



Canada Revenue
Agency

Agence du revenu
du Canada

Your Canada Child Tax Benefit

**(including related provincial and
territorial child benefits and
credits)**

For the period from July 2006 to June 2007

Visually impaired persons can get our publications in braille, large print, or etext (computer diskette), or on audiocassette by visiting our Web site at www.cra.gc.ca/alternate or by calling **1-800-959-2221** weekdays from 8:15 a.m. to 5:00 p.m. (Eastern Time).

Your opinion counts!

We review this pamphlet every year. If you have any comments or suggestions that would help us improve it, we would like to hear from you.

Please send your comments to:



Taxpayer Services Directorate
Canada Revenue Agency
750 Heron Road
Ottawa ON K1A 0L5

La version française de cette publication est intitulée *Votre prestation fiscale canadienne pour enfants*.



The **National Child Benefit (NCB)** is a joint initiative of the federal, provincial, and territorial governments. This initiative is designed to:

- help prevent and reduce the depth of child poverty;
- ensure that families will always be better off as a result of parents working; and
- reduce overlap and duplication of government programs and services.

For more information, visit the NCB Web site at www.nationalchildbenefit.ca.

Universal Child Care Benefit

The Universal Child Care Benefit is a new monthly benefit paid to eligible families to help provide child care for children under six years of age. For more information, visit our Web site at www.cra.gc.ca/uccb or see Information Sheet S06-103, *Universal Child Care Benefit*.

This booklet contains proposed changes to law that were current at the time of publication. Visit our Web site at www.cra.gc.ca for any updates to this information.

Table of contents

	Page
Introduction	6
What is the Canada Child Tax Benefit?	6
Are you eligible for the CCTB?	7
When should you apply?	9
How do you apply?	10
What happens after you apply?	11
How do we calculate your benefit?	11
When do we pay your benefit?	14
When do we recalculate your benefit?	15
When should you contact us?	16
Did the number of children in your care change?	16
Are you moving?	17
Has your marital status changed?	17
Has a CCTB recipient died?	17
Other changes	17

	Page
Related provincial and territorial programs administered by the CRA	18
Alberta Family Employment Tax Credit	19
BC Family Bonus.....	20
New Brunswick Child Tax Benefit	21
Newfoundland and Labrador Child Benefit.....	22
Northwest Territories Child Benefit.....	23
Nova Scotia Child Benefit.....	23
Nunavut Child Benefit	24
Yukon Child Benefit	25
Tax office addresses	26
Do you need more information?	27
Service standards for the CCTB	28

Introduction

This pamphlet explains who is eligible for the Canada Child Tax Benefit, how you apply for it, when you get it, and how we calculate it for the period July 2006 – June 2007.

It also gives details about provincial and territorial child benefit and credit programs administered by the Canada Revenue Agency (CRA).

What is the Canada Child Tax Benefit (CCTB)?

The CCTB is a non-taxable amount paid monthly to help eligible families with the cost of raising children under the age of 18.

Included in the CCTB is the National Child Benefit Supplement (NCBS), a monthly benefit for low-income families with children. The NCBS is the Government of Canada's contribution to the National Child Benefit (NCB), a joint initiative of federal, provincial, and territorial governments. As part of the NCB, certain provinces and territories also provide complementary benefits and services for children in low-income families, such as child benefits, earned income supplements, and supplementary health benefits, as well as child care, children-at-risk, and early childhood services.

The CCTB also includes the Child Disability Benefit, a benefit for families with children who qualify for the disability amount. See page 14 for details.

Are you eligible for the CCTB?

To get the CCTB, all the following conditions must be met.

1. You must live with the child, and the child must be under the age of 18.
2. You must be the person who is primarily responsible for the care and upbringing of the child.

This means you are responsible for such things as supervising the child's daily activities and needs, making sure the child's medical needs are met, and arranging for child care when necessary. If there is a female parent who lives with the child, we usually consider her to be this person. However, it could be the father, a grandparent, or a guardian.

3. You must be a resident of Canada.

We consider you to be a resident of Canada when you establish sufficient residential ties in Canada.

