

*** ONTARIO INCOME SECURITY
& TAX BENEFIT PROGRAMS ***

Ontario Guaranteed Annual Income System

- ❖ The Guaranteed Annual Income System (GAINS) ensures a guaranteed minimum income for Ontario senior citizens by providing monthly payments to qualifying pensioners.

| GAINS (A) payment | GAINS (A) guarantee | | |
|---------------------|----------------------------------|------------|------------|
| | Single | Couple | |
| Monthly payment | \$83.00 | \$166.00 | |
| Break-even point | \$166.00 | \$332.00 | |
| GAINS (A) guarantee | Single | Couple | |
| | Monthly payment | \$1,252.47 | \$2,061.72 |
| | Total income at break-even point | \$1,252.47 | \$2,061.72 |
| | Spouse's allowance | | \$1,978.72 |

Ontario Child Benefit

- ❖ The Ontario Child Benefit (OCB) is a provincial program that helps low-income families provide for their children.

\$600/year per child reduced by 8% of family net income over \$20,000 effective July 2008.

Ontario Child Care Supplement for Working Families

- ❖ The Ontario Child Care Supplement for Working Families supports low and modest income parents who are working, studying or training and have children under age seven, as well as working families with one stay-at-home parent.

| Net Family Earnings | Benefit |
|---------------------|--|
| \$5,000 or less | <ul style="list-style-type: none"> • 50% of qualifying child care expenses up to the maximum annual benefit of <ul style="list-style-type: none"> • \$1,100 per child under 7 in a two-parent family • \$1,310 per child under 7 in a single-parent family |
| Over \$5,000 | Greater of <ul style="list-style-type: none"> • 21% of earnings over \$5,000 for one child • 42% of earnings over \$5,000 for two children • 63% of earnings over \$5,000 for three or more children; OR • 50% of qualifying child care expenses |

Benefits are reduced by 8% of family net income greater than \$20,000.

*OCCS payments reduce dollar for dollar amount with OCB. OCCS will phase-out starting in July 2011 when OCB is fully implemented.

Ontario Sales and Property Tax Credits

- ❖ The refundable sales tax credit offsets provincial sales tax for people with low to moderate incomes.
- ❖ The refundable property tax credit provides property tax assistance for people with low to moderate incomes.
- ❖ The combined maximum amount of property and sales tax credits for any one taxation year is \$1,000 for non-seniors and \$1,125 for seniors.

| Sales Tax Credit | Non-Seniors | Seniors |
|----------------------|----------------------------|----------|
| Tax credit per adult | \$100 | \$100 |
| Tax credit per child | \$50 | \$50 |
| Property Tax Credit | \$250 | \$625 |
| | plus 20% of occupancy cost | |
| Tax-back threshold | \$4,000 | \$22,000 |
| Tax-back rate | 2.0% | 4.0% |

For more information regarding Ontario income security and tax benefit programs, visit <http://www.fin.gov.on.ca>

INTERNAL: FOR PLANNING PURPOSES ONLY

SOCIAL ASSISTANCE, PENSION, and TAX CREDIT RATES

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*** FEDERAL INCOME SECURITY
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OAS, GIS, SPA

- ❖ The Old Age Security (OAS) pension is a monthly benefit available, if applied for, to most Canadians 65 years of age or over. Old Age Security residence requirements must also be met.
- ❖ The Guaranteed Income Supplement (GIS) provides additional money, on top of the OAS pension, to low-income seniors.
- ❖ 60-to-64-year old spouses of OAS recipients (living or deceased) may receive a Spouse's Allowance (SPA).

| OAS monthly benefit | \$516.96 | |
|----------------------------------|----------------------|------------|
| GIS | Single | Couple |
| | (benefit per person) | |
| Maximum supplement | \$652.51 | \$430.90 |
| Break-even point | \$1,305.02 | \$861.80 |
| Federal OAS/GIS/SPA Guarantee | Single | Couple |
| Monthly benefit | \$1,169.47 | \$1,895.72 |
| Total income at break-even point | \$1,821.98 | \$2,757.52 |
| | Regular | Widowed |
| Spouse's allowance | \$947.86 | \$1,050.68 |

