

FAMILY SERVICES AND HOUSING CIRCULAR

Date: May 1, 2009

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Alternate Program(s):

To: Community Social Service Supervisors/Program Managers

Subject: **The Government of Canada's Working Income Tax Benefit (WITB)**

Reference: EIA Regulation Section 8(1)b
EIA Administrative Manual Sections 6.7.1 and 15.2.1c

Type: Policy Replaces # _____
 Procedure
 Rate
 Information Only

In 2007, the Government of Canada implemented the Working Income Tax Benefit (WITB) - a refundable tax credit intended to provide tax relief for eligible low-income individuals and families who are already in the workforce, as well as to encourage others who are not employed to engage in employment. **The Employment and Income Assistance (EIA) program will exempt the WITB from consideration as a financial resource in determining eligibility for benefits.** The WITB complements enhancements that have been made to EIA work incentives, as well as other Rewarding Work initiatives that encourage employment.

Effective for the 2009 and subsequent taxation years, the WITB will be enhanced to increase the tax relief provided. Persons declaring employment earnings of more than \$3,000.00 annually are eligible to apply for the WITB through the tax system. A maximum refundable credit of \$925.00 is available for single individuals making \$6,700.00 per year and \$1,680.00 for families (couples and single parents) making \$9,720.00 per year. WITB benefits reduce to \$0.00 when single individuals make \$16,667.00 or more, and \$25,700.00 or more for families.

Persons with disabilities are eligible for an additional maximum WITB credit of \$261.00, providing they are also eligible for the federal Disability Tax Credit and are declaring at least \$1,750.00 in earned income. This additional credit is available to single individuals making less than \$13,404.00 per year and families making less than \$22,108.00 per year.

Individuals and families can apply for a prepayment of one-half of their estimated WITB. These prepayments are made in equal quarterly installments.

When participants receive their WITB (as part of an annual income tax refund, and/or partially received in quarterly installments) it should be documented on the EIA Annual Review form (as per Section 6.7.1 of the EIA Administrative Manual).

The EIA Regulation and Administrative Manual are being amended to exempt the WITB from consideration as a financial resource in determining eligibility for benefits.