

# TORONTO STAFF REPORT

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October 21, 2005

To: Community Services Committee  
From: General Manager, Children's Services Division  
Subject: The Quebec Child Care Model in Ontario Context

Purpose:

This report responds to the request from the Community Services to provide background information on the Quebec child care model and the various methods for determination of user contribution to the cost of child care.

Financial Implications and Impact Statement:

This report has no financial implications and is provided for information purposes only.

Recommendations:

It is recommended that this report be received for information.

Background:

Over the last 12 months, the Children's Services Division has reported on various aspects of the federal funding for child care, description of various demand and potential cost scenarios, including one on cost implications of implementation of a Quebec-style model of \$10 a day child care. At its meetings of April 12, 13, and 14, 2005 and September 28, 29, and 30, 2005 Council directed the General Manager of Children's Services report on possible new models of income testing and funding of the child care system and a comparison of the Toronto and Quebec child care systems. This report specifically addresses the funding of child care service providers and the differences in the method of determining user fees; sources used in this overview include the Quebec government official documentation and the *Early Childhood Education and Care in Canada, 2004*, Martha Friendly & Jane Beach, Childcare Resource and Research Unit, University of Toronto, March 2005.

## Comments:

### Quebec child care reform

The origins of the current child care system in Quebec date back to 1996 when a major shift in policy resulted in redefining the role of child care in society. A holistic approach to funding, including consideration of a range of societal benefits, increased female participation in labour force accompanied by higher tax revenue and elimination of child care tax benefit for participating families, led to the development of a child care system that is unique in Canada. While probably best known for the \$7 dollar per day user fee (originally \$5), other notable features include a partial base funding of program expenditures to eligible child care organizations and province-wide wage scales for child care staff.

The rapid expansion of the system in Quebec was not without problems and challenges. A very high demand for the \$5 dollar child care resulted in long waiting lists, reduced access for low income families, and expansion of the system at the expense of quality of care. By far the largest amount of expansion has taken place in home child care and insufficient level of base funding often led to surcharges being imposed by child care operators in some areas. The system which is essentially limited to the non-profit sector only, has also experienced some labour problems due to low wages and working conditions. However, by 2004 approximately 40 percent of preschool children (ages 0 to 5) had access to regulated child services; the comparable figures for Ontario and Toronto are estimated at 16 percent and 21 percent respectively.

### Ratios

There are substantial differences between the Quebec and Ontario systems in ratios of early childhood educators and children. Although a direct comparison is difficult because of the definition of age groups, the differences are significant especially for the youngest and the school aged children. For example, infant ratios (0-18 month olds) are 1:5 in Quebec and 1:3 (or 3:10) in Ontario; the ratio for 18 months – 3 years old children in Quebec is 1:8 and the ratio for school age is 1:20. In Ontario the toddler (18 – 30 months) is 1:5 and the school age ratio is 1:15.

The higher number of children per staff impacts both the quality and cost of the service. Recently, Quebec has undertaken a campaign to increase the quality of services through various means, including a requirement that two thirds of all teaching staff must have appropriate training. This is much more stringent requirement than in Ontario where only one staff per group (e.g. 1 out of 3 staff in a room of 10 infants, 15 toddlers or 24 preschool children) must have a minimum 2 year ECE degree.

### Centres de la Petite Enfance

The focus of this report is a comparison of child care services for children under the age of 5 delivered by organizations known as Centres de la Petite Enfance (CPE) in Quebec and child care services funded under the Day Nurseries Act in Ontario and, more specifically, Toronto. The Quebec child care legislation differentiates between “childcare centres” which are the legal entities holding operating permits and funding, and the “day care centres”, the actual settings where services are provided. In addition to centre-based day care, the “childcare centres” (i.e. CPEs) also can serve as family child care agencies managing a network of home child care

providers. The organizational structure of CPEs is governed by Quebec legislation regulating their size and governance. A CPE can be as small as one child care centre and as large as a service for up to 350 children, in a combination of arrangements of up to 3 centres each with a maximum capacity 80 children and a network of family child care homes with a capacity not exceeding 250 children. A CPE must be governed by a board which consists of at least seven persons of whom no less than two thirds are parents who, at the same time, are not employees of the CPE.