4. You **or** your spouse or common-law partner (defined on the next page) must be:
 - a Canadian citizen;
 - a "permanent resident" (as defined in the *Immigration and Refugee Protection Act*);
 - a "protected person" (as defined in the *Immigration and Refugee Protection Act*); or
 - a "temporary resident" (as defined in the *Immigration and Refugee Protection Act*) who has lived in Canada throughout the previous 18 months, and who has a valid permit in the 19th month (other than one that states "does not confer status"). If this is your situation, you should not apply before the 19th month.

See “How do we calculate your benefit?” on page 11 for information about other conditions that will determine the amount of your benefit.

Spouse

You have a spouse when you are legally **married**.

You are **separated** when you start living separate and apart from your spouse for a period of 90 days or more because of a breakdown in your relationship, and you have not reconciled.

Common-law partner

This applies to a person who is **not your spouse**, with whom you are living in a conjugal relationship, and to whom at least **one** of the following situations applies. He or she:

- 1) has been living with you in a conjugal relationship for at least 12 continuous months;
- 2) is the parent of your child by birth or adoption; or
- 3) has custody and control of your child (or had custody and control immediately before the child turned 19 years of age) and your child is wholly dependent on that person for support.

In addition, an individual immediately becomes your common-law partner if you previously lived together in a conjugal relationship for at least 12 continuous months and you have resumed living together in such a relationship. **Under proposed changes**, this condition will no longer exist. The effect of this proposed change is that a person (other than a person described in 2) or 3) above) will be your common-law partner only after your current relationship with that person has lasted at least 12 continuous months. This proposed change will apply to 2001 and later years.

Reference to “12 continuous months” in this definition includes any period that you were separated for less than 90 days because of a breakdown in the relationship.

You are **separated** when you start living separate and apart from your common-law partner for a period of 90 days or more because of a breakdown in your relationship, and you have not reconciled.

Children’s Special Allowances

We pay Children’s Special Allowances for children under the age of 18 who are under the care of a government department, agency, or institution. You cannot receive the CCTB for a child for any month in which Children’s Special Allowances are payable for that child.

When should you apply?

You should apply for the CCTB as soon as possible after:

- your child is born;
- a child starts to live with you; or
- you or your spouse or common-law partner meets the eligibility conditions in the previous section.

You should not delay applying. However, if your application includes a period that started more than 11 months ago, you have to attach proof of your status in Canada for that period.

Note

If you are eligible for the CCTB, you should apply even if you think you will not be entitled to receive it based on your current family net income. We recalculate your entitlement every July based on your family net income for the previous year.

How do you apply?

To apply for the CCTB, complete Form RC66, *Canada Child Tax Benefit Application*. Depending on your immigration and residency status, you may also have to complete the schedule *Status in Canada/Statement of Income*.

You need to attach proof of birth for your child to your application if we have not previously paid CCTB to anyone for this child, and your child was born outside Canada **or** your child is one year of age or older.

If you **and** your spouse or common-law partner were residents of Canada for any part of 2005, you must **both** file a 2005 return before we can calculate your benefit.

To continue getting the CCTB, you **both** have to file a return every year you are residents of Canada, even if you have no income to report. If your spouse or common-law partner is a non-resident of Canada during any part of the year, you must complete Form CTB9, *Canada Child Tax Benefit – Statement of Income*, for each year or part of a year he or she is a non-resident of Canada.

Send your completed RC66, *Canada Child Tax Benefit Application* and any related forms to one of the tax offices listed on page 26.

Note

In cases of separation or divorce, a child may reside with both parents on a more or less equal basis, and both may share equally in the child's care and upbringing. If this situation applies to you, attach a note to the application that clearly states your parenting arrangement. If you have questions, call **1-800-387-1193**.

What happens after you apply?

After we process your application, we will send you a Canada Child Tax Benefit notice. It will tell how much you will get, if any, and what information we used to calculate the amount. Our service standards for processing applications are outlined on page 28.

If your application is not complete, we will ask for the missing information. This will delay the processing of your application.

We may review your situation at a later date to confirm that the information you gave us has not changed. Our service standards for this review are outlined on page 28.

Note

Keep your Canada Child Tax Benefit notice in case you need to refer to it when you contact us. You may also have to provide information from your notice to other federal, provincial, or territorial government departments.

How do we calculate your benefit?

The CCTB combines a basic benefit, a National Child Benefit Supplement, and a Child Disability Benefit supplement.

