

# **Making the Canada Child Benefit (CCB) Accessible to All Children**

**Pre-budget submission**

**House of Commons Standing Committee on Finance**

**July 2018**

**Submitted by:**

**Chinese and Southeast Asian Legal Clinic**

**Income Security Advocacy Centre**

**South Asian Legal Clinic of Ontario**

## List of Recommendations:

**Recommendation 1:** Amend the *Income Tax Act* by repealing s.122.6(e) which ties eligibility for the Canada Child Benefit (CCB) to the immigration status of the applicant parent. Every parent in Canada who is considered a resident for tax purposes should be eligible for CCB, regardless of immigration status.

**Recommendation 2:** Invest in the CCB so that access to these benefits can be expanded to all children living in Canada.

**Recommendation 3:** Allocate funds for women in precarious status leaving abusive relationships. Funds should be available for interim/emergency CCB payments for women leaving abusive relationships while their CCB application is being processed.

## **About Our Coalition**

This submission is prepared on behalf of the Chinese and Southeast Asian Legal Clinic, the Income Security Advocacy Centre and the South Asian Legal Clinic of Ontario. We are a coalition of organizations that work with and advocate for better income support for low income people in Canada.

## **The Canada Child Benefit (CCB), Child and Family Poverty and Economic Growth**

The Canada Child Benefit (CCB) is an important federal program that provides essential income supports to families. This benefit was introduced by the federal government in 2016 to help low- and middle-income families with the cost of raising children.<sup>i</sup> As Prime Minister Trudeau has said, the CCB is an important driver of economic growth.<sup>ii</sup> Consumer confidence and household consumption are the main drivers of this strong growth, and this is in part due to the impact of the Canada Child Benefit (CCB).<sup>iii</sup> The Prime Minister has stated that the CCB has an important role to play in reducing child poverty in Canada.<sup>iv</sup> The federal government has calculated that the CCB will help to lift tens of thousands of children in Canada out of poverty.<sup>v</sup>

The CCB currently pays up to \$533.33 per month for children under the age of six and \$450 per month for children 6-17. It is paid to the parent who lives with the child and is primarily responsible for the care and upbringing of the child. In cases of shared custody, the benefit can be split between the two caregiving parents.<sup>vi</sup> At \$6,400 per year per child under six and \$5,400 per year per child 6-17, the CCB is an enormous boost to low-income families. A single parent with one child under 6, for example, whose family net income is at the level of the Low Income Measure (after tax) would see a 24.5% increase in their incomes as a result of receiving the CCB.<sup>vii</sup>

The CCB benefit amount and income eligibility levels have recently been indexed to inflation annually, which will ensure that the value of the CCB is not eroded over time.

While the CCB is certainly a major step in the right direction for supporting low-income families, large gaps exist in its accessibility, which keep some of the most marginalized families in poverty. The CCB is a powerful tool to help close gaps that undermine the health and well-being of low-income children in Canada. But because it only benefits some children, it widens the gaps for others.

## **Exclusion of parents from CCB based on immigration Status**

One of the eligibility criteria for CCB is the immigration status of the child's parents. *The Income Tax Act* (s.122.6(e)) limits eligibility for the CCB to citizens, permanent residents, protected persons (e.g. refugees), temporary residents (e.g. visitors) who have lived in Canada for 18 months and "Indians" registered under the *Indian Act*. This means that there are many children in Canada - including those who are Canadian born - whose parents do not have regularized immigration status, who are unfairly and arbitrarily excluded. It excludes children who cannot leave Canada for reasons beyond their control, such as those whose parents are from countries where Canada has issued a moratorium on removal because of dangerous conditions. It also excludes children who are Canadian citizens, but whose parents do not fall within the limited immigration eligibility categories.

Because the CCB is administered by the Canada Revenue Agency through the income tax system, it is available to those who are resident in Canada for tax purposes and have filed an income tax return. However, residency for tax purposes does not require "legal" residency in the sense of having a permanent residence. Instead, establishing residency can simply mean having "significant residential ties" to Canada, such as a home, a spouse or common-law

partner and dependants in Canada.<sup>viii</sup> As a result, many of those living in Canada, even with precarious immigration status, are required to pay taxes just like their peers with permanent immigration status. Despite having the same legal obligations as all other residents to file and pay income tax, they and their children have no access to the important supports that the Canada Child Benefit provides.

In Canada, non-permanent residents have a poverty rate of 42.9%, compared with 14.2% for the general population.<sup>ix</sup> As such, the children of non-permanent residents are among those who are most in need of financial support. They are caught in an unfair system that requires them to contribute to the tax system but excludes them from benefiting from tax-delivered supports that help to reduce poverty.

### **Gender-based violence and the CCB**

Any effort to reduce or eradicate poverty must take into account the connection between poverty, immigration status and violence against women. While gender-based violence is a universal phenomenon that cuts across all communities, the impacts are disproportionately felt by newcomer, racialized women due to the many barriers they face.<sup>x</sup> Women without status or with precarious immigration status are often forced to choose between remaining in an abusive relationship or living without access to income supports.

Women living in situations of violence need to have income supports that make it possible to leave abuse. Excluding women with precarious immigration status from the CCB undermines that public policy goal, as it penalizes women without permanent status when they leave their abusive partners by cutting off their access to the CCB.

Without the means to support their children, some women will also be compelled to give up custody of their children. Witnessing abuse in childhood can negatively impact physical, emotional and social development and lead to mental health challenges that can last a lifetime.<sup>xi</sup> Giving up custody can have long term consequences on the health, well-being, and future legal rights of women and their children.