In addition to CPEs, the Quebec funding regime also applies to some extent to “private day care centres under agreement” with the government of Quebec to provide child care services eligible for the reduced parent contribution while not meeting all the governance requirements. These private operators range from charitable and special purpose organizations to commercial, for-profit operators. Approximately 84 percent of child care is provided by the CPEs.

The number of CPEs in any given area is ultimately a function of available funding from the provincial government. Planning and allocation of resources are carried out on a province-wide basis, while the individual CPEs are allowed to set priorities according to the local needs. Currently in Quebec the number of regulated spaces for children below the kindergarten age is sufficient for almost 50 per cent of all children and 65 percent of children with a mother in paid labour force; however, as in Ontario, the access rate is much lower for the youngest children.

Services for school aged children, beginning at the kindergarten age of 5, are delivered in school settings and are governed by Ministry of Education and not necessarily co-ordinated with the services for younger children. School age child care is also available at the \$7 per day level, albeit for only 200 days per year. For the remainder of time parents are responsible for the actual cost of care. When services are not available through the school system, a CPE might provide school age child care for the 200 days at the \$7 per day cost. Two points of difference must be noted here; first, in Quebec children must be attain the age of 5 by September 30<sup>th</sup> to start a full day kindergarten; with few exceptions there is not the equivalent of junior kindergarten nor there is a legislated right or obligation to attend kindergarten. In Ontario, most school boards deliver both junior and senior kindergarten programs but only on a part-time basis. Second point of difference lies in the administration of school age child care. While in Ontario all child care is delivered under the legislation and regulations of the Ministry of Children and Youth Services, in Quebec the responsibility for school age child care falls to the Ministry of Education.

### The Funding Framework

The funding framework for CPEs and “private day care centres under agreement” has, until recently, consisted of five major components:

- (1) Operating Grant for a CPE consisting of a basic allowance dependent upon the mix of services, ages and number of children; also a number of supplemental, conditional allowances for provision of services in areas of high poverty or services for children with special needs are available throughout the system.
- (2) Pension Plan Grant is an annual contribution paid directly into a pension fund on behalf of the CPE, which also has to meet part of the contribution costs.

- (3) Grant to Start and Supervise a Development Project as approved by the Ministry
- (4) Investment Project Grant for small projects not eligible for major capital funding
- (5) Grant for Acquisition of Assets of an existing private daycare operator.

Since 2004, capital funding has been eliminated and the 2005/06 general operating grants have been reduced by 10 per cent.

The Operating Grants consist of three major components, all of which are closely tied to a concept of “occupancy rate”:

- (1) Occupancy grant covers “expenses related to premises”; it is the lesser of actual expenses or a ceiling which, in 2005/06 was \$36,000 for the first 30 centre-based spaces and \$1,000 for each additional space beyond the first 30. For home child care settings, the rate is \$250 per space for the first 50 children and \$140 for each space above that level. Additionally, centre-based programs are allowed \$150 per space for repairs and maintenance while the comparable amount for home child care is \$50 per space.
- (2) General overhead grant to support the program management and administration costs of an CPE. These grants are calculated as \$1,833.15 for the first 60 spaces and \$1191.60 for each additional centre-base space; the corresponding amount in home child care is \$1,406.50 for each of the first 50 spaces, \$833.55 for each of the next 100 spaces and \$765.10 for each space above 150. The actual grant is reduced by the amount to be collected from parents eligible for the \$7 user fee.
- (3) Care and educational expenses grant is a payment on behalf of children eligible for reduced, \$7 daily fee. Amounts for children in centre-base care are \$49.95 per day for children under 18 months and \$32.50 per day for children between 18 and 59 months old. In home child care the corresponding rates are \$33.95 and \$24.50 per day.

Operating grants are supplemented by additional amounts based on proportion of children from disadvantaged circumstances or children with special needs. For example, if more than 20 percent of children are exempted from payment of fees, the general overhead grant is increased by 6.9 percent; CPEs providing service for children with special needs receive a one time payment of \$2,200 per child for equipment and other costs, as well as a premium of \$25 for each day of attendance.

Each CPE is responsible for the difference between the actual operating costs and the available government funding; to the extent that funding has not been increasing with inflation and, in fact, has been cut significantly in the last two years, CPEs are often forced to impose surcharges on parent fees or find other sources of funds.

The level of grants is established annually by the provincial government and reflects the wage scales negotiated periodically between the government, the unions and the Quebec association of the CPEs. Although the CPEs are not forced to pay the official wage scales, the grants can be adjusted downward if the actual wage rates paid are significantly below the official scales.

