018	Lifetime dollar investment (1 child, full benefit) 2016	Lifetime dollar investment (1 child, full benefit) 2018	Full benefit annual income threshold 2016	Full benefit annual income threshold 2018	Annual income when benefit phased out 2016	Annual income when benefit phased out 2018	Benefit indexed?	Program Name
Canada	0 - 6		6,400		38,400		30,000		65,000	Y	Canada Child Benefit
	6 - 17		5,400		59,400						
	Sum 0-17				97,800						
PQ	0-18	2,392	2,430	43,056	43,740		34,824	35,000	91,218	Y	Child Assistance Payments
ON	0-18	1,336	1,378	24,048	24,804	20,400	21,037			Y	Child Benefit and Income Supplement
AB	0-18	1,100	1,128	19,800	20,304	25,500	26,141	41,220	42,255	Y	Alberta Child Benefit (ACB)
YK	0-18	820	No change	14,759	No change	35,000	No change		No change	N	Yukon Child Benefit (YCB)
NS	0-18	625	No change	11,250	No change	18,000	No change	26,000	No change	N	Nova Scotia Child Benefit
MB	0-18	420	No change	7,560	No change	15,000	No change	20,435	No change	N	Manitoba Child Benefit
NL	0-18	377	386	6,786	6,949	17,397	17,397	24,849	25,018	N	Child Benefit
NV	0-18	330		5,940		20,921				N	Nunavut Child Benefit
NB	0-18	250		4,500		20,000		30,000	20,000	N	NB Child Tax Benefit
BC	0-6	660	No change	3,960	No change	100,000	No change	150,000	No change	N	BC Early Childhood Tax Benefit
SK											
PEI											
NWT	0-6	330	815	5,940	4,890	20,921	30,000		80,000	N	NWT Child Benefit
	6-18		652		7,824						
	Sum 0-18				12,714						

Government of Canada

The **Canada child benefit (CCB)** is a tax-free monthly payment made to eligible families to help them with the cost of raising children under 18 years of age. The CCB might include the child disability benefit and any related provincial and territorial programs.

The Canada Revenue Agency (CRA) uses information from your income tax and benefit return to calculate how much your CCB payments will be.

Benefits are paid over a 12-month period from July of one year to June of the next year.

The benefit begins to be phased out starting when adjusted family net income (AFNI) exceeds \$30,000.

Basic benefit for July 2016 to June 2018

We calculate the Canada child benefit (CCB) as follows:

- \$6,400 per year (\$533.33 per month) for each eligible child under the age of six
- \$5,400 per year (\$450.00 per month) for each eligible child aged 6 to 17

We start to reduce the amount of CCB you get when your adjusted family net income (AFNI) is over \$30,000. The reduction is calculated as follows:

- families with **one** eligible child: the reduction is 7% of the amount of AFNI between \$30,000 and \$65,000, plus 3.2% of the amount of AFNI over \$65,000
- families with **two** eligible children: the reduction is 13.5% of the amount of AFNI between \$30,000 and \$65,000, plus 5.7% of the amount of AFNI over \$65,000
- families with **three** eligible children: the reduction is 19% of the amount of AFNI between \$30,000 and \$65,000, plus 8% of the amount of AFNI over \$65,000
- families with **four or more** eligible children: the reduction is 23% of the amount of AFNI between \$30,000 and \$65,000, plus 9.5% of the amount of AFNI over \$65,000

Effects of Indexation Beginning in the 2018–19 Benefit Year

CCB amounts and phase-out thresholds (\$)	Current Benefit Year	2018–19	2019–20 (projected)
Maximum amount per child under 6	6,400	6,496	6,626
Maximum amount per child aged 6 through 17	5,400	5,481	5,591
First income threshold	30,000	30,450	31,059
Second income threshold	65,000	65,975	67,295

Source: Department of Finance. Indexation: 1.5% for 2018 and 2.0% (projected) for 2019.

Source: https://www.fin.gc.ca/n17/data/17-103_1-eng.asp

Profile: British Columbia

The **B.C. Early Childhood Tax Benefit (BCECTB)** is a tax-free monthly payment made to eligible families to help with the cost of raising young children under age 6. Benefits from this program are combined with the federal Canada Child Benefit (CCB) into a single monthly payment.

