

Canada Child Benefit payments get a boost ^[1]

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AVAILABILITY

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EXCERPTS

The monthly tax-free benefit will increase on Friday to keep pace with the cost of living.

The maximum annual amount families can receive for children under the age of six grows to \$6,496, up from \$6,400. For children aged 6-17, families will now be eligible to receive a maximum of \$5,481 per child, up from \$5,400.

"Increasing the Canada Child Benefit will mean more money for Canadian families," said Jean-Yves Duclos, Minister of Families, Children and Social Development in a release.

"Our government is committed to ensuring that this tax-free benefit continues to help the middle class and people who are working hard to join it."

[Video available to view online, "Who gets most out of Canada Child Benefit?"]

The amount a family receives is calculated based on income, which decreases as a family's income grows. Families with children where the household income is less than \$30,450 per year receive the most money. Some higher-earning households do not receive the benefit at all.

The income threshold for eligibility is also due to be adjusted.

First launched in July 2016, CCB replaced the Canada Child Tax Benefit, the Universal Child Care Benefit and income splitting. When announced by the Trudeau Liberals, the benefit was touted as simpler, better targeted to those who need it most, and "much more generous."

Initially, there was no plan to increase the payments at all until after the 2019 federal election. The Liberals announced late last year that the benefit would instead be indexed to inflation, starting this summer.

The payment should see another boost next year.

The CCB has distributed more than \$23.3 billion to about 3.7 million Canadian families, and has helped pull more than 300,000 children out of poverty, according to the federal government.

But it's not without its critics.

Some parents who saw their benefits decrease or disappear altogether say it reduces the incentive to work.

Others have argued that Canadians who face barriers to filing their taxes — such as families living in shelters and Indigenous living on remote reserves — miss out altogether, as it's used to determine the benefit.

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Region: Canada ^[3]

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