While payments to CPEs are advanced on a monthly basis, their level is based on previous year occupancy rate amended by factors known during the budget preparation time (e.g. proposed expansion of service). The level of payment is reviewed and potentially adjusted according to the actual occupancy rate. A final reconciliation must be submitted to the provincial government within three months of the end of the fiscal year and any final adjustments are made at that time. All of the operating and other grants must be supported by extensive budget documentation, followed by reconciliation of attendance and verification of actual expenditures.

For the purpose of a comparison with the funding regime in Ontario, it is important to remember that, at least for the CPEs, the Quebec system provides base funding for all the child care spaces. The parental contribution represents, according to provincial documents, approximately 17 percent of the actual costs on a system-wide basis. Yet, as outlined above, the base funding comes with a tremendous amount of accountability for government funding that, with few exceptions including Toronto, is not to be found in Ontario's child care system.

### Child Care Funding in Ontario

The funding of child care services in Ontario consists of a mix of targeted fee subsidy payments on behalf of certain low income client groups and a variety of grants intended to support child care staff wages while reducing the cost of care for full fee and subsidized clients. By far, the largest amount of funding goes toward fee subsidies. While the provincial government determines the total amount of funding, the actual administration and management of the payments has been delegated to the municipal level. Municipalities are primarily accountable for the way in which subsidies are administered. The provincial government does not regulate the costs of care and monitors service levels through quarterly reporting and an annual reconciliation of funding provided to the municipalities. In addition, the provincial regulations require the municipalities to collect audited financial statements for all child care services receiving annual funding above \$20,000.

There is no consistent way in which rates paid to child care operators on behalf of subsidized clients are determined and consequently practices vary widely across Ontario. Only few municipalities, such as Toronto, have in place detailed budget guidelines for the purchase of service contracts and therefore very little information exists on a provincial level about the actual cost of child care, and how much the subsidized clients are actually paying for the service.

Toronto has long been a leader in demanding that child care organizations submit detailed budgets and reconcile expenditures against the funding provided. This virtue has been born of necessity to maximize the available funding while treating operators as fairly as possible in recognizing different operating costs and pressures. In most of Ontario's CMSMs, the rates paid to operators are determined by other mechanisms such as the payment of a market rate, a fixed rate which bears no relation to actual costs, or the payment of the operator's public fee rate, while in some cases controlling the percentage of subsidized clients.

The system of wage subsidies is not easy to understand either. In the beginning, in 1987, there was only the Direct Operating Grant (DOG), which, in itself was a fairly rational system based on operating capacity and number of spaces in each age group. This was followed in early 1990's by a wage enhancement grant and pay equity funding. The rules, which restricted the amount of wage subsidies payable to child care staff working for commercial (and municipal)

operators and capping available funding, have resulted a tangled web of funding which was almost impossible to decipher by the time the responsibility for this funding was devolved to the CMSMs. In Toronto, the situation was further complicated by the existence of wage grants implemented by the old City of Toronto and restricted to non-profit centres only.

In addition to managing the provincial funding and contributing a 20 per cent share to the operating costs, some Ontario municipalities have also invested their own municipal resources in supporting the child care system. For example, Ottawa and Toronto have maintained a modest capital programs long after the province has terminated that funding source. Since 1999, Toronto has paid the occupancy costs for child care centres located in schools and often contributed more than its legislated share of fee subsidies and other costs in order to prevent a significant erosion of the system. Thus, inequitable and convoluted as it may be, there is a substantial amount of “base funding” in the system. The issue is that this funding is not available to all eligible programs, parents are not aware of it and, in no way, it approaches the comprehensiveness of the Quebec funding regime.

#### User Contribution for families enrolled in CPEs

As indicated above, the Quebec’s system of user fees is unique when compared to other provinces. Parents whose children are enrolled in the services offered by the CPEs or other child care organizations under a special contract with the provincial government pay the standard rate of \$7 dollars per child per day. Parents on social assistance are eligible for free service for up to 22.5 hours a week; this time restriction can be eliminated where there is appropriately documented child or family need. Other than legal residency in Quebec and availability of space subsidies, there is no restriction on who can have their user contribution reduced to the \$7 level. However, those who chose to participate in the \$7 per day scheme give up their right to claim child care costs deduction under the Quebec income tax legislation. The reduced fee is also available to parents of school age children, although it is applicable to only 200 days per year.

