

Chapter 5: Basic Benefits:

(iv) Child Benefit Adjustment

Intent:	To clarify when Income Support recipients are eligible for the Child Benefit Adjustment and how the amount of the adjustment is determined.
Act: (if applicable)	N/A
Regulations:	<p>Other income support</p> <p>19. (1) Other monthly income support for which an applicant or recipient may be eligible is:</p> <p>(g) a child benefit adjustment in an amount approved by the minister;</p> <p>Rate of recovery</p> <p>50. (1) Where an overpayment has accrued, the minister may recover that overpayment</p> <p>(4) Notwithstanding subsection (1), where a child benefit adjustment is paid to a recipient under paragraph 19 (1)(g) and that recipient receives a retroactive payment of the Newfoundland and Labrador Child Benefit or the Canada Child Benefit, or both benefits with respect to the same period, the amount of Child Benefit Adjustment that was paid or the retroactive payment, whichever is less, shall be recovered in full from the recipient's income support entitlement.</p>
Overview: (if applicable)	<ul style="list-style-type: none"> Federal and provincial child benefits are considered a resource for families to care for their children. In most cases, the Newfoundland and Labrador Child Benefit (NLCB) and the Canada Child Benefit (CCB) are paid to the female parent, even if the female parent is a step-parent. However, there are some situations where the father, especially if a single parent, is the beneficiary. There are also occasions where the CCB/NLCB is being paid to a third party such as a grandparent. Therefore, it is extremely important to determine who may be receiving the CCB/NLCB on behalf of the children living in the family.

	<ul style="list-style-type: none"> • The Child Benefit Adjustment (CBA) is a temporary benefit provided by the Department to families in receipt of Income Support benefits who are not receiving the maximum NLCB or Canada Child Benefit (CCB). • The CCB is comprised of the former Canada Child Tax Benefit (CCTB) components as well as the former Universal Child Care Benefit (UCCB). Unlike the CCTB, the CCB includes a new age-related component depending on whether the children in a family are under 6, or 6 years of age or older. • Child Benefit Adjustments are based on the amount of CCB and NLCB a family receives each month. • The Family Benefit rate structure was developed based on the assumption that families in receipt of Income Support benefits would receive the maximum NLCB and CCB. When families in receipt of Income Support benefits do not receive the maximum child benefits, the Child Benefit Adjustment can be provided to offset a portion of the reduced income. • In shared custody cases both individuals may be considered primarily responsible for the child's care and upbringing when the child lives with them. CRA determines shared custody of a child if the child lives with two different individuals in separate residences on a more or less equal basis. Each individual will get 50% of the CCB payment he or she would have received if the child lived with him or her all of the time. • Each month the Department sends a list of active Income Support recipient's Social Insurance Numbers to CRA who in turn provide CCB information on these families. New applicants may not be included in this list depending on the time of the month their application is processed.
Policy:	<ul style="list-style-type: none"> • The CBA may be provided whenever a family who is in receipt of Income Support benefits is not receiving the maximum CCB and/or NLCB. The CBA only provides a maximum monthly amount of up to \$15 per child for the CCB but can provide the full NLCB amount (see Appendix B6 and Appendix B7). • There are different circumstances as to why families may not be in receipt of the maximum NLCB or the CCB, the most common one being "income too high" in the previous tax year.

