

## **The National Child Benefit Supplement**

### **What is the National Child Benefit Supplement?**

The National Child Benefit Supplement (NCBS) has been in place since 1997. It is funded by the federal government as one part of the Canada Child Tax Benefit. Its purpose is to reduce child poverty in Canada.

### **Who gets the Supplement?**

- The NCBS goes to families who are in low income.
- About 40% of Canadian families receive the NCBS.
- 2,711,000 children benefited from the Supplement in 2002-2003.

### **How much does a family receive through the NCBS?**

- In 2004-05, the NCBS provides \$1,511 a year for the first child, \$1,295 for the second child, and \$1,215 for each additional child. Projected increases for 2005-2006 would increase the benefit to \$3,243 for the first child, \$3,016 for the second child, and \$3,020 for each additional child.
- The amount of the Supplement decreases as a family's income increases. If a family's income is less than \$22,615 they receive the full NCBS. If a family has an income of more than \$35,000 they do not qualify for it.

### **What is the NCBS "clawback"?**

- The NCBS goes to all low-income families but it is taken back from those families who receive social assistance. This is called the NCBS "clawback" Manitoba and New Brunswick are the only provinces that do not claw back the Supplement. All other territories and provinces take back the Supplement in whole or in part from low-income families receiving social assistance. Low-income families with adults who are working do not have the Supplement clawed back.
- The monies that are clawed back from families on social assistance are supposed to be reinvested by the provinces/territories and municipalities in new social programs for low-income families. In fact, the money often goes to programs they cannot access.
- In 2002-2003 \$2.4 billion reached low-income families through the NCBS. Of that money, \$672.8 million was clawed back from poor families receiving social assistance.