The BCECTB provides a benefit of up to \$55 per month per child under age 6.

Benefits are based on the number of children in the family and the family's net income.

The BCECTB is reduced if the family's net income exceeds \$100,000 and is zero once the family's net income exceeds \$150,000.

B.C. Early Childhood Tax Benefit

Effective April 1, 2015, the B.C. Early Childhood Tax Benefit (BCECTB) is a tax-free monthly payment made to eligible families to help with the cost of raising young children under age 6. Benefits from this program are combined with the federal [Canada Child Benefit](#) (CCB) into a single monthly payment.

The BCECTB provides a benefit of up to \$55 per month per child under age 6. Benefits are based on the number of children in the family and the family's net income. The BCECTB is reduced if the family's net income exceeds \$100,000 and is zero once the family's net income exceeds \$150,000.

Source web page: <https://www2.gov.bc.ca/gov/content/family-social-supports/caring-for-young-children/bc-early-childhood-tax-benefit>

Profile: Quebec

Quebec's **Child Assistance Benefit** is a refundable tax credit for child assistance.

The child assistance payment is a form of financial assistance paid to all eligible families with one or more dependent children under the age of 18 living with them.

Quebec also offers:

- Yearly amount for the purchase of school supplies per child aged 4 to 16 in families receiving child assistance: \$100
- Yearly supplement for single-parent families: \$852
- Yearly supplement for a handicapped child: \$2,304
- Yearly supplement for handicapped children with exceptional care needs: \$11,544

Child Assistance Payments – Quebec

The CAP is a non-taxable credit managed by Retraite Québec (Quebec Retirement). It is payable in advance in January, April, July and October of the year, or on the first of each month upon the taxpayer's request⁴. The credit is made up of a universal payment and additional assistance to low- and middle-income families. A child's income has no impact on the amount of the credit.

To be entitled to the CAP, both spouses must have filed a Quebec tax return whether or not they have income.

Calcul@ide⁵ is a tool offered on the Internet site of Retraite Québec that helps you estimate the amount of the CAP you are entitled to receive.

The following table shows the credit to which families are entitled, based on the number of children under the age of 18 in the family, as well as the income threshold that makes them eligible only for the basic minimum amount.

2017	CAP		Income threshold at which CAP reaches basic minimum ⁶
	Basic maximum ⁶	Basic minimum ⁶	
	\$	\$	\$
Couple			
• 1 child	2,410	676	91,218
• 2 children	3,614	1,301	105,693
• 3 children	4,818	1,926	120,168
• 4 children	6,624	2,551	149,693
Single-parent family			
• 1 child	3,255	1,013	90,874
• 2 children	4,459	1,638	105,349
• 3 children	5,663	2,263	119,824
• 4 children	7,469	2,888	149,349
Reduction threshold for couple			\$47,868
Reduction threshold for single-parent family			\$34,824
Reduction rate			4%
Monthly supplement for disabled child ⁷			\$190
Monthly supplement for disabled child with exceptional care needs ⁷			\$954

⁴ This request may be made on-line on the Retraite Québec website at:

http://www.rrq.gouv.qc.ca/en/services/services_en_ligne/soutien_aux_enfants/Pages/changement_frequence_sae.aspx

⁵ Available at: http://www.rrq.gouv.qc.ca/en/enfants/naissance/paiement_soutien_enfants/montant.htm

⁶ Indexed annually.

⁷ Regardless of family income.

Source web page: https://www.rrq.gouv.qc.ca/en/programmes/soutien_enfants/paiement/Pages/montant.aspx

Profile: Ontario

The **Ontario Child Benefit** provides direct financial support to low and moderate income families. It helps parents with the cost of raising their children.

The Ontario Child Benefit supports about one million children in over 500,000 families.

It provides a maximum payment of \$1,378 per child per year.

Ontario Child Benefit

The Ontario Child Benefit provides direct financial support to low to moderate income families – whether they are working or not. It helps parents with the cost of raising their children.

The Ontario Child Benefit supports about one million children in over 500,000 families. It provides a maximum payment of \$1,378 per child per year.

