

# Frequently Asked Questions

## Child in Home of Relative (CIHR) Annual Affordability Payment

November 2023

### Background

#### 1. Why is the Ministry for Children and Family Development (MCFD) offering an annual affordability payment?

- While the CIHR program was discontinued in 2010 and families do not fall under MCFD's legislation, the *Child, Family and Community Service Act (CFCSA)* - and therefore do not qualify for caregiver rate increases - we recognize that global inflation is impacting families.
- We are focused on making sure all families have the supports they need, including addressing the specific concerns of families in the CIHR program whose rates have not changed since 2002.
- We recognize the critical role relatives play, and that kinship caregivers increase the likelihood that a child or youth can be well supported without having to come into care, while maintaining connections with their family, community, and culture.

### Eligibility and Amounts

#### 2. Who is eligible to receive the increase?

- All relatives accessing the CIHR program since April 1, 2023, for a child/youth in their care are eligible to receive the annual affordability payment until the child/youth's 19<sup>th</sup> birthday, concluding by fiscal 2028/29 when the last youth remaining in the program will turn 19.
- The annual payment will be paid in the child/youth's birth month, prorated for all months the child/youth and family are eligible within an annual fiscal period (April through March).

#### 3. How much will the affordability payments be?

- The annual affordability payment is prorated up to \$8,797.36 for children/youth ages 14-17 and \$8,177.92 for youth aged 18.
- The payment is available per year, up to the child/youth's 19<sup>th</sup> birthday.
- The affordability payment is in parity with Post Adoption Assistance rates.

### Application Process

#### 4. What is the process for opting into the voluntary affordability payment?

- Relatives can opt in for the voluntary annual affordability payment by completing the application form (available at [Annual Affordability Payment - Child in Home of Relative](#))

[Program - Province of British Columbia \(gov.bc.ca\)](https://www.gov.bc.ca) and sending it to the MCFD Financial Help Desk at:

Ministry of Children and Family Development  
Accounting Operations, Financial Services Branch  
PO Box 9769 Stn Prov Govt  
Victoria BC V8W 9S4

- Application forms with signed consents are valid for the duration outlined in the application (e.g., April 1, 2023, to the child/youth's 19<sup>th</sup> birthday), unless revoked by contacting the MCFD Financial Help Desk as per above or by email to [MCFFinanceCASSupport@gov.bc.ca](mailto:MCFFinanceCASSupport@gov.bc.ca).
- Relatives are responsible for reporting a change in circumstances affecting their eligibility for the payment (e.g., the child/youth has moved out of their home).
- Applications to opt in for the voluntary affordability may be submitted at any time.

## Timing of Payments

### 5. When will the affordability payments be provided to relatives?

- As the annual affordability payment is voluntary, payments will be provided to relatives following receipt of the eligible relative's completed application form.
- If you choose to access it, the affordability payment will be paid in **one lump sum annually** in the month of the child/youth's birthday. It will be calculated based on all the months the child/youth is eligible for CIHR within that fiscal year (April to March).
- The final payment will be made in the month of the child/youth's 19th birthday and prorated for all months between April and the child/youth's 19th birthday. For fiscal year 2023/2024, once MCFD receives an application and determines eligibility, the payment schedule is as follows:
  - For children/youth with birthdays between **April 2023 and the date the application is received (e.g., December 2023)**, a payment will be issued right away for the fiscal year April 2023 to March 2024.
  - For children/youth with birthdays **after the application is received (e.g., January to March 2024)**, payments will be issued in the child/youth's birth month for the fiscal year April 2023 to March 2024.
- Once you have applied and receive the payment, you do not have to apply again. Future annual payments will be made in the child/youth's birth month up to and including the month of their 19th birthday provided your family is still involved in the CIHR program.
- Example 1: A youth in CIHR named Celia has a birthdate of July 23, 2007, and her grandfather applied for the annual affordability payment in June 2023. The payments would be processed as follows:
  - Initial payment in July 2023 (16 years old), calculated for eligible months in fiscal year 2023/24: \$733.1133 per month x 12 months = \$8,797.36.
  - Subsequent payment in July 2024 (17 years old), calculated for eligible months in fiscal year 2024/25: \$733.1133 per month x 12 months = \$8,797.36.