The near universality of the flat fee system comes at a cost to the low income user. The annual contribution of \$1,827 for one child can easily represent more than 10 percent of family’s income and care becomes completely unaffordable for families with more than one child. The \$7 user contribution which makes child care very accessible for middle class families, can very quickly become a barrier for the low income families, especially when many CPEs require additional contributions (surcharges) due to reduced per diems paid by the provincial government. Thus the flat fee, which is essentially a regressive tax, depends on the middle class families for its popularity and survival.

Yet, as was stated above, the Quebec government estimates that the parents contribute less than 17 percent of the total child care system cost; this is below an OECD guideline of 20 percent, and as much as 4 times less than full fee families contribute in Ontario.

The various approaches to determining fees for users of regulated child care services in Canada are discussed below.

## Methods for Determining User Contribution

By far the most common way of payment for child care services is the payment of a full fee by the users of the service; this is the way most families obtain their child care, be it regulated or not. However, it is only reasonable to point out that in Ontario families rarely pay the full cost of regulated child care (as opposed to full fee). Most child care centres and home child care agencies receive a substantial government income in wage subsidies, pay equity payments and, in Toronto, free rent for child care centres located in schools. In addition, working parents can reduce their taxable income by claiming legitimate child care expenses.

Families that require direct assistance with their child care costs have, depending on the province or territory in which they reside, three possible avenues for child care subsidy.

- (1) Needs Test – fees are assessed on ability to pay as determined by subtracting allowable expenses from income and limiting severely the amount of allowable liquid assets ; this approach is usually referred to as determination of “being in need”. It is currently used only in Ontario for determining the fees paid by subsidized child care families. The Needs Test has been criticized as intrusive because of the detailed nature of the inquiry into family expenditures, as well as unfair because its structure rewards families with high level of expenditures.
- (2) Income Test – fees are based on income without regard to expenditures or level of liquid assets; this is often referred to as “likelihood of need” on the basis of certain levels of income not being sufficient to afford the cost of the service. Most provinces use this method for assessing parent fees, as do most of the European countries.
- (3) Flat Fee – all users pay the same fee (per child), although exception can be made for low income families; this is the model used in Quebec, where eligible users pay a flat fee of \$7 per child per day, while until recently low income clients (with incomes below \$14,000 per year) were eligible for a reduced fee of \$4 per day. Although presumably simple to administer, the flat fee system is not necessarily fair when considered in the context of family income or composition.

Both, the Needs Test and the Income Test have their origins in the now defunct Canada Assistance Plan (CAP) which defined the ways service would be funded and cost-shared between the federal and provincial governments. CAP also established the original funding priorities by requiring subsidized clients to be working, studying or have a defined special need.

In Ontario, the Needs Test consists of provincially prescribed determination of net family income and a set of deductions based on allowable expenditures. The consolidated municipal service managers (CMSMs) are responsible for the administration of the Needs Test and have some discretion in determining a number of possible deductions; the most notable is an exemption up to 25 percent of earned income from the calculation which determines the amount which must be contributed by the user towards the cost of care.

Unlike many Ontario municipalities, the City uses its discretion to the widest extent allowed in order to account for the comparatively high cost of living in Toronto. Although extremely rare in reality, a family consisting of single parent and one child could have net income of almost \$40,000 without paying any user fees under the Needs Test (Appendix 1). On the other side of the spectrum the same family with half of that income could be paying more than \$20 per day. In turn, this leads to a wide spectrum of fees being assessed against any given level of income (see Appendix2). This is symptomatic of a wide open needs test. However, the way user fees are

actually assessed in Toronto does not allow for the high income – no user fee scenarios to occur.

As an alternative to cutting service levels in the early 1990's the municipality has investigated different approaches to raising more user revenue. The options that were considered included limiting the exemptions permitted under a needs test and increasing a family surcharge already in place. After modeling a multitude of scenarios and an extensive public discussion, the final decision was to adopt an income test that would be implemented on top of the existing needs test. The benefit of this approach was that although the system remained available to the “more affluent” families, they assumed a significantly larger burden of the additional revenue while most of the lowest income actually saw a small decline in their assessed fees. In the current version of the Income Test in Toronto, the same family of a single parent with one child will have the first \$14,400 exempted and will be required to contribute 27 percent of all income above that level (Appendix 3). By virtue of the need to comply with provincial legislation, the client is charged the higher of the fee computed by the two tests. At the current time, over 90 per cent of fees are assessed on the basis of income test, and the remainder are based on the needs test; appendix 4 shows the relationship between income and user fees.

