

# Ontario budget doubles child benefit, creates jobs training tax credit for 2021 <sup>[1]</sup>

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## AVAILABILITY

Access online <sup>[2]</sup>

## EXCERPTS

The 2021 Ontario budget is doubling down on support for families – in one case, quite literally.

The government of Premier Doug Ford is planning to spend a fresh \$980 million to increase the amount parents can receive through the Ontario COVID-19 Child Benefit to \$400 from \$200 per child, while families with children with special needs stand to receive \$500 from what will be the province's third round of payments under the benefit.

Ontario is also proposing a temporary \$75-million 20-per-cent boost to its Childcare Access and Relief from Expenses tax (CARE) tax credit for 2021. The top-up to the tax break, which is meant to help families with childcare expenses, will increase support to around \$1,500 from around \$1,250 on average for some 300,000 lower and middle-income families, according to budget documents.

Another \$260 million would go toward the creation of a new Ontario Jobs Training Tax Credit for 2021 that would provide up to \$2,000 per recipient to cover half of eligible expenses for Ontarians attending jobs training programs.

The measures are part of the Ford administration \$173-billion in planned spending for the 2021-22 fiscal year that's meant to help speed up the province's recover from the health and economic impacts of the COVID-19 pandemic.

The government is expecting \$33.1 billion in deficit spending, in line with its November forecast, although the province's debt-to-GDP ratio is now projected to reach 48.8 per cent, up slightly from a previous projection of 48.5 per cent.

While employment has rebounded since its precipitous dive in March and April of 2020, it remains 4.1 per cent – or 305,300 jobs – below its pre-pandemic levels, according to government estimates.

The new or beefed-up financial supports are meant to help families cope with increased childcare expenses or income reductions tied to the pandemic and aid young and displaced workers find new employment, the government said.

Here are the details:

### Doubling of the Ontario COVID-19 Child Benefit

Parents with children in Grade 12 or younger stand to receive \$400 per child, up from \$200 per eligible recipient, in the third round of payments under the government's Support for Learners program. Families of children with special needs aged 21 or younger will get \$500 per child.

The amount is available to all families, regardless of income. Parents who have already received previous payments will automatically get the 2021 amount. Those who have yet to apply will be able to submit an application for the third round of payments, the government said.

### CARE tax credit top-up

The government is planning a one-time boost to its CARE tax credit, which helps families with incomes up to \$150,000 recoup some of their childcare expenses.

Currently, the credit, which was first introduced in 2019, allows families to claim up to 75 per cent of eligible childcare expenses, including the cost of paying for child care service at home and at school, as well as day camps in some cases. The credit is calculated as a percentage of the Child Care Expense Deduction, which provides federal and provincial income tax relief for child care expenses.

The proposed CARE tax credit enhancement would increase average support to \$1,500 from \$1,250 per family in 2021.

### New Ontario Jobs Training Tax Credit for 2021

This is a refundable tax credit for Ontarians that comes on top of the federal Canada training credit, which allows those aged 25 to 65 and earning between \$10,000 and around \$150,000 a year to receive an annual \$250 refundable tax credit – up to a lifetime maximum of

\$5,000 – to offset the costs of tuition and training.

The province's jobs training tax credit would allow Ontarians who have a positive Canada training credit limit to receive a provincial tax refund covering up to 50 per cent of their eligible jobs training expenses worth up to a maximum of \$2,000. Individuals would have to claim the credit on their 2021 tax return.

Canadians can find their Canada training limit for 2021 on their notice of assessment for their 2020 tax return.

**Region:** Ontario <sup>[3]</sup>

**Tags:** budget <sup>[4]</sup>

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**Source URL (modified on 29 Mar 2021):** <https://childcarecanada.org/documents/child-care-news/21/03/ontario-budget-doubles-child-benefit-creates-jobs-training-tax>

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