- Subsequent payment in July 2025 (18 years old), calculated for eligible months in fiscal year 2025/26:  $\$733.1133$  per month x 3 months +  $\$681.49$  x 9 months =  $\$8,332.78$ .
- Subsequent payment in July 2026 (19 years old), calculated for eligible months in fiscal year 2026/27:  $\$681.49$  x 4 months =  $\$2,725.97$ .
- Example 2: A youth in CIHR named Matthew has a birthdate of May 12, 2004, and his auntie applies for the annual affordability payment in December 2023. The payment would be processed as follows:
  - Payment in December 2023 (19 years old), calculated for eligible months in fiscal year 2023/24:  $\$681.49$  x 2 months =  $\$1,362.98$ .
- Families are encouraged to apply as soon as possible to mitigate the risk of any administrative delays.

## Impact on Monthly CIHR Rates

### 6. Will there be any changes to the CIHR monthly payments paid by SDPR to families?

- Families currently receiving CIHR assistance from the Ministry of Social Development and Poverty Reduction (SDPR) will continue to receive their monthly payments as long as they and the child/youth in their care continues to meet the criteria for assistance under the existing CIHR program administered by SDPR.
- Families will continue to be required to complete and submit monthly reports to SDPR to confirm eligibility.
- The annual affordability payment administered by MCFD is in addition to the monthly payments provided by SDPR.
- Families in the CIHR program can further explore the following federal and provincial benefits for the child(ren)/youth in their care: Canada Child Benefit (CCB), Child Disability Benefit, and the BC Family Benefit.

## Tax Implications

### 7. Why is the annual affordability payment a voluntary benefit?

- The affordability payment is a voluntary benefit administered by MCFD, so that relatives can make an informed decision that best addresses their family's financial circumstances.
- While the annual affordability payment is not-taxable for income purposes, MCFD will issue a T5007 tax slip to assist with the recipient's personal income tax return and may be used for purposes of determining eligibility for certain income-tested tax credits and other government benefit programs.
- When applying for or calculating government tax credits and/or benefit programs, such as GST credits, Canada Child Benefit, or Fair Pharmacare, these programs will use the information reported on the relative's tax return to determine program eligibility and assessing benefits receivable.
- The impact of the reporting will be unique for each taxpayer. Relatives are encouraged to seek out support with specific income tax questions (see question 10).

## **8. What is a T5007 Tax Slip?**

- The T5007-Statement of Benefits is a tax slip that will help relatives prepare their personal income tax return and includes the amount the relative received in social program benefits for a specified tax year from the issuing agency (i.e., the ministry).
- Affordability payment recipients will receive a T5007-Statement of Benefits information slip in the mail each February.
- Amounts on the T5007 slip must be reported on Lines 14500 and 25000 of the recipient's personal income tax return for the year in which the slip was issued.

## **9. How does a T5007 amount affect a recipient's tax return and government benefits?**

- The impact of the reporting will be unique for each taxpayer.
- While the benefits reported are not taxable for income purposes, they must be reported on personal income tax returns and may be used for purposes of determining eligibility for certain income-tested tax credits and other government benefit programs.
- When applying or calculating government tax credits and/or benefit programs, such as GST credits, Canada Child Benefit, or Fair Pharmacare, these programs will use the information reported on the individual's return to determine program eligibility and assessing benefits receivable.
- If a relative is accessing other government tax credit and/or benefit programs, they should contact those programs directly with any questions.
- Relatives are encouraged to seek out support with specific income tax questions (see question 10).

## **10. Who can I contact with income tax questions?**

- Contact the CRA directly at 1-800-959-8281 or seek independent financial advice.
- The Government of Canada's Community Volunteer Income Tax Program may be available to help relatives file their tax returns in certain situations. Contact: 1-800-959-8281 or visit: <https://www.canada.ca/en/revenue-agency/campaigns/free-tax-help.html>

## Post-Majority Supports

### **11. Will youth transitioning to adulthood from CIHR be able to access post-majority supports through MCFD?**

- CIHR is an income assistance program and does not fall under MCFD's legislation, the CFCSA. Young adults from CIHR are therefore not eligible for post-majority supports through MCFD but may be eligible for other programs such as WorkBC, the Provincial Tuition Waiver Program, and Income or Disability Assistance.