Canada Pension Plan

- ❖ The Canada Pension Plan (CPP) pays a monthly retirement pension to people who have worked and contributed to the CPP. The CPP also acts as an insurance plan, providing disability, survivor and death benefits.

| | Maximum monthly benefit |
|----------------------------------|-------------------------|
| Retirement Pension (at age 65) | \$908.75 |
| Disability Pension | \$1,105.99 |
| Flat Rate | \$424.43 |
| Earnings-related | \$681.56 |
| Survivors Pension | |
| Under 65 | \$506.38 |
| Over 65 | \$545.25 |
| Children of deceased contributor | \$213.99 |
| Death Benefit (lump sum) | \$2,500.00 |

Goods and Services Tax Credit

- ❖ The Goods and Services Tax (GST) Credit helps offset the GST paid by individuals and families with low to moderate incomes. The credit is paid every three months.

| | Credit Per Year |
|--------------------|--|
| Each adult | \$242 |
| Each child | \$127 |
| Single supplement | Lesser of \$127 or 2% of net income over \$7,851 |
| Tax-back threshold | \$31,524 |
| Tax-back rate | 5% |

Medical Expense Tax Credit

Up to \$1,041 refundable. Begins to be phased out at \$23,057.

War Veterans Allowance

- ❖ The War Veterans Allowance (WVA) is a form of financial assistance granted in recognition of war service. Qualified persons receive a monthly benefit designed to help them meet basic needs.

| Family size | Monthly benefit |
|-------------------|-----------------|
| 1 Single widow/er | \$1,273.88 |
| 1 Blind widow/er | \$1,325.61 |
| 2 | \$1,989.23 |
| 3 | \$2,210.23 |
| 4 | \$2,431.23 |
| 5 | \$2,652.23 |
| Orphan | \$662.25 |

Employment Insurance

- ❖ Employment Insurance (EI) provides temporary financial help to unemployed Canadians while they look for work or upgrade their skills, while they are pregnant or caring for a newborn or adopted child, or while they are sick.

Benefit
55% of average insured earnings, with a maximum of \$435/week
Premium
1.73% of employment income, with a maximum premium of \$711.03/year

Canada Child Tax Benefit

- ❖ The Canada Child Tax Benefit (CCTB) is a monthly, tax-free payment made to eligible families with children under 18. It includes the National Child Benefit Supplement (NCBS), a monthly benefit for low-income families with children; the Child Disability Benefit and the new Universal Child Care Benefit (UCCB) effective July 1, 2006.

| Basic Child Tax Benefit | Per Month | Per Year |
|---|------------|----------|
| Benefit per child under 18 | \$108.92 | \$1,307 |
| For each of 3 rd and subsequent Children | Add \$7.58 | Add \$91 |
| Tax-back threshold | | \$37,885 |
| Tax-back rate: 1 child | | 2.0% |
| 2 + children | | 4.0% |
| National Child Benefit Supplement | Per Month | Per Year |
| First child | \$168.75 | \$2,025 |
| Second child | \$149.33 | \$1,792 |
| Each additional child | \$142.00 | \$1,704 |
| Tax-back threshold | | \$21,287 |
| Tax-back rate: 1 child | | 12.2 % |
| 2 children | | 23.0% |
| 3+ children | | 33.3% |

Child Disability Benefit
Per child (At incomes greater than \$37,884, benefits reduced at the same rates as CTB.) \$2,395
Universal Child Care Benefit
Provides all low income families with \$100 per month for each child under the age of 6 years \$1,200

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Source: HRDC
For more information regarding federal income security and tax benefit programs, visit <http://www.hrsdc.gc.ca>

