

Ontario Disability Support Program - Income Support Directives

9.20 - Transition Child Benefit

Summary of Policy

The Transition Child Benefit (TCB) is a mandatory benefit that is provided to ODSP recipients who have primary or shared physical custody of a dependent child (or children) and who are not receiving the Ontario Child Benefit (OCB)/National Child Benefit Supplement (NCBS) or who are receiving less than the maximum OCB. The amount of the TCB takes into account any amount of the OCB/NCBS received by the recipient and/or their spouse who is in the benefit unit. Effective July 2009, the maximum amount of TCB that a recipient can receive is \$189 per child per month.

As with the NCBS, the OCB is considered a financial resource that a recipient and/or their spouse are obligated to pursue. Recipients and/or their spouse must make reasonable efforts to obtain the OCB and NCBS as a condition of eligibility.

In order to avoid duplication of social assistance, repayment of the TCB is required where a retroactive payment for the OCB/NCBS overlaps the same period that a TCB was issued.

Legislative Authority

[Sections 11, 36.2 \(1\), 36.2 \(2\) and 45.3 of the ODSP Regulation](#)

Summary of Directive

This directive outlines:

- the eligibility criteria for the TCB
- calculation of the TCB
- procedure for repayment of the TCB where there has been a duplicate payment due to an overlap of a retroactive OCB/NCBS payment and the TCB.

Intent of Policy

For recipients who do not receive the OCB/NCBS, or receive less than the maximum amount of the OCB, a TCB of up to \$189 per child per month may be provided to assist these families.

Where a retroactive OCB/NCBS payment is issued for the same period that the TCB was paid, the TCB is repaid.

Application of Policy

Eligibility for the TCB

A recipient or spouse who is receiving less than the maximum OCB/NCBS may be eligible for the TCB. The TCB amount takes into account any amount of the OCB/NCBS received by the recipient and/or his/her spouse who is in the benefit unit. In such cases, a partial TCB may be paid.

A recipient or spouse who is not in receipt of the OCB/NCBS for a dependent child may also be eligible for the TCB. Examples of persons who may be eligible for the TCB include those who:

- did not file income taxes for the previous taxation period;
- are newcomers to Canada such as refugee claimants,
- have recently moved to Ontario;
- have a newborn child;
- have experienced a substantial income change from the previous taxation year; or
- are facing administrative delays for receipt of OCB.

A recipient or spouse receiving the maximum OCB and NCBS monthly payments on behalf of a dependent child will not be eligible for the TCB.

Other individuals not eligible to receive the TCB include:

- Persons not on social assistance in their own right and receiving only Assistance for Children with Severe Disabilities (ACSD) financial assistance on behalf of a child;
- Persons in receipt of the Extended Health Benefit (EHB); the Transition Health Benefit (THB); or the Extended Employment Health Benefit (EEHB) under Ontario Works;
- Residents of interval and transition homes whose income support is not calculated under the basic needs and shelter rates tables since they are not maintaining a community residence; and
- Residents of emergency hostels.

Shared Custody Situations

Where CRA has determined that both parents will share eligibility for the CCTB, the NCBS and OCB will also be shared. Effective July 2011, the TCB will be provided on a monthly and prorated basis to eligible parents.

The recipient must provide written verification from the Canada Revenue Agency (CRA) that he/she is eligible to receive the CCTB as a shared custody parent. The recipient will not be eligible for the TCB if the CRA has determined that shared custody arrangements are not in place.

If a recipient in a shared custody situation is not eligible for the OCB, because of his/her immigration status, he/she will be eligible for 50% of the TCB on a monthly basis.

Calculation of the TCB

For cases where a recipient is not receiving any amount of OCB or NCBS (i.e. \$0 OCB/ \$0 NCBS) for each eligible dependent child, the recipient will receive \$189 TCB per dependent child, per month.

Where a recipient receives less than the maximum OCB for a dependent child, the Transition Child Benefit will be calculated as follows:

$$A = (\$189 \times B) - (C + D)$$

Where:

A = the amount of the TCB

B = the number of dependent children

C = the total monthly OCB payment

D = the total monthly NCBS payment decreased by the 2004 - 2007 federal NCBS increases

Example

ODSP Family with 3 children receiving \$228.33 OCB and \$380.36 NCBS

$$A = (\$189 \times B) - (C + D)$$

Where:

A = the amount of the TCB

B = 3 children

C = Monthly OCB payment for 3 children = \$228.33

D = Monthly NCBS payment for 3 children = \$253.21 (this amount has been decreased by the 2004 - 2007 federal NCBS increases)

$$\begin{aligned} A &= (\$189 \times 3) - (228.33 + 253.21) \\ &= (\$567) - (481.54) \\ A &= 85.46. \end{aligned}$$

Amount of monthly Transition Child Benefit **for family** = \$85.46

Note: In a shared custody situation, the TCB calculation will be the same as in the above example. However, only 50% of the annual TCB eligible amount will be provided.

Ongoing TCB Eligibility

The TCB is provided for up to 4 months to allow efforts to be made to obtain the OCB/NCBS. Failure to make reasonable efforts to obtain OCB/NCBS may result in refusal of the TCB. The ODSP Director has the discretion to extend the TCB beyond 4 months if the Director is satisfied that the recipient or spouse has made reasonable efforts to obtain the OCB/NCBS.

Reasonable efforts include, but are not limited to:

- filing an income tax return for both the recipient (and spouse, if applicable);
- the applicant informing the CRA about changes to his or her situation that could affect his or her eligibility for the OCB and NCBS (e.g. reporting an address change); or
- notifying the ODSP local office that the CRA has reassessed either the recipient's or spouse's return, and the calculation of their benefit could change.

