

Universal Child Care Benefit ads 'misleading' families, say critics

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EXCERPTS

What you see isn't necessarily what you get. The federal government is running a pricey ad campaign to inform parents they're receiving a beefed up Universal Child Care Benefit (UCCB). But, in fact, most families won't pocket anything like the dollar amounts being advertised.

With an election call perhaps only days away, that has led the government's critics to accuse the Conservatives of attempting to put a misleading gloss on the plan right before the vote.

Current ads tell families the government is adding \$720 per child per year to the benefit payments. But some accountants estimate that parents will get to keep about a third of that amount or less once federal and provincial taxes and the loss of the child tax credit are taken into account.

And many parents won't see the difference in what they truly receive until tax time — long after casting their votes.

"There are going to be a lot of very angry parents when they go to file their 2015 tax returns," warns Langley B.C. accountant David Truman.

Not as advertised

The government has budgeted \$4.5 million to blanket the airwaves with ads trumpeting the enhanced UCCB, a new program that boosted the monthly payments from \$100 to \$160 for every child under age six, and introduced a new \$60 monthly payment for children aged six to 17.

The ads included a commercial set at a five-year-old's birthday with party hats and big dollar amounts popping up on screen.

But it was a mock cheque for parents that first set off alarm bells for Truman. It arrived in his mail in a government flyer promoting the new plan.

The cheque is made out to "Mom and Dad" for \$2,640 for "UCCB for two kids (ages 4 and 9)." It echoes other ads, including the TV commercial, that tells parents they will now receive \$1,920 yearly for a child under age six and \$720 for each kid ages six to 17.

Truman, who is also a federal Liberal Party member, claims the ads are not transparent. "They are misleading because they're only telling part of the story."

The promotional material CBC News viewed never mentions that the UCCB is taxed, albeit on the lower income earning parent, or that families are losing an existing tax credit worth about \$337 per child per year.

After factoring in taxes and subtracting the now defunct Child Tax Credit, Truman estimates the average family will actually pocket only about one third of the extra \$720 per child per year.

Many stand to get much less. By CBC's calculations, an Ontario parent earning \$50,000 a year would end up with \$158.22 instead of the advertised \$720.

An 'outraged' parent

In an email to CBC News, the Finance Department said that the enhanced UCCB "would more than offset the loss" of the Child Tax Credit even after taxes. And it added that the government has introduced other measures to help families.

But that's cold comfort for some, like Rasho Donchev who feels duped by the advertising.

"The government is misrepresenting the facts," says the Oshawa, Ont. father after learning the full details.

At first, he told CBC News that he and other parents at his workplace were looking forward to topping up their budgets with the added cash, a big chunk of which has just arrived in the mail.

"There's quite a few of us that have young children and we're all excited," he said.

He always knew the benefit for his two children would be taxed. But the college support worker suddenly lost his enthusiasm for the enhanced UCCB when CBC informed him the Child Tax Credit had been axed.

"I'm absolutely outraged," said a shocked Donchev.

After calculating his actual gains, he concluded, "It's almost like taking it out of one pocket and putting it into the other. And you ride on the wave of, 'Look I gave you something,' when in reality the benefit is marginal. They didn't advertise that part at all."

The devil's in the details

The UCCB ad campaign wraps on Aug. 2, a date when Stephen Harper may very well call an election reports CBC News.

Mathieu Ravignat, federal NDP Treasury Board critic, has continually accused the government of running advertising that, instead of informing Canadians, promotes the Conservative Party leading up to election time.

In this case, he charges, the government is misleading Canadians "and they're doing that deliberately in order to talk more positively about this program than it deserves."

He is also concerned, he says, that by omitting important details, the campaign will result in families overestimating the chunk of change they actually get to keep.

For its part, Employment and Social Development Canada says the government is acting responsibly.

"The advertising campaign aimed to increase awareness of the increased Universal Child Care Benefit," said department spokeswoman Julia Sullivan in an email.

She added that the advertising "complemented other communications activities that provided information" about the government's overall benefits plan.

But Donchev believes the UCCB campaign should have done more to increase awareness by laying out all the details. By not doing that, he says, "it will be a huge letdown when people find out what actually happens."

-reprinted from CBC News

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