## Extended Family Program

### **12. What is the Extended Family Program (EFP)?**

- EFP supports out-of-home living arrangements with extended family or individuals who have a relationship with - or a cultural/traditional responsibility to - the child or youth

but who are not their legal guardian when parents are temporarily unable to care for a child or youth.

- Parents give care of the child/youth to the care provider. The Director may then provide financial and other supports to the care provider, to care for the child or youth.

### **13. What are the objectives of the EFP Program?**

- Reunite the child/youth with their parents wherever possible;
- Put the child/youth at the center of all decisions being made and consider their views in decisions that affect them;
- Develop a plan for the child/youth that addresses the child/youth's needs and assists the parent(s) and care provider;
- Ensure regular contact between the family and the social worker; and
- Provide the child/youth with long-term stability in the event reunification cannot be achieved.

### **14. How is EFP different from CIHR?**

- EFP offers additional supports for children/youth and families with a focus on family reunification and operates under the CFCSA.
- CIHR is an income assistance program under the *Employment and Assistance Act (EAA)*, available to relatives caring for children/youth and concluding by fiscal 2028/29 when the last youth remaining in the program will turn 19.
- CIHR relatives are not subject to the same requirements as MCFD care providers under the CFCSA.
- EFP allows families to access care provider rate increases and post-majority supports as the child/youth transitions to adulthood.

### **15. What are the benefits of transitioning from CIHR to EFP?**

- EFP care providers may receive monthly benefit payments of \$1,465.86 per child under 12 years of age and \$1,655.91 per child/youth 12 years of age and older.
- EFP is a care status under the CFCSA; young adults who have at least 24 months in an eligible care status under the CFCSA between ages 12-19 may be eligible for MCFD's post-majority supports.
- EFP care providers may explore the option to move to a s. 54.01 order, with the consent of the child/youth and the child/youth's parents, to enable the permanent transfer of custody of the child/youth to the care provider after the child/youth has resided with their care provider under an EFP Agreement for at least six months. This may be a desirable option to support earlier eligibility for post-majority supports for children/youth from CIHR who will not meet the 24 months in care criteria, but who experience a change in guardianship between the ages of 12-19.
- To learn more about existing and upcoming MCFD post-majority supports, visit <https://www2.gov.bc.ca/gov/content/family-social-supports/youth-and-family-services/youth-transitions>

## 16. What are the eligibility criteria for EFP?

- Circumstances temporarily prevent the parent(s) from caring for their child/youth in the home;
- Other services and supports have been tried to help keep the parent(s) and child/youth together;
- The care provider, who cannot be the child/youth's legal guardian, is a relative or someone with a significant relationship or cultural connection to the child/youth;
- A parent must request services from the ministry or an Indigenous Child and Family Service Agency (ICFSA); and
- Parents must agree to the choice of care provider and the plan for the child/youth and, where possible, contribute financially to their child/youth's care.

## 17. What is the process if I want to apply to EFP?

- Interested families may contact their local MCFD or ICFSA office for more information and support for families currently accessing CIHR who are interested in applying to EFP.
- For more information and a list of MCFD and ICFSA offices, visit <https://www2.gov.bc.ca/gov/content/family-social-supports/fostering/out-of-care-kinship-care-options-for-children-and-youth-in-bc/temporary-out-of-care-arrangements>
- The Kinship Care Help Line (formerly Grandparents Raising Grandchildren Support Line) provides support, advocacy and resource information to grandparents and other relatives raising a family member's child/youth as well as to service providers and allies.
- Kinship carers can access this support line by calling and leaving a message at any time. Appointments are available on Mondays and Tuesdays from 10:00 a.m. to 2:00 p.m., or Thursdays and Fridays from 9:00 a.m. to 5:00 p.m.
  - Phone: 604-558-4740 (Greater Vancouver)
  - Phone: 1-855-474-9777 (elsewhere in BC)
  - E-mail: [kinshipcare@parentsupportbc.ca](mailto:kinshipcare@parentsupportbc.ca)

## For More Information

For more information on the Kinship Care Help Line, visit <https://www.parentsupportbc.ca/services/support-line/>

You access information on the new annual affordability payment, including the Frequently Asked Questions (FAQ) and the Consent Form on the MCFD website at <https://www2.gov.bc.ca/gov/content/family-social-supports/fostering>.