Ontario Child Benefit Monthly Payment Estimates as of July 2017

Family Net Income			
Number of Children	\$21,037	\$25,000	\$30,000
1	\$114.83	\$88.41	\$55.08
2	\$229.66	\$203.24	\$169.91
3	\$344.50	\$318.08	\$284.74
4	\$459.33	\$432.91	\$399.58

Your actual monthly payments are determined by the Canada Revenue Agency (CRA). They are based on your adjusted family net income on your annual income tax return.

Source web page: <http://www.children.gov.on.ca/htdocs/English/financialhelp/ocb/howmuch.aspx>

Profile: Alberta

The **Alberta Child Benefit (ACB)** is refundable benefit and families receive it regardless of whether they owe provincial income taxes

To be eligible for the ACB, you must:

- be a parent of 1 or more children under the age of 18
- have a family net income of less than \$42,255 per year
- be a resident of Alberta for at least 1 month prior to receiving the benefit
- file a tax return

Maximum benefit amounts

The table below displays the maximum benefit amounts for both the AFETC and ACB.

Number of children	ACB (max.)	AFETC (max.)
1 child	\$1,128	\$783
2 children	\$1,692	\$1,495
3 children	\$2,256	\$1,922
4 or more children	\$2,820	\$2,064

Profile: Manitoba

The **Manitoba Child Benefit** provides financial assistance which will help ensure parents will not lose all support for their children when moving off welfare. It also provides parents with additional assistance to help with some of the costs of prescription eyeglasses for their children.

Coverage

Low-income families may be eligible for up to \$420 tax free each year for every child. For a single parent of three children working full or part time and earning \$15,000 or less, this totals \$1,260 with partial benefits for parents who earn \$15,000 to \$20,000.

Eligibility

- Resident of Manitoba
- Have dependent children under the age of 18 who are in your care
- In receipt of Canada Child Tax benefits for dependent children
- Family income is below a specific level and is based on the previous year's income
- Cannot be in receipt of Employment and Income Assistance unless you are **ONLY** receiving the health benefits portion of EIA.
- Wards of the province and children in temporary placement under *The Child and Family Services Act* are NOT eligible for the MCB.
- Treaty Indians may be eligible for benefits, except those persons living on a reserve or in receipt of income assistance from the Government of Canada or from a First Nations Band.

Benefit Levels and Allowable Income Ranges

The following table provides benefit levels and allowable income ranges for families with up to six children.

Number of Children under 18 years of age	Maximum Yearly MCB Benefits	Maximum Benefits Paid at or Below these Annual Family Incomes	Partial Benefits Paid with Annual Family Incomes of
1	\$420	\$15,000	\$15,001 to \$20,435
2	\$840	\$15,000	\$15,001 to \$20,435
3	\$1,260	\$15,000	\$15,001 to \$20,435
4	\$1,680	\$15,000	\$15,001 to \$22,242
5	\$2,100	\$15,000	\$15,001 to \$24,052
6	\$2,520	\$15,000	\$15,001 to \$25,864

Persons who receive Employment and Income Assistance are not eligible for MCB benefits, however, those who receive only the health care benefits portion of income assistance may apply.

Wards of the province and children in temporary placement under *The Child and Family Services Act* are NOT eligible for the MCB.

Treaty Indians may be eligible for benefits, except those persons living on a reserve or in receipt of income assistance from the Government of Canada or from a First Nations Band.

Source web page: <https://www.gov.mb.ca/fs/eia/mcb.html>

Profile: Newfoundland and Labrador

The **Newfoundland and Labrador Child Benefit** is a refundable tax credit for families whose income is less than \$25,028 for the 2016 tax year and determined by the number of dependent children under 18 years of age.

If your family net income is below \$17,397, you will receive the full benefit; however, there will be a reduced amount if your family income is between \$17,397 & \$25,018 - \$25,028. This amount is based on your family income from the previous year.

In addition, you can receive the Mother Baby Nutrition Supplement, (\$60 a month) if your child is below the age of one or you are pregnant.

How Much NLCB Can I Receive?

For July 2017 to June 2018, you may be entitled to a benefit of:

- \$32.17 per month for the first child;
- \$34.17 per month for the second child;
- \$36.67 per month for the third child; and
- \$39.33 per month for each additional child.

