

## Ontario Child Benefit (OCB) ‘101’

### What is the Ontario Child Benefit?

- A new program that will invest \$2.1 billion over five years to help nearly 1.3 million children in low-income families annually.
- Provides support for children in every low-income family—whether their parents are working or not.
- Parents would be able to move off welfare without worrying about losing support for their children.
- These reforms go well beyond ending the clawback of the National Child Benefit Supplement (NCBS). We plan to invest four times as much money to help over twice as many kids.

### Why the OCB is better than the present Social Assistance System

- **More Children Will Receive Support.** The present social assistance system excludes the majority of children from low income families. The OCB would help nearly 1.3 million children annually—many more than the 196,000 children in families currently receiving social assistance and the 271,000 children in families currently receiving the Ontario Child Care Supplement for Working Families.
- **Children Treated Equally.** The OCB treats all children under the age of 18 equally – the present distribution of social assistance benefits treats children differently as benefits vary by age and birth order of the children.
- **Retention of Benefits As Earnings Increase.** Families who receive social assistance will be able to keep a much larger portion of benefits as their earnings increase. The full OCB amount would be realized up to an adjusted family net income of \$20,000 before being reduced by 8 per cent, while social assistance benefits are currently reduced by 50 cents for every dollar of earnings.
- **Assist in the Transition To Employment.** Parents receiving social assistance would continue to receive children’s benefits after beginning employment.

### How will the OCB work?

- The OCB will be income tested, and delivered through the personal income tax system. It would be phased in over a five year period, beginning in July 2007.

Year	2007	2008	2009	2010	2011
Benefit Level	\$250	\$600	\$805	\$900	\$1,100

- Families with adjusted family income of up to \$20,000 would receive the full OCB. The 2007 payment would be reduced by 3.4 cents for every dollar of adjusted family net income over \$20,000. Payments from 2008-11 would be reduced by eight cents for every dollar of adjusted family income over \$20,000.
- Social assistance shelter allowances, Temporary Care Assistance, and Assistance for Children with Severe Disabilities would not be affected by the OCB.
- Upon implementation of the OCB in 2008, neither the OCB nor social assistance would be reduced by any portion of the NCBS.
- All increases to the NCBS since 2004 have flowed through to social assistance recipients and will continue to do so.