



February 19, 2013

BACKGROUND

B.C. EARLY YEARS STRATEGY

The B.C. Early Years Strategy demonstrates government's commitment to improving the integration, affordability, accessibility and quality of learning and child care services and supports. In the first three years of the strategy government will invest \$6 million in 2013-14, \$18 million in 2014-15 and \$198 million in 2015-16.

Budget 2013 provides:

- \$32 million over three years to support the creation of new childcare spaces.
- An additional \$7 million over three years for strengthening the coordination of early childhood development programs and child care services.
- An additional \$37 million over three years in new funding to improve the quality of child care and early years services in B.C.

The B.C. government is steadfast in its commitment to the early years, currently investing more than \$1 billion annually on early learning and childhood development initiatives and child care services. An additional \$129 million is invested annually in full-day kindergarten.

New B.C. Early Childhood Tax Benefit

Budget 2013 introduces the new B.C. Early Childhood Tax Benefit to improve the affordability of child care and assist families with the cost of raising young children. The refundable tax credit will provide \$146 million to approximately 180,000 families with young children.

Effective April 1, 2015, eligible families will receive up to \$55 per month, or \$660 annually, for each child under the age of six. The benefit will be administered through the Canada Child Tax Benefit system. Families can apply for the monthly benefit by applying for the Canada Child Tax Benefit. To be eligible, individuals must file their annual personal income tax returns.

The maximum benefit will be available to all eligible families with family net incomes under \$100,000. The benefit will start to phase out at \$100,000 and will be fully phased out at \$150,000 of family net income. About 140,000 families will be eligible to receive the full benefit, while an additional 40,000 families with family net incomes over \$100,000 will receive a partial benefit (see chart below).

This new provincial benefit will supplement existing federal benefits including the Canada Child Tax Benefit, the National Child Benefit Supplement and the Universal Child Care Benefit.

Single Parent with One Child Under the Age of 6					
Family Net Income	\$25,000	\$50,000	\$80,000	\$125,000	\$150,000
B.C. Early Childhood Tax Benefit	660	660	660	330	0
Canada Child Tax Benefit	1,433	1,304	704	0	0
Federal Universal Child Care Benefit	1,200	1,200	1,200	1,200	1,200
Federal National Child Benefit Supplement	2,221	0	0	0	0
Total Annual Benefit	5,514	3,164	2,564	1,530	1,200

Couple with Two Children Under the Age of 6					
Family Net Income	\$30,000	\$60,000	\$90,000	\$125,000	\$150,000
B.C. Early Childhood Tax Benefit	1,320	1,320	1,320	660	0
Canada Child Tax Benefit	2,866	2,208	1,008	0	0
Federal Universal Child Care Benefit	2,400	2,400	2,400	2,400	2,400
Federal National Child Benefit Supplement	3,117	0	0	0	0
Total Annual Benefit	9,703	5,928	4,728	3,060	2,400

* These amounts are effective July 1, 2013. The benefits will rise slightly by 2015 due to inflation indexing.

** The federal Universal Child Care Benefit is a taxable benefit but is excluded from family net income in determining the child tax benefits listed here. The benefit amount is not indexed to inflation.

For the Finance Minister's speech and more details on *Budget 2013*, visit www.bcbudget.ca.

Visit the Province's website at www.gov.bc.ca for online information and services.

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