Quick Facts - Newfoundland and Labrador Child Benefits

- It helps approximately 11,000 low income families.
- Became effective in July 1999.
- The amount received is based on family size and income.
- Families leaving Income Support for work keep their NLCB and other Child Benefits.
- This benefit does not affect Income Support entitlement.
- It is combined with federal child benefits into one monthly payment.
- You must file an income tax return each year to verify eligibility for the NLCB and Canada Child Benefit (CCB).

- [Newfoundland and Labrador Child Benefit Regulations](#)

Source web page: http://www.fin.gov.nl.ca/fin/tax_programs_incentives/personal/nlchildbenefit.html

Profile: New Brunswick

The **New Brunswick Child Tax Benefit (NBCTB)** is a non-taxable amount paid monthly to qualifying families with children under the age of 18.

Eligibility

Families with children under the age of 18 -- based on income.

Currently, the N.B. Child Tax Benefit program provides a payment equal to: \$250 annually for each dependent child less 2.5% of family net income in excess of \$20,000 for one child families or 5% of family net income in excess of \$20,000 for families with more than one child.

The NBCTB payment may include a New Brunswick school supplement (NBSS) amount. The NBSS is paid once a year in July to help low income families with the cost of back to school supplies for their children.

Children - New Brunswick Child Tax Benefit

Finance

Description

Overview

The New Brunswick Child Tax Benefit (NBCTB) is a non-taxable amount paid monthly to qualifying families with children under the age of 18. The New Brunswick Working Income Supplement (NBWIS) is an additional benefit paid to qualifying families with earned income who have children under the age of 18. Benefits are combined with the Canada Child Benefit (CCB) into a single monthly payment.

This program is administered through the federal Canada Child Benefit program. It is fully funded by the Province of New Brunswick.

Eligibility

Families with children under the age of 18 -- based on income.

Source web page: http://www2.gnb.ca/content/gnb/en/departments/finance/taxes/child_tax_benefit.html

Profile: Northwest Territories

On July 1, 2017, the **Northwest Territories Child Benefit program (NWTCB)** was enhanced to provide more non-taxable benefits to low income families with children under the age of eighteen.

The NWTCB provides benefits to families based on the number of children and their ages, and family net income declared in the previous year's income tax return.

Families with annual net income under \$30,000 will receive the full child benefit. The benefit will start to be phased out when family income exceeds \$30,000, and will be eliminated when family income reaches \$80,000.

Where:

1. A is family net income
2. B is the minimum income threshold of \$30,000
3. E is the maximum income threshold of \$80,000
4. C and D are benefit levels shown in the following table:

Number of Children	Under the age of 6 (C)	Aged 6 to 17 (D)
1 child	\$815	\$652
2 children	\$1,467	\$1,174
3 children	\$1,997	\$1,597
4 children	\$2,445	\$1,956
5 children or more	\$2,445 plus an additional \$367 for each of the 5 th and subsequent children	\$1,956 plus an additional \$293 for each of the 5 th and subsequent children

Source web page: <http://www.fin.gov.nt.ca/nwt-child-benefit>

Profile: Nunavut

The **Nunavut Child Benefit** (NUCB) provides low-income families with monthly payments to assist with the cost of raising children. The Nunavut Child Benefit is a cash benefit paid to families with a net income of \$20,921 or less. These families receive \$330 per year for each eligible child under the age of 18 living at home. This benefit is a non-taxable amount paid monthly to qualifying families with children under 18 years of age.

The amounts you receive are combined with the Canada Child Tax Benefit into a single monthly, non-taxable payment to qualifying families with children under 18 years of age.

Nunavut Child Benefit (NUCB)

The **Nunavut Child Benefit** (NUCB) provides low-income families with monthly payments to assist with the cost of raising children. The NUCB is fully funded by the Government of Nunavut and administered by the Canada Revenue Agency.

To qualify, your family must have earned income of at least \$3,750 in the previous year. Eligible participants receive up to \$275 per year for the first child and \$75 for the second child.

The amounts you receive are combined with the Canada Child Tax Benefit into a single monthly, non-taxable payment to qualifying families with children under 18 years of age.

The Nunavut Child Benefit is a cash benefit paid to families with a net income of \$20,921 or less. These families receive \$330 per year for each eligible child under the age of 18 living at home.

Source web page: <https://www.gov.nu.ca/family-services/programs-services/nunavut-child-benefit-nucb>