



JUN 05 2019

MS. JULIE GREEN  
MLA, YELLOWKNIFE CENTRE

**Oral Question 654-18(3)**  
**Living Wage and Northwest Territories' Child Benefit**

This letter is in follow-up to the Oral Question you raised on March 06, 2019, regarding the income threshold for the Northwest Territories' Child Benefit (NWTCB).

Income thresholds for the NWTCB were determined based on the Department of Education, Culture and Employment's (ECE) objective of ensuring that more low-to-modest income families had more household income.

The main approach to achieving this was to increase the income thresholds for the NWTCB, which are outlined in the Northwest Territories Income Tax Regulations. The NWTCB is calculated based on net family income, and the number of children, and their ages. The benefits are reduced as net family income increases. The previous NWTCB started to phase out at \$20,921 and completely phased out at \$30,842 for a one-child family and \$35,242 for a family with two or more children.

In the current program, the income threshold for a family with one child has been increased to \$30,000 before any phase out occurs; a 43 percent increase to the threshold supported by a \$1 million investment into the program in July 2017.

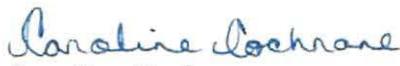
Presently, the NWTCB is administered by the Canada Revenue Agency on behalf of the Department of Finance and ECE. Under the current arrangement with Canada Revenue Agency and the Department of Finance, the Government of Northwest Territories only incurs a nominal cost for administration. This streamlined delivery system combines the payments of the NWTCB and Canada Child Benefit on the same cheque, and requires one application form.

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Modifying the thresholds under the NWT CB to be responsive to the cost of living in specific communities, will require changes to federal systems and administration of the program. As changes such as this are done on cost recovery basis we anticipate this being cost prohibitive. This may not be the case with indexing it to inflation as the federal government has already implemented this change for the Canada Child Benefit. We can take that under consideration when we next review the NWT CB.

We are pleased with the recent investment in the NWT CB and are presently focused on reviewing other Income Security Programs.

Thank you for your questions and interest in this matter.

  
Caroline Cochrane  
Minister, Education, Culture  
and Employment

- c. Members of the Legislative Assembly
  - Minister, Finance
  - Principal Secretary
  - Secretary to Cabinet
  - Clerk of the Legislative Assembly
  - Deputy Minister, Finance
  - Deputy Minister, Education, Culture and Employment
  - Legislative Coordinator, Executive and Indigenous Affairs