For the period July 2006 to June 2007, we calculate your benefit based on:

- the number of children you have, and their ages;
- your province or territory of residence;
- your family net income for 2005;

- your or your spouse or common-law partner's claim for child care expenses for 2005; and
- your child's eligibility for the disability amount. See page 14 for details.

Family net income

Family net income is your net income added to the net income of your spouse or common-law partner, if you have one. Family net income does **not** include your child's net income. Net income is the amount on line 236 of the income tax and benefit return.

If you or your spouse or common-law partner were non-residents of Canada for part or all of the year, family net income includes your or your spouse or common-law partner's world income for any part of the year you were not residents of Canada.

Child and family benefits online calculator

You can use our online service to get an estimate of your child and family benefits by visiting our Web site at www.cra.gc.ca/benefits-calculator.

Basic benefit

We calculate the basic benefit as described below:

- \$104.58 per month for each child under the age of 18 (if you live in Alberta, see the note on the next page);
- an additional \$7.33 per month for your third and each additional child; and
- an additional \$20.75 per month for each child who is six years of age. This supplement is reduced by 25% of any amount you or your spouse or common-law partner claimed for child care expenses for 2005.

Note

Eligible families with children under six years of age will receive the new Universal Child Care Benefit.

We reduce the basic benefit if your family net income is more than \$36,378. For a family with one child, the reduction is 2% of the amount of family net income that is more than \$36,378. For families with two or more children, the reduction is 4%.

Note

The Alberta provincial government has chosen to vary the amount of the basic benefit their residents get. The basic monthly benefit is:

- \$95.58 for children under 7;
- \$102.08 for children 7 to 11;
- \$114.16 for children 12 to 15; and
- \$121.00 for children 16 or 17.

National Child Benefit Supplement (NCBS)

The NCBS amounts are:

- \$162.08 per month for the first child;
- \$143.33 per month for the second child; and
- \$136.41 per month for each additional child.

The NCBS will be reduced by a percentage of family net income that is more than \$20,435 and on the number of children in a family.

- For a family with one child, the reduction is 12.2% of the amount of family net income that is more than \$20,435.
- For a family with two children, the reduction is 22.9% of the amount of family net income that is more than \$20,435.

- For families with three or more children, the reduction is 33.2% of the amount of family net income that is more than \$20,435.

Note

If you are on social assistance, the NCBS may affect the amount of your social assistance payments. Many provinces and territories will consider the NCBS you get as income and will adjust your basic social assistance by this amount. Others may adjust their basic social assistance rates by using the maximum NCBS amount.

Child Disability Benefit

Families with children who qualify for the disability amount are eligible to receive a Child Disability Benefit (CDB). A child qualifies for the disability amount when we have approved Form T2201, *Disability Tax Credit Certificate*, for that child. For more information on the disability amount, visit our Web site at www.cra.gc.ca/disability or see the **T.I.P.S. (Tax Information Phone Service)** section on page 27.

The CDB, which is based on family net income, provides up to a maximum of \$191.66 per month to families with an eligible child who has a qualifying disability. The CDB starts being reduced when family net income is more than \$36,378. For more information about the CDB, visit our Web site at www.cra.gc.ca/benefits or call 1-800-387-1193.

When do we pay your benefit?

We generally pay your benefit on the 20th of each month. However, if your monthly entitlement is less than \$10, we will make only one payment, on July 20, 2006, to cover the period from July 2006 to June 2007. If you have not received your payment by the 20th of any month, please wait five working days before calling us.

Direct deposit



Join the millions who are already enjoying the benefits of direct deposit—**security**, **convenience**, and **reliability**.

You can have your CCTB payments deposited directly into any account at a financial institution. To get this service, complete the “Direct deposit” section on Form RC66, *Canada Child Tax Benefit Application*, or send us a completed Form T1-DD(1), *Direct Deposit Request – Individuals*.

To get Form T1-DD(1), visit our Web site at www.cra.gc.ca/forms or call 1-800-959-2221.

Note

If we cannot deposit a payment into your account, we will mail a cheque to you at the address we have on file.

When do we recalculate your benefit?