- The CBA will be added automatically in CAPS for recurring and non-recurring pay cases that are not receiving the maximum child benefits due to “income too high” in the previous tax year. It will not be added when the CRA file shows one of the following exceptions (these exceptions can be viewed on CAPS reports XI5163, XI5172, and XI5164 which are available on request):
 - Income Tax return not filed
 - No application made for the CCB
 - Invalid address
 - No eligible children
 - Parent has requested not to receive CCB
 - Client ineligible (no NLCB record)
 - CRA are recouping overpayments
 - Mismatched number of children between the CRA file and CAPS
 - Record 23 (CRA did not provide any CCB information). This can be due to a number of different reasons, i.e. no children are listed on the CRA file, CRA has the file on hold, etc.
 - The amount of CBA a family in receipt of Income Support benefits can receive is based on the monthly amount of the CCB/NLCB (see Appendix B6 and Appendix B7).
 - The CBA can be provided retroactively to the date of eligibility for Income Support benefits and will only apply to the period of time that the family was in receipt of these benefits.
 - For any family requesting a CBA, it is necessary to verify the CCB/NLCB supplement amount. In July of each year, families receive an annual statement detailing the CCB and the NLCB amounts for each month for the upcoming year. **Payments may also be verified using the Child Benefit Inquiry screen in CAPS or from the client’s monthly CCB cheque.**
 - The Child Benefit Inquiry screen will not provide information for shared custody. Also, no information will be available for new & reopened cases if they have not received Income Support benefits in the past month.
 - The CAPS system will automatically adjust the CBA amounts for both recurring and non-recurring cases (not for shared
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	<p>custody cases) entered by a worker based on information provided in the CRA file.</p> <ul style="list-style-type: none"> • If the family accepts the CBA, the family must make every effort to obtain the NLCB and the CCB by applying for the benefits, filing an income tax return or notifying CRA of the changes in their family circumstances (i.e. birth of child, changes in child custody arrangements). Failure to meet any condition which prevents the family from obtaining the CCB or delay obtaining the CCB may result in the CBA being discontinued. • Any Income Support benefits issued as a supplementary benefit would not be interfaced with the CRA file. This means that if the client is eligible for a CBA it would have to be added manually by the worker. This allows workers to provide retroactive CBA payments without the system adjusting those amounts.
Procedure:	<ul style="list-style-type: none"> • The CBA is added automatically for families on recurring and non-recurring pay who are not receiving the maximum CCB or NLCB due to income too high in the previous tax year. • Families who have a shared custody arrangement will need to have the CBA added to their Income Support benefits manually. It should be determined why they are not receiving the maximum CCB/NLCB and an appropriate KIV date set (maximum 3 months). This is to ensure that the client has made every effort to notify CRA of any changes in circumstances and to have their income tax return completed and filed for the previous year <p>NOTE: Child Benefit Adjustment in shared custody arrangements must be issued through “Special Needs – Other Special Needs” in CAPS and not as a regular CBA benefit. This means that CBA amounts issued will not be adjusted based on CRA information; therefore, it is important that staff KIV all cases and periodically check that the assessed amounts of CCB/NLCB a client is receiving are correct. A shared custody calculator to assist staff in determining the amount of CBA (including the Prenatal-Early Childhood Nutrition Supplement) is available in Appendix B8.</p>

Report XI5165 – Shared Custody Report is available in CAPS which includes CCB/NLCB amounts for Income Support clients who have a child on their file and have a shared custody arrangement.

- Families, who are not receiving the maximum CCB/NLCB because of any reason other than “income too high” in the previous year, must request the CBA to be added to their Income Support benefits. The following is a list of reasons why a family may not be receiving maximum CCB:
 - Income tax return not filed
 - No application made for the CCB
 - Invalid address
 - No eligible children
 - Parent requested not to receive CCB
 - Client ineligible (no NLCB record)
 - CRA are recouping overpayments
 - Mismatched number of children between the CRA file and CAPS
 - Record 23 (CRA did not provide any CCB information) Any cases requesting a CBA that are listed as having a record 23 will either need the client to provide information from CRA on why they are not eligible for CCB or the CSO can ask the provincial office to request clarification with CRA.
- Reports XI5163 (CBA exception report), XI5172 (CBA child count exception report) and XI5164 (no data record) are available in CAPS on request. These reports list Income Support clients who have one of these exceptions and therefore would not automatically receive the CBA. Cases with a Record 23 may need to be referred to provincial office to clarify with CRA why no CCB data was provided.
- The CBA child count exception report should be reviewed by the regions monthly since it is important to have the correct number of children on the CAPS file.

NOTE: When adding the CBA manually, a KIV date needs to be established to ensure the client updates their information with CRA. The CAPS system will only adjust the calculated amounts of CBA based on CCB/NLCB amounts in the CRA file.

- Families who receive Income Support benefits via non-recurring pay and are not receiving the maximum CCB due to **reasons other than** "income too high" will need to have the CBA requirement added manually each time. However, if the reason is "family income too high," it is likely that only the first month of Income Support benefits will need to have the CBA added manually, as after that date, the interface with CAPS will show the match and add the CBA automatically.

Calculating a Child Benefit Adjustment

- The Child Benefit Adjustment tables are provided to assist in calculating the amount of Child Benefit Adjustment for full custody cases ([Appendix B6](#) and [Appendix B7](#)) and for shared custody cases ([Appendix B8](#)).

The Child Benefit Adjustment is the sum of the CCB adjustment amount and the NLCB Adjustment Amount. In situations where there is a child under five years of age, the Prenatal-Early Childhood Nutrition Supplement (PECNS) Adjustment amount is also included.

CCB Adjustment Amount (Appendix B7):

To determine the correct CBA for the CCB amount, open [Appendix B7\(CCB Adjustment Table\)](#) and perform the following procedure:

- Enter the correct number of **full** custody children in the family under 6 years old (0-5 years old) in the appropriate column (if none, enter 0)
- Enter the correct number of **full** custody children in the family that are 6 years old or older (6 – 17 years of age) in the appropriate column (if none, enter 0)
- Enter the total monthly CCB amount the clients receive. Tab off the column.