#### General Parameters of an Income Test

As a part of its electoral platform and the Best Start commitments, the current provincial government is planning to introduce an Income Test sometime in 2006. Very little has been publicly announced other than the original parameters that included full subsidy for eligible families with annual incomes below \$25,000 and cessation of any subsidy for families with incomes above \$75,000.

There are some basic characteristic and terminology that are common to all income tests regardless how they are implemented across Canada. In all cases, there is:

- turning point - an income level above which user fees are charged; conversely defined, an income level below which client pays no fees. In the context of the original announcements, the turning point has been set at \$25,000.
- tax-back rate - the rate at which any income between the turning point and the ceiling is taxed; under Canada Assistance Plan the rate was set at 50 percent. In other words, the user contributes fifty cents of each additional dollar of income towards the cost of care. The Best Start announcements do not specify any particular tax-back rate.
- break-even point - level of income above which any subsidy ceases and the user is required to pay the full cost of the service or an otherwise defined maximum contribution; the Best Start announcement sets the break-even point at \$75,000. Strictly speaking, it is neither necessary nor desirable to have a “break even point” if the income test is well designed.

#### Characteristics of a “good” income test

None of the income tests employed by the provinces across Canada are perfect or particularly generous. Rather than focusing on problems with some of the existing implementations, it is more productive to concentrate on what an Income Test should be:

- fair and equitable – there must be a direct relationship between family income and fee, although an equity argument could be used to support different tax-back rate structures according to family composition, income tax deductibility of fees and regional differences in cost of living

- easy to administer – an unambiguous definition and proof of income are required; for example, “Net Income” as shown on line 236 of the Notice of Assessment from Canada Customs and Revenue Agency (2005);
- promoting (or not be a deterrent to) access to quality care - do not force lower income clients to choose the cheapest care by tying the fee to a percentage of cost of care. A user fee related to a cost of care is especially problematic when there are substantial differences in full fees for same age groups due to difference in individual cost factors and differences in the level of publicly funded reduction of full fees through wage subsidies and other supports such as free rents.
- capable of being universal – “break even point” can be eliminated by adopting a tax-back rate which achieves the government policy objectives. For example, if the policy intent is that a two-parent family with one child in care should be paying a full fee (e.g. \$10,000) at an income level of \$75,000, then families with higher incomes and larger number of children should still receive some subsidy if their costs exceed the \$10,000 level.
- easy to model, manipulate and adapt – this is not just an implementation issue; it is clear that, at least in the short term, there will not be sufficient resources available to include all families using licensed childcare. The turning point and tax-back rate can be manipulated over time, as resources increase, to effectively include higher income families in the system.
- easy to implement – income testing is by definition much simpler system; to keep it so, it should be unencumbered by any additional rules and calculations affecting families with extra-ordinarily low expenses such as those who live in subsidized housing.

#### Income Test and the Quebec-style Flat Fee

Both the current Ontario Needs Test and the various Income Tests across Canada have been associated with provision of child care subsidies to those families who also meet certain “social need” criteria. Generally that means that unless a child is deemed to be “at risk” he/she is not able to access child care unless the parents are employed, in school or are capable of paying the full fee.

The Quebec approach is completely different in that a child can attend (subject to availability of a funded space, of course) as long as the family is prepared to pay the \$7 daily fee; even those families who elsewhere in Canada (or the pre-reform Quebec) would not meet the social need criteria are eligible for the government subsidy. Yet the significant point of difference between Quebec and the rest of Canada is that there is nothing inherent in either the Needs Test or Income Test that requires the presence of the “social need” to secure access to government subsidy of child care costs. They all are simply methods of securing contribution toward the cost of services, and the Flat Fee is not the best of them. However, the superiority of Quebec’s approach is in the recognition and public acceptance of importance of early learning and care for all children, regardless income or the economic and labour force status of their families.