We will recalculate your benefit and send you a Canada Child Tax Benefit notice showing our revised calculation:

- every July based on the tax returns that you and your spouse or common-law partner filed for the previous year;
- after each reassessment of either your or your spouse or common-law partner’s return that affects the calculation of your benefit;
- after a child for whom you receive the CCTB turns 18 (the last payment you will receive will be for the month of his or her birthday); and
- after you tell us about changes to your situation that could affect your benefit (see the next section).

What happens if you were overpaid CCTB?

If a recalculation shows that you were overpaid CCTB, we will send you a notice to inform you of the balance owing. We may keep all or a portion of future CCTB payments, income tax refunds, or goods and services tax/harmonized sales tax credit (GST/HST) credits until the balance owing is repaid.

When should you contact us?

After you have applied for the CCTB, you should let us know **as soon as possible** of certain changes, as well as the date they happened or will happen. This section explains which changes we need to know about and how you should tell us about them. Our service standards for correspondence are outlined on page 28.

Note

For confidentiality reasons, we can only discuss a file with the person who receives the CCTB unless they give us permission to speak to someone else. To give someone else permission, you can use our online service – “Authorize my representative”, on My Account, at www.cra.gc.ca/myaccount, or send us a completed Form T1013, *Authorizing or Cancelling a Representative*.

Did the number of children in your care change?

When your child is born or when a child starts to live with you, you will need to apply for the CCTB for that child. For details, see “How do you apply?” on page 10.

If a child for whom you were receiving the benefit is no longer in your care, stops living with you, or dies, call **1-800-387-1193** to let us know.

Are you moving?

If you move, be sure to let us know. Otherwise, your payments may stop, whether you receive them by cheque or by direct deposit. To change your address, use our online service, My Account, at www.cra.gc.ca/myaccount, call 1-800-387-1193, or send us a letter.

Has your marital status changed?

If your marital status changes, be sure to let us know, as this may affect the amount of CCTB to which you are entitled. Complete Form RC65, *Marital Status Change*, or tell us in a letter of your new marital status and the date of the change. If you are **now** married or living common law, also include your spouse or common-law partner's name, address, and social insurance number. You **and** your spouse or common-law partner must sign the form or letter.

Send the form or letter to one of the tax offices listed on page 26.

Has a CCTB recipient died?

If a CCTB recipient dies, the next of kin or the estate should inform us as soon as possible. Someone else may be eligible to get the benefits for the child. Call 1-800-387-1193 or send a letter to one of the tax offices listed on page 26.

Other changes

Call 1-800-387-1193 to tell us:

- if your or your spouse or common-law partner's immigration or residency status changes; or
- if any of the personal information, such as your name, your marital status, or your spousal or child information, shown on your Canada Child Tax Benefit notice is incorrect.

Direct deposit



If you get your payments by direct deposit and your banking information **changes**, send us a completed Form T1-DD(1), *Direct Deposit Request – Individuals*. To get Form T1-DD(1), visit our Web site at www.cra.gc.ca/forms or call 1-800-959-2221.

Note

If we cannot deposit a payment into your account, we will mail a cheque to you at the address we have on file.

Related provincial and territorial programs administered by the CRA

The CRA administers the following provincial and territorial child benefit and credit programs:

- Alberta Family Employment Tax Credit
- BC Family Bonus
- New Brunswick Child Tax Benefit
- Newfoundland and Labrador Child Benefit
- Northwest Territories Child Benefit
- Nova Scotia Child Benefit
- Nunavut Child Benefit
- Yukon Child Benefit

You do not need to apply separately for these benefits. We use the information from your CCTB application to determine your eligibility for these programs. If you are eligible, the amount of your payments will be calculated based on information from the tax returns you and your spouse or common-law partner file.

If you use the direct deposit service for your CCTB payments, we will deposit payments from these programs into the same account.

Note

“Earned income” and “working income” used in the calculation of certain provincial and territorial benefits includes income from employment, self-employment, training allowances, scholarships, research grants, and disability payments received under the Canada Pension Plan and the Quebec Pension Plan.

If you live in **Quebec**, we will automatically send the required information to the Régie des rentes du Québec which administers the payment of Québec child assistance, whether or not you are entitled to the CCTB.