The semi-monthly CBA entitlement amount for the CCB will be displayed (highlighted in red) to the right of the cell titled "Total Semi-monthly Adjustment Amount".

NLCB Adjustment Amount (Appendix B6):

To determine the correct CBA for the NLCB amount, open [Appendix B6 \(NLCB Adjustment Table\)](#) and perform the following procedure:

- Open Appendix B6 and locate the “Monthly NLCB” amount column.
- Use the monthly amount of NLCB being received by the family and locate that amount in this column. Follow the line across the table to the column representing the number of children in the family. This amount represents the semi-monthly CBA entitlement amount for the NLCB.

Prenatal-Early Childhood Nutrition Supplement (PECNS) Adjustment Amount:

- For a child under the age of five, the IS family is entitled to receive the PECNS. If the family is not receiving PECNS, the total amount of the Child Benefit Adjustment can be increased by \$150 per child per month (\$75.00 semi-monthly). The prenatal portion of PECNS is not included in the CBA and should not be adjusted.
 - Each month, a report is provided to the local office identifying any family who will receive a retroactive child benefit later that month, regardless if they received the CBA from the Department. These families will be notified via a Child Benefit Adjustment letter which is automatically generated by CAPS. This letter advises each family that their Income Support cheque will be held for the next month so that the CBA can be recovered. The letter also advises the family to contact the CSO to determine the amount of CBA which will be recouped from the next Income Support cheque.
 - The CSO will review the file and determine whether the Department issued any CBA. If there was no CBA paid, then Client Payment Services would be notified to release the held cheque into the mail for the family and remove the hold.
 - If the family did receive the CBA, the case would normally be reviewed from August 1st on and the amount of
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adjustment calculated. There are two options in recouping CBA monies:

- If action is taken before the first of the month payroll run, the CSO can do a reassessment to deduct the CBA to be recouped (select the “Child Benefit Adjustment Retroactive Benefit” as the income source). The file would then need to be KIV’d to complete another reassessment to remove this income.
- If action is after the payroll run, the CSO would cancel the first of the month cheque that was held by the system and issue a replacement cheque under Supplementary Benefits based on the amount of CBA to be recouped and the client’s requirements. In this option the CSO must manually calculate the amounts and document this in case notes.
- If the deducted amount will result in hardship to the recipient, the case should be reviewed by the Client Services Manager to determine a reasonable repayment schedule. This would be considered on a case by case basis. The amount owing cannot be set up as an overpayment to be recouped at 5%.
- All recurring and non-recurring pay cases (except for shared custody cases since the CBA is issued through special needs) will have that requirement removed from their Income Support benefits effective August 1st of each year. July is the beginning benefit period for the CCB and the NLCB for families who have filed their income tax. Cases which are not receiving the maximum CCB and NLCB and are not listed on one of the exception reports will have the CBA added automatically by CAPS, effective August 1st of each year.

CBA reports available on request in CAPS: These reports are based on information we receive from CRA on the active Income Support SIN’s (that have a child attached to their file).

- XI5164 (no data report) which indicates SIN’s that were sent to CRA but no data was received. This could be due to CRA having no children attached to the SIN.

	<ul style="list-style-type: none"> ○ XI5165 (CBA shared custody report) lists all active IS clients that have a shared custody arrangement in the CRA file. ○ XI5172 (CBA child count exception report) lists all active IS clients that have a different number of children in CAPS compared to the CRA file. ○ XI5163 (CBA exception report) lists all active IS clients that are not receiving the maximum CCB for reasons other than income too high. <p>Other CBA reports:</p> <ul style="list-style-type: none"> ○ XI5056 (CBA report) which lists CBA amounts issued to IS clients ○ XI5049 (Child Benefit letters) ○ XI5010 (recurring CBA report) ○ XI5011 (CBA removal payroll report by batch) <ul style="list-style-type: none"> • For information regarding the Newfoundland and Labrador Child Benefit (NLCB) please see policy Chapter 10: Information on Other Related Income Support Programs: (iii) Newfoundland and Labrador Child Benefit • For information regarding the Canada Child Benefit (CCB) see policy Chapter 10: Information on Other Related Income Support Programs: (i) Canada Child Benefit
Authority Level:	<p>Client Services Officers:</p> <ul style="list-style-type: none"> • Approving Child Benefit Adjustments and following procedures when families receive retroactive Child Benefit Payments. <p>Client Services Managers:</p> <ul style="list-style-type: none"> • Exceptions in recouping Child Benefit Adjustments monies
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