

Federal Child Care Benefit to be excluded from income-tested provincial programs ^[1]

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EXCERPTS

The McGuinty government will introduce legislation to remove the new federal benefit from income when calculating eligibility for income-tested provincial programs, Finance Minister Greg Sorbara announced today. ... The legislative and regulatory changes would, if passed, ensure that the Universal Child Care Benefit would not affect the treatment of income-tested provincial programs. In addition, the government proposes to exclude the Universal Child Care Benefit from income used to calculate eligibility for Ontario Property and Sales Tax Credits. Examples of provincial income-tested programs that would not be affected by the UCCB include: social assistance, subsidized child care fees, the Ontario Child Care Supplement for Working Families, Rent-Geared-to-Income, the Ontario Student Assistance Program, the Guaranteed Annual Income System, Women in Skilled Trades, Information Technology Training for Women, Domiciliary Hostels, Assistance for Children with Severe Disabilities, the Ontario Drug Benefit Program, the Trillium Drug Program, Mental Health Supportive Housing, the Long-Term Care Homes Co-Payment, the Hospital Chronic Care Co-Payment, Homes for Special Care, and Community Support Services. Ontario's decision to exclude the federal Universal Child Care Benefit from provincial programs complements the increased spending for at-risk youth and vulnerable adults and families announced in the 2006 Budget. In its Budget, Ontario increased its support to at-risk youth and to vulnerable adults and families by \$218 million &em; to a total of \$10.3 billion. These initiatives include: - Making permanent the flow-through of the July 2004, 2005 and 2006 increases to the National Child Benefit Supplement; - Increasing social assistance rates by two per cent for recipients of Ontario Works and the Ontario Disability Support Program, in addition to the three per cent increase in 2004-05; - Enriching the Ontario Property and Sales Tax Credits so that seniors who receive the guaranteed minimum level of income from governments would get the full benefit of the credits; - Providing additional support for at-risk youth; and - Investing in developmental services, other supports for the vulnerable and affordable housing. ... The federal government has determined that the UCCB will be included in taxable income for tax purposes. Under the Tax Collection Agreement that Ontario has with the federal government, the same definition of taxable income is used for both provincial and federal purposes.

Region: Ontario ^[2]

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