

## Module 2 - Income and Taxes

## HANDOUT 2-1

### Government benefits

Some sources of income are government benefits that are accessed only by filing your taxes. There are both federal and provincial benefits. For the purposes of this module we have focused on federal. To find out more about benefits specific to your province, visit the Canada Benefits website [www.canadabenefits.gc.ca](http://www.canadabenefits.gc.ca)

Below are the government benefits available to Canadians. View the Canada Revenue Agency's (CRA) website to see more details, including eligibility.

**Note:** For two parent families, both parents must file taxes in order to receive this credit!

<http://www.cra-arc.gc.ca/bnfts/cctb/menu-eng.html>

### Working Income Tax Benefit (WITB)

- Refundable tax credit for eligible working low-income individuals and families who are already in the workforce and to encourage other Canadians to enter the workforce
- Apply through your income tax and benefit return
- Can apply for advance payments

[www.cra-arc.gc.ca/bnfts/wtb/menu-eng.html](http://www.cra-arc.gc.ca/bnfts/wtb/menu-eng.html)

### GST/HST Credit

- Tax-free quarterly payment that helps individuals and families with low or modest incomes offset all or part of the GST or HST that they pay
- Individuals must be over 19 years of age and apply for the credit
- Have to have filed your taxes the previous year

**! Note:** You can apply when you are 18 so you can get the first payment once turning 19.

[www.cra-arc.gc.ca/bnfts/gsthst/menu-eng.html](http://www.cra-arc.gc.ca/bnfts/gsthst/menu-eng.html)

### Canada Child Tax Benefit (CCTB)

- Tax-free monthly payment for eligible families to help them with the cost of raising children (under 18)
- Amount of the benefit varies depending on number of children, their ages, and the family net income
- Information from your income tax return used to calculate the amount; must file your tax return to receive the credit
- Some provinces have similar child/family bonuses

## Module 2 - Income and Taxes

## HANDOUT 2-1, Continued

### Guaranteed Income Support (GIS)

- Provides a monthly non-taxable benefit to Old Age Security (OAS) recipients who have a low-income and are living in Canada
- Eligibility reviewed each year based on your income tax return
- In April 2023, the age of eligibility for Old Age Security pension and the Guaranteed Income Support will gradually increase from 65 to 67 over six years, with full implementation by January 2029.

**Note:** Government benefits can change annually. For the most up-to-date information, always check on the CRA or Canada Benefits websites.

[www.servicecanada.gc.ca/eng/services/pensions/oas/gis/](http://www.servicecanada.gc.ca/eng/services/pensions/oas/gis/)

### Universal Child Care Benefit (UCCB)

- Helps Canadian families by supporting their child care choices through direct financial support for children under the age of 6 years; additional benefit for children ages 6 through 17
- Paid in monthly instalments per child
- Must live with child and be primarily responsible for care and upbringing. Should apply when child is born or starts to live with you
- Must be a resident of Canada

[www.cra-arc.gc.ca/bnfts/uccb-puge/menu-eng.html](http://www.cra-arc.gc.ca/bnfts/uccb-puge/menu-eng.html)

### Child Disability Benefit (CDB)

- Tax-free monthly supplement for families who care for a child under age 18 with a severe and prolonged impairment in mental or physical functions
- Must be the primary caregivers of the child
- Applicants can send in the application form before filing their tax return

[www.servicecanada.gc.ca/eng/goc/cdb.shtml](http://www.servicecanada.gc.ca/eng/goc/cdb.shtml)

### National Child Benefit Supplement (NCB)

- Joint initiative of the federal, provincial, and territorial governments to help prevent and reduce the depth of child poverty
- Provides low-income families with additional child benefits on top of the Canada Child Tax Benefit base benefit
- A tax-free monthly benefit specifically targeted to low-income families with children
- Benefit amount based on net family income and delivered through the tax system

[www.nationalchildbenefit.ca/eng/home.shtml](http://www.nationalchildbenefit.ca/eng/home.shtml)