

New Alberta Child Benefit and enhanced Alberta Family Employment Tax Credit

What is the new Alberta Child Benefit (ACB)?

- The ACB is a new Government of Alberta program that provides direct financial assistance to lower-income families – helping them make ends meet and support a better quality of life for their children.

What is the Alberta Family Employment Tax Credit (AFETC)? How is it being enhanced?

- The AFETC provides direct financial assistance to low and middle-income working families with children.
- The phase-in rate of benefits was raised from 8 per cent to 11 per cent. The threshold at which benefits start to decline has increased from \$36,778 to \$41,250. This means more families will receive the credit, and many families will receive a larger amount than they did before.

How many children and families will benefit from the ACB and the enhanced AFETC?

- 235,000 children in 130,000 families will receive a total of \$195 million in annual benefits from the new ACB.
- 290,000 children in 143,000 families will receive a total of \$141 million in annual benefits from the enhanced AFETC.

Is my family eligible to receive the ACB and the AFETC?

- All lower income families (net income below \$41,220 per year) with children, including those receiving AISH and Income Support, are eligible to receive the new ACB.
- The enhanced AFETC is provided to low and middle-income working families. Families must earn at least \$2,760 in employment income to receive the credit. Benefits begin to be reduced once a family's net income exceeds \$41,250.
- You must have been a resident of Alberta for at least one month prior to receiving the credit, have filed a tax return, and be a parent of one or more children under the age of 18.

How do I apply for these programs?

- You must file a tax return to be eligible.
- You will automatically be enrolled for both the ACB and the AFETC if you have enrolled for the federal government's Canada Child Tax Benefit.

Need a hand with your tax return?

Community organizations host free tax clinics to prepare returns for eligible lower-income taxpayers.

Visit <http://www.cra-arc.gc.ca/tx/ndvdl/vlntr/clncs/ab-eng.html>.

How much assistance will my family receive?

- The benefit amount your family receives depends on your household income and how many children you have.
- The maximum annual ACB is \$1,100 per year for one child, and up to \$2,750 for four or more children.
- The maximum annual AFETC is \$763 for one child, and up to \$2,012 for four or more children.

Can you provide an example how the new benefit and enhanced credit will work?

- A single parent who makes \$25,000 per year in employment/working income, with two children under the age of 18 would be eligible for \$3,107 in total benefits from the two programs (\$1,650 ACB + \$1,457 AFETC).

When and how will my family receive these benefits?

- Families will receive the new ACB in four payments: August, November, February and May. The first payment will be in August 2016.
- Families will continue to receive the AFETC in two payments: July and January. The first payment under the enhanced credit will be in July 2016.

Are these benefits taxable?

- No. Both the ACB and the AFETC are non-taxable benefits.

Do these benefits affect my eligibility for AISH, Income Support or Child Care Subsidy?

- No. The ACB and the AFETC do not affect eligibility or benefit amounts for AISH, Income Support or Child Care Subsidy.

For more information

humanservices.alberta.ca/childbenefit

Alberta Supports 1-877-644-9992

What is the total investment in these programs?

- The ACB and the enhanced AFETC will provide nearly \$340 million in combined annual benefits to support 380,000 children in 199,000 families.

Why is the Alberta government providing these programs?

- The ACB and the AFETC will help families provide a better quality of life for their children, support their well-being, and give children opportunities to reach their potential. The programs help address and prevent child and family poverty in Alberta.