Finally, one additional lesson from the Quebec experience must be brought forward; the popularity of the system is such that, despite huge expansion of the system over the last eight years, the demand still far outstrips the supply. One of the unintended consequences is that in the competition for scarce child care spaces low income families often find it difficult if impossible to secure a place in the child care of their choice. This, at least in Toronto’s context, reinforces the need to manage provision of services in a planned, equitable manner.

Conclusions:

This report discusses both, the similarities and differences between the Quebec and Ontario child care systems. While there are significant scope and systemic differences, there are several areas where similarities and comparable practices can be identified. Finally, the report also addresses in general the issue of user revenue and proposes some criteria to be used in evaluating the forthcoming move to income testing in Ontario.

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General Manager of Children's Services

List of Attachments:

- Appendix 1 - Needs Test Exemptions and Daily Fee Calculation
- Appendix 2 - Needs Test User Fees
- Appendix 3 - Sample Schedule of User Fees
- Appendix 4 - Income Tested User Fees

Appendix 1

Needs Test Exemptions and Daily Fee Calculation

<i>Monthly Exemptions</i>	1 Parent 1 child	1 Parent 2 children	1 Parent 3 children	2 Parents 1 child	2 Parents 2 children	2 Parents 3 children
<i>Basic Needs</i>	600	700	850	700	850	1,000
<i>Rent</i>	1,350	1,450	1,550	1,450	1,550	1,650
<i>Transportation</i>	135	172	208	234	270	307

Daily Fee (see notes below)

Net Income

Annual	Monthly	1 Parent 1 child	1 Parent 2 children	1 Parent 3 children	2 Parents 1 child	2 Parents 2 children	2 Parents 3 children
\$10,000	\$833	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$15,000	\$1,250	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$20,000	\$1,667	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$25,000	\$2,083	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$30,000	\$2,500	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$35,000	\$2,917	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$40,000	\$3,333	\$1.15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$45,000	\$3,750	\$15.49	\$3.68	\$0.00	\$0.83	\$0.00	\$0.00
\$50,000	\$4,167	\$29.89	\$18.07	\$4.00	\$15.22	\$0.69	\$0.00
\$55,000	\$4,583	\$44.23	\$32.41	\$18.34	\$29.56	\$15.03	\$0.46
\$60,000	\$5,000	\$58.62	\$46.80	\$32.74	\$43.95	\$29.43	\$14.85
\$65,000	\$5,417	--	\$61.20	\$47.13	\$58.34	\$43.82	\$29.24
\$70,000	\$5,833	--	\$75.54	\$61.47	\$72.69	\$58.16	\$43.59