### **Canada's Human Rights Obligations**

Canada made a commitment to protect the best interests of children within its borders when it ratified the United Nations *Convention on the Rights of the Child*.<sup>xii</sup>

Article 2 of the Convention commits Canada to protecting children from discrimination on the basis of their parents' status. All children must have an equal opportunity to benefit from available services.<sup>xiii</sup>

Article 26 commits Canada to recognizing every child's right to the benefit of social security and to ensuring that social benefits take into account the resources and circumstances of the child and their parents.

Article 27 recognizes the right of every child to an adequate standard of living, including Canada's obligation to assist parents through support programs, including with regard to nutrition, clothing and housing.

Denying the CCB based on the immigration status of their parents is incompatible with these important human rights obligations.

## **Increasing accessibility of the CCB is crucial for poverty reduction and the future Canada's Economy**

All children deserve the best possible start in life and every chance to succeed. Deprivations associated with poverty in early life can have serious effects on a child's physical and mental health, readiness to learn, rate of injury, functional abilities, and a number of other outcomes.<sup>xiv</sup> Gaps that start in childhood translate into a greater likelihood of low earnings and poorer health as adults.<sup>xv</sup> The World Economic Forum has highlighted the importance of the well-being of children in economic growth.<sup>xvi</sup> Poor child growth perpetuates the cycle of poverty and has been seen to have a significant impact on future GDP.<sup>xvii</sup> Therefore, besides the obvious human rights obligations of Canada to ensure equal access to CCB for all children, it makes sense to make the CCB accessible to all even from a purely economic standpoint.

### **Endnotes**

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- i See Liberal Party, "Helping Families" at: <https://www.liberal.ca/realchange/helping-families/>; Government of Canada (2018-04-30), "Canada child benefit – Overview" (accessed May 1, 2018 at: <https://www.canada.ca/en/revenue-agency/services/child-family-benefits/canada-child-benefit-overview.html>).
- ii See Prime Minister Justin Trudeau (2016), "Families now receiving new Canada Child Benefit" (accessed May 1, 2018 at: <http://pm.gc.ca/eng/news/2016/07/20/families-now-receiving-new-canada-child-benefit>).
- iii Ibid.
- iv See Prime Minister Justin Trudeau (November 20, 2016), "Statement by the Prime Minister of Canada on National Child Day" (accessed May 1, 2018 at: <http://pm.gc.ca/eng/news/2016/11/20/statement-prime-minister-canada-national-child-day>).
- v Toronto Sun (July 20, 2016), "Trudeau vows new child benefit will meet poverty reduction targets" (accessed May 1, 2018 at: <http://www.torontosun.com/2016/07/20/trudeau-vows-new-child-benefit-will-meet-poverty-reduction-targets>).
- vi See s. 122.6 of the *Income Tax Act*.
- vii Calculation provided by Income Security Advocacy Centre.
- viii Income Tax Folio S5-F1-C1, Determining an Individual's Residence Status< <https://www.canada.ca/en/revenue-agency/services/tax/technical-information/income-tax/income-tax-folios-index/series-5-international-residency/folio-1-residency/income-tax-folio-s5-f1-c1-determining-individual-s-residence-status.html>>
- ix Statistics Canada Data Table 98-400-X2016206, from 2016 Census (<http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/dt-td/Rp-eng.cfm?LANG=E&APATH=3&DETAIL=0&DIM=0&FL=A&FREE=0&GC=0&GID=0&GK=0&GRP=1&PID=110561&PRID=10&PTYPE=109445&S=0&SHOWALL=0&SUB=0&Temporal=2017&THEME=120&VID=0&VNAMEE=&VNAMEF=>).
- x West Coast LEAF (May 2012) "Position Paper on Violence Against Women Without Immigration Status" at p. 1 (accessed May 1, 2018 at: <http://www.westcoastleaf.org/wp-content/uploads/2014/10/2012-POSITION-STATEMENT-Women-without-Status-in-Canada.pdf>).
- xi UNICEF (2006), "Behind Closed Doors: The Impact of Domestic Violence on Children" (New York: UNICEF) (accessed May 1, 2018 at: <https://www.unicef.org/media/files/BehindClosedDoors.pdf>).
- xii United Nations, Convention on the Rights of the Child, Can. T.C. 1992 No. 3, Article 3.
- xiii Committee on the Rights of the Child (2005), "General Comment No. 7: Implementing child rights in early childhood" at para. 12 (accessed May 1, 2018 at: [http://tbinternet.ohchr.org/\\_layouts/treatybodyexternal/Download.aspx?symbolno=CRC%2fC%2fGC%2f7%2fRev.1&Lang=en](http://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=CRC%2fC%2fGC%2f7%2fRev.1&Lang=en)).
- xiv R. Paul-Sen Gupta, M. L de Wit, D. McKeown (2007), "The impact of poverty on the current and future health status of children", *Paediatrics & Child Health* 2007 Oct; 12(8): 667-672 (accessed May 1, 2018 at: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2528796/>).
- xv UNICEF Canada (2016), "UNICEF Report Card 13: Canadian Companion, Fairness for Children" (UNICEF Canada, Toronto) at p.15.
- xvi See World Economic Forum, "Why children are the key to economic growth", (accessed July 16, 2018 at <https://www.weforum.org/agenda/2016/12/everyone-wants-economic-growth-starting-young-is-key>)
- xvii Ibid.