For those recipients who are not eligible for OCB (such as refugees) or those recipients who are eligible for less than the maximum OCB, the 4 month limitation on TCB is not applied. Refugee claimants will be eligible for the maximum TCB until they become eligible for the CCTB, at which time the TCB amount will be re-assessed based on the OCB/NCBS amounts. Recipients who are receiving a partial OCB are eligible to receive a partial TCB until their OCB and NCBS eligibility is reassessed after the next taxation period.

In situations where a recipient has not filed their taxes for the current tax period, Canada Revenue Agency (CRA) treats July as a grace period and issues a "contingency payment" in July for the CCTB/NCBS. This payment is based on the previous year's tax assessment of the CCTB/NCBS. Beginning July 2008, CRA will also issue a contingency payment for the OCB if the family was eligible for the benefits in the previous year.

If the family does not file their current year's income tax return by August, CRA creates a debt on the recipient's CRA account for the OCB/NCBS contingency

payment that was issued in July. No further OCB or NCBS payments will be made until the current year's income tax return is filed and assessed. If the current year's tax return is filed but not yet assessed, CRA continues to issue contingency payments until the return is assessed.

Once the current year's income tax return is filed and assessed, CRA will recalculate the OCB retroactively to July. If it is determined that the family received more OCB than they were entitled to receive, a debt will be created on the family's CRA account.

In months where the maximum amount of the OCB is issued as a contingency payment, a TCB will not be issued.

In cases where an OCB contingency payment is subsequently created as a debt by CRA, the TCB will begin to be paid in the month the debt is created for up to four months.

- For example, if CRA issues a maximum OCB/NCBS contingency payment to the recipient for July, a debt is created on the family's CRA account in August for the July OCB/NCBS payment. A TCB payment will not be issued in July; however, the TCB will be provided in August for up to four months to allow time for filing of taxes.

July	Aug	Sept	Oct
Max. OCB Contingency	0 OCB	0 OCB	0 OCB
0 TCB	Max. TCB	Max. TCB	Max. TCB
Client is assessed by CRA in Sept: -if eligible for full OCB, TCB is recovered in accordance with policy (section below) -if eligible for partial OCB, recovery of TCB in accordance with policy (section below)			

In cases where a recipient receives less than the maximum OCB/NCBS as a contingency payment, a TCB will be issued for this month based on the TCB formula.

- For example, if a recipient is eligible for less than the maximum OCB/NCBS as a contingency payment for July, and a debt is created on the family's CRA account in August for this payment, a partial TCB payment is provided in July based on the TCB formula. No additional TCB is to be provided for July. However, the maximum amount of TCB will be issued in August for up to four months.

July	Aug	Sept	Oct
partial OCB Contingency	0 OCB	0 OCB	0 OCB
partial TCB	Max. TCB	Max. TCB	Max. TCB
Client is assessed by CRA in Sept: - if eligible for full OCB, TCB is recovered in accordance with policy (section below) - if eligible for partial OCB, recovery of TCB in accordance with policy (section below)			

Please Note: Once the recipient has filed his/her income taxes and the appropriate OCB/NCBS entitlement is assessed, arrears for TCB may be issued based on the TCB formula. Alternatively, a recovery may be made from a reduction in budgetary requirements based on a retroactive OCB/NCBS lump sum payment.

Recovery of TCB

The TCB will be recovered where a retroactive OCB/NCBS payment covers the same months that a TCB was paid.

The repayment amount will be the lesser of the total TCB paid and the OCB/NCBS retroactive payment for the same period.

The TCB recovery will only be applied to the ODSP benefit month that the retroactive OCB/NCBS payment is received.

If the amount of TCB recovered is greater than the recipient's budgetary requirements, the budgetary requirements will be reduced to \$2.50 and the recipient will remain eligible for ODSP benefits, such as drug, dental benefits and Mandatory Special Necessities (MSN), etc.

Note: The TCB recovery reduces the budgetary requirements before any other type of deductions are made (e.g. earnings deductions).

TCB recovery calculation:

TCB recovery amount = the lesser of B and (C + (D - (E x F)))

Where:

B = Total TCB paid in the overlap period

C = Total OCB paid for the same period

D = Total NCBS paid for the same period

E = The sum of NCBS exemption amounts depending on number of children

F = The number of months in the period

Please note that no overpayments will be created as a result of TCB recovery process. Recovery will occur only up to the maximum amount as defined above and will only occur in the ODSP benefit month that the retroactive OCB/NCBS payment is received.

Example

An ODSP family with 2 children has been receiving the maximum \$189 per child TCB for July, August and September 2011.

The family receives a retroactive OCB/NCBS payment totalling \$1431.54 in October 2011 for July to September 2011.

Ongoing OCB/NCBS payments commence in October 2009.

Amount of TCB recovered = the lesser of B and (C + (D - (E x F)))

Where:

B = (\$189 x 2 children x 3 months) = \$1134

C = (156.66 x 3 months) = \$469.98

D = (\$320.52 x 3 months) = \$961.56

E = (\$43.75 first child + \$41.99 second child) = \$85.74

F = 3

Recovery amount = the lesser of \$1134 and (\$469.98 + (\$961.56 - (\$85.74 x 3)))

Recovery amount = the lesser of (\$1134 TCB) and (\$1174.32 OCB/NCBS)

The family's October 2011 budgetary requirements will be reduced by the TCB recovery amount of **\$1134**.

Hyperlinks Associated with this Policy Directive

[2.2 Dependent Children](#)

[2.5 Tourists, Immigrants, Refugees and Deportees](#)

[5.1 Treatment of Income](#)