Please note that **as of January 1, 2007**, you will have to submit applications for child assistance and send any information about a change in your family situation **directly** to the Régie des rentes du Québec. However, for a new birth, you do not have to submit an application. The Régie will be automatically notified. Such information is required to calculate the amount of child assistance to which you are entitled. For more information, visit the Régie’s Web site at www.rrq.gouv.qc.ca.

If you live in **Ontario**, we will automatically send the information needed for the Ontario Child Care Supplement for Working Families to the Ontario Ministry of Finance.



Alberta Family Employment Tax Credit

The Alberta Family Employment Tax Credit is a non-taxable amount paid to families with working income that have children under the age of 18.

You may be entitled to receive:

- \$560 (\$46.66 per month) for the first child;
- \$510 (\$42.50 per month) for the second child;
- \$306 (\$25.50 per month) for the third child; and
- \$102 (\$8.50 per month) for the fourth child.

The maximum you can get is the lesser of \$1,478 and 8% of your family's working income that is more than \$2,760.

The credit is reduced by 4% of the amount of family net income that is more than \$25,475. Payments are made in July 2006 and January 2007.

This program is fully funded by the Province of Alberta. Payments are issued separately from the CCTB. For more information, call **1-800-959-2809**.



BC Family Bonus

The BC Family Bonus program includes the basic Family Bonus and the BC Earned Income Benefit. This program provides non-taxable amounts paid monthly to help low- and modest-income families with the cost of raising children under the age of 18. Benefits are combined with the CCTB into a single monthly payment.

Basic Family Bonus

The basic family bonus is calculated based on the number of children you have and your family net income. Visit our child and family benefits online calculator at **www.cra.gc.ca/benefits-calculator** to determine the amount of your benefit.

BC Earned Income Benefit

Families whose earned income is more than \$3,750 may also be entitled to the following:

- up to \$20.25 per month for the first child;
- up to \$17.58 per month for the second child; and
- up to \$18.91 per month for each additional child.

Families whose net income is more than \$21,480 may get part of the earned income benefit.

This program is fully funded by the Province of British Columbia. For more information, call **1-800-387-1193**.



New Brunswick Child Tax Benefit

The New Brunswick Child Tax Benefit (NBCTB) is a non-taxable amount paid monthly to qualifying families with children under the age of 18. The New Brunswick Working Income Supplement (NBWIS) is an additional benefit paid to qualifying families with earned income who have children under the age of 18. Benefits are combined with the CCTB into a single monthly payment.

Under the NBCTB, you may be entitled to a basic benefit of \$20.83 per month for each child. The amount of the basic benefit is reduced if your family net income is more than \$20,000.

The NBWIS is an additional benefit of up to \$20.83 per month for each family. It is phased in once family earned income is more than \$3,750. The maximum benefit is reached when family earned income is \$10,000.

Families with net income between \$20,921 and \$25,921 may get part of the supplement.

This program is fully funded by the Province of New Brunswick. For more information, call **1-800-387-1193**.



GOVERNMENT OF
NEWFOUNDLAND
AND LABRADOR

Newfoundland and Labrador Child Benefit

The Newfoundland and Labrador Child Benefit (NLCB) is a non-taxable amount paid monthly to help low-income families with the cost of raising children under the age of 18. The Mother Baby Nutrition Supplement (MBNS) is an additional benefit paid to qualifying families who have children under the age of one. Benefits are combined with the CCTB into a single monthly payment.

Under the NLCB, you may be entitled to a benefit of:

- \$21.41 per month for the first child;
- \$27.91 per month for the second child;
- \$30.00 per month for the third child; and
- \$32.16 per month for each additional child.

Families with net income between \$17,397 and \$22,397 may get part of the benefit.

Under the MBNS, you may be entitled to a benefit of \$45 per month for each child under the age of one if your family net income is under \$22,397.

This program is fully funded by the Province of Newfoundland and Labrador. For more information, call 1-800-387-1193.



Northwest Territories Child Benefit

The Northwest Territories Child Benefit (NWTCB) is a non-taxable amount paid monthly to qualifying families with children under the age of 18. The Territorial Worker's Supplement, part of the NWTCB program, is an additional benefit paid to qualifying families with working income who have children under the age of 18. Benefits are combined with the CCTB into a single monthly payment.

