



THE ONTARIO TRILLIUM BENEFIT: MORE CHOICE FOR PEOPLE

May 2, 2013

The new Ontario government is listening to the people of Ontario. Those who receive the Ontario Trillium Benefit (OTB) get their payments in a convenient and timely way. With the change proposed in the 2013 Budget, people would be able to choose between receiving their payments monthly or as a single payment.

The OTB is part of the Ontario government's commitment to provide relief to people with low to moderate incomes. It also supports the Poverty Reduction Strategy. With monthly OTB payments, people get their money well in advance of when they used to receive it. Other recipients who choose to do so would be able to get a single payment at the end of the benefit period.

Providing Choice

In the 2011 Budget, the government combined the payments of three existing tax credits — the Ontario Sales Tax Credit, the Ontario Energy and Property Tax Credit, and the Northern Ontario Energy Credit — to create the OTB.

The OTB is paid in monthly instalments throughout the year, which helps people meet their expenses as bills arrive. OTB payments began in July 2012, and many people welcomed a monthly cheque to help with monthly costs.

However, the government has also heard from people who want the choice of receiving their OTB as a single payment.

In the 2013 Budget, the government proposes to offer OTB recipients a choice between getting their OTB monthly or as a single payment. They would be able to make this choice starting in 2014 on their 2013 tax returns.

People who choose to receive a single payment (by checking a box on their 2013 tax return) would receive the full amount in June 2014. Making the single payment at the end of the benefit period would ensure that each recipient receives the same total benefit whether their OTB is paid monthly or in one single payment. In either case, payments would take into account events that can affect their benefit, such as the birth of a child, death or moving out of Ontario.

People who want to get their 2014 OTB in monthly instalments would not check the box for the single payment. Their monthly payments for that year will start in July 2014.

People who receive a smaller OTB amount get it as a single payment during the first payment month, which is July for most recipients. This avoids small monthly amounts going out through the year. Starting in July 2013, the limit for small payments will be increased to \$360 from \$240. As a result, people whose OTB is \$360 or less will get the total amount in July.

Eligibility for the OTB can change from year to year because of changes in income, age, family status and location. People must apply for the OTB every year on their tax returns.

How the Changes Could Affect People in 2014

Jack's OTB for 2014 is \$840. He likes receiving his OTB every month. Jack files his 2013 tax return in early 2014 and automatically gets payments of \$70 per month from July 2014 to June 2015.

Anna wants to receive her 2014 OTB of \$720 in a single payment, so she would check the box when she files her 2013 tax return in early 2014. Anna would receive her full OTB in June 2015 instead of receiving payments of \$60 per month.

- Like Jack, Anna would receive the same total OTB whether she receives it as monthly payments through the year or chooses to receive a single payment.

Carla's OTB for 2014 is \$225. She files her 2013 tax return in early 2014 and gets a single payment for the full amount in July 2014.

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