

Innovation in cash benefits to families with children: The Canada Child Benefit

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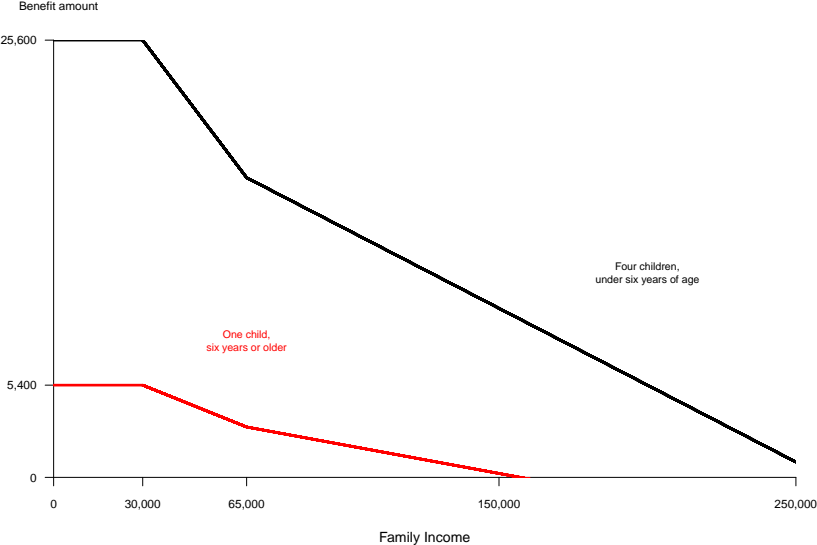
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Presentation to the
National Academies of Sciences, Engineering, and Medicine

Committee on Building an Agenda to Reduce
the Number of Children in Poverty by Half in 10 Years

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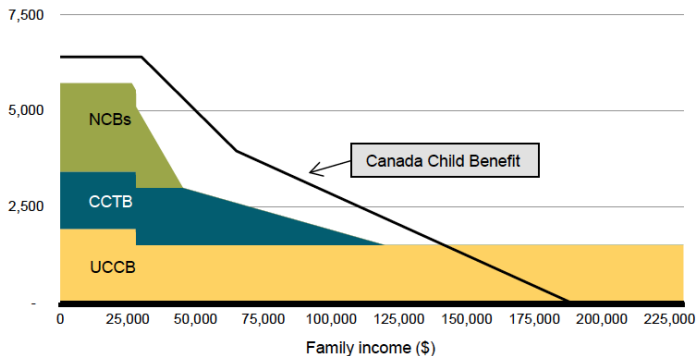
Sketch of the Canada Child Benefit



The Canada Child Benefit and what it replaced

CHILD BENEFITS FOR ONE CHILD UNDER 6, 2016–17 BENEFIT YEAR (DETAILS ON CURRENT SYSTEM)

Annual benefit amount (\$)



Notes: Benefits received under the current system are illustrative and reflect federal and provincial/territorial taxes paid on the Universal Child Care Benefit. The actual after-tax amounts would depend on the family's province or territory of residence. It is assumed that the single parent includes the Universal Child Care Benefit in the child's income. The family income referred to in this chart is known as "adjusted family net income." This income is a family's net income (the net income of the individual and the individual's spouse or common-law partner reported on line 236 of the income tax return) minus any Universal Child Care Benefit and Registered Disability Savings Plan income received plus any Universal Child Care Benefit and Registered Disability Savings Plan amounts repaid. Adjusted family net income will be used to determine entitlement to the Canada Child Benefit. NCBs = National Child Benefit supplement; CCTB = Canada Child Tax Benefit; and UCCB = Universal Child Care Benefit.

Source: Department of Finance.

Program details

Maximum benefit rates vary with child's age

- ▶ \$6,400 annually for each child younger than six
- ▶ \$5,400 annually for each child six to 17 years of age
- ▶ tax-free and paid monthly, not indexed to inflation

Claw back rates vary with family income and number of children

Family income	one child	two	three	four
0 to \$30,000	0	0	0	0
\$30,001 to \$65,000	7.0	13.5	19.0	23.0
\$65,001 and higher	3.2	5.7	8.0	9.0

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