Under the NWTCB, you may be entitled to a basic benefit of \$27.50 per month for each child. Families who have earned income of more than \$3,750 may also get the Territorial Worker's Supplement of up to \$22.91 per month for one child, and up to \$29.16 per month for two or more children. Families with net incomes above \$20,921 may get part of the benefit.

This program is fully funded by the Northwest Territories. For more information, call 1-800-387-1193.



Nova Scotia Child Benefit

The Nova Scotia Child Benefit (NSCB) is a non-taxable amount paid monthly to help low- and modest-income families with the cost of raising children under the age of 18. Benefits are combined with the CCTB into a single monthly payment.

Under the NSCB, you may be entitled to a benefit of:

- \$37.08 per month for the first child;
- \$53.75 per month for the second child; and
- \$60.00 per month for each additional child.

Families with net income between \$16,000 and \$20,921 may get part of the benefit.

This program is fully funded by the Province of Nova Scotia. For more information, call **1-800-387-1193**.



Nunavut Child Benefit

The Nunavut Child Benefit (NUCB) is a non-taxable amount paid monthly to qualifying families with children under the age of 18. The Territorial Worker's Supplement, part of the NUCB program, is an additional benefit paid to qualifying families with working income who have children under the age of 18. Benefits are combined with the CCTB into a single monthly payment.

Under the NUCB, you may be entitled to a basic benefit of \$27.50 per month for each child. Families who have earned income of more than \$3,750 may also get the Territorial Worker's Supplement of up to \$22.91 per month for one child, and up to \$29.16 per month for two or more children. Families with net income above \$20,921 may get part of the benefit.

This program is fully funded by Nunavut. For more information, call **1-800-387-1193**.

Yukon Child Benefit

The Yukon Child Benefit (YCB) is a non-taxable amount paid monthly to help low- and modest-income families with the cost of raising children under the age of 18. Benefits are combined with the CCTB into a single monthly payment.

Under the YCB, you may be entitled to a benefit of \$37.50 per month for each child. Families with net income above \$25,000 may get part of the benefit.

This program is funded by the Yukon with a contribution from Indian and Northern Affairs Canada on behalf of Status Indian children. For more information, call **1-800-387-1193**.

Tax office addresses

If you need to send us a letter, use one of the addresses shown below:

St. John's Tax Centre
PO Box 12071 Stn A
St. John's NL A1B 3Z1

Summerside Tax Centre
102-275 Pope Road
Summerside PE C1N 5Z7

Jonquière Tax Centre
PO Box 1900 Stn LCD
Jonquière QC G7S 5J1

Shawinigan-Sud Tax Centre
PO Box 3000 Stn Main
Shawinigan-Sud QC G9N 7S6

Sudbury Tax Services Office
PO Box 20000 Stn A
Sudbury ON P3A 5C1

Winnipeg Tax Centre
PO Box 14000 Stn Main
Winnipeg MB R3C 3M2

Surrey Tax Centre
9755 King George Highway
Surrey BC V3T 5E1

Do you need more information?

Contact us if, after reading this pamphlet, you would like to get forms or publications or you need help. To get forms or publications, visit our Web site at www.cra.gc.ca/forms, or call 1-800-959-2221. For enquiries, visit our Web site at www.cra.gc.ca/benefits, or call us at 1-800-387-1193.

My Account – My Account is an online service that gives you the convenience and flexibility of managing your personal income tax, your Canada Child Tax Benefit (CCTB), including information about your Child Disability Benefit, your Universal Child Care Benefit (UCCB), and your GST/HST credit accounts on a secure Web site. My Account allows you to get information about your tax refund or balance owing, your registered retirement savings plan (RRSP) account, your instalment account, your addresses, and your telephone numbers. You can also use My Account to change your return, addresses, and telephone numbers, or disagree with your notice of assessment or determination.

My Account now offers two new services. *View my return* shows you detailed information for the current year and the previous two years tax returns. *Direct Deposit* shows you direct deposit information for tax refunds, GST/HST credit and CCTB payments. For more information, visit our Web site at www.cra.gc.ca/myaccount.

T.I.P.S. (Tax Information Telephone Service) – For personal and general tax information, use our automated service T.I.P.S. (1-800-267-6999).

Teletypewriter (TTY) users – If you have a hearing or speech impairment and use a TTY, an agent at our bilingual enquiry service (1-800-665-0354) can help you during regular and evening hours of service.