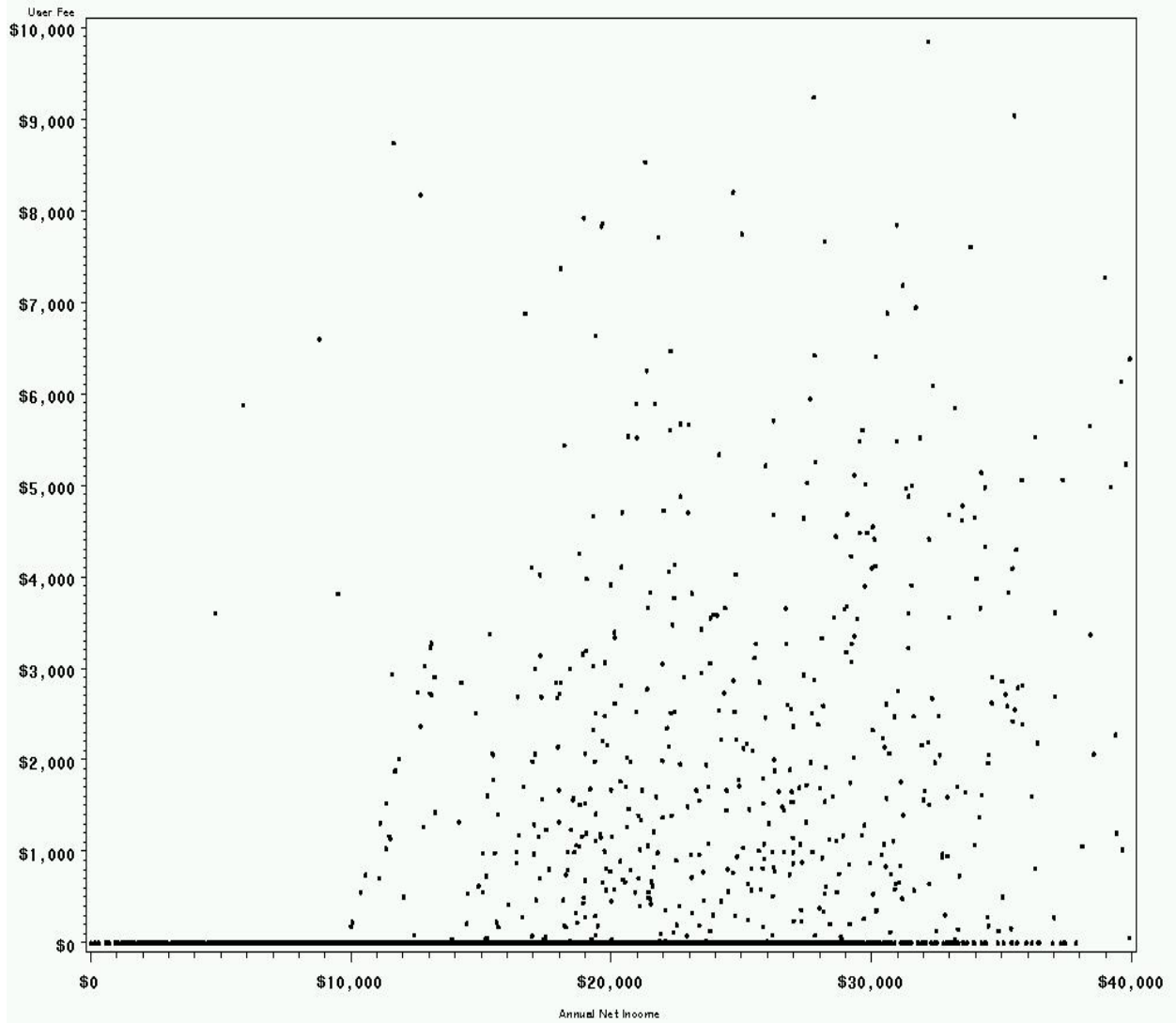
*Assumes Expenses as follows: Basic Telephone and Cable costs as allowed, Coin Laundry expense as allowed, Debt Payments of \$150.00/month as per ceiling, TTC rates and Basic Needs Expenses based on household size, Rent up to maximum allowable ceiling*

*Assumes 25% Exemption on Earned Income*

Appendix 2

### Needs Tested User Fees

Lone Parent Families, 1 Child



Appendix 3

Sample Schedule of User Fees at 27% tax-back rate (no minimum fee)

Number of Children (under 12) Turning Point	Single Parent Family			Two Parent Family		
	1 \$1,200	2 \$1,400	3 \$1,700	1 \$1,400	2 \$1,700	3 \$2,000
<b>Net Income</b>	<b>Daily Fee</b>					
Yearly	Monthly					
\$10,000	\$833	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$15,000	\$1,250	\$0.62	\$0.00	\$0.00	\$0.00	\$0.00
\$20,000	\$1,667	\$7.57	\$3.31	\$0.00	\$3.31	\$0.00
\$25,000	\$2,083	\$10.96	\$8.48	\$8.85	\$8.48	\$4.75
\$30,000	\$2,500	\$16.14	\$13.66	\$9.93	\$13.66	\$9.93
\$35,000	\$2,917	\$21.31	\$18.83	\$15.11	\$18.83	\$15.11
\$40,000	\$3,333	\$26.48	\$24.00	\$20.27	\$24.00	\$20.27
\$45,000	\$3,750	\$31.66	\$29.17	\$25.45	\$29.17	\$25.45
\$50,000	\$4,167	\$36.83	\$34.35	\$30.62	\$34.35	\$30.62
<b>Net Income</b>	<b>Monthly Fee</b>					
Yearly	Monthly					
\$10,000	\$833	\$0	\$0	\$0	\$0	\$0
\$15,000	\$1,250	\$14	\$0	\$0	\$0	\$0
\$20,000	\$1,667	\$126	\$72	\$0	\$72	\$0
\$25,000	\$2,083	\$238	\$184	\$103	\$184	\$103
\$30,000	\$2,500	\$351	\$297	\$216	\$297	\$216
\$35,000	\$2,917	\$464	\$410	\$329	\$410	\$329
\$40,000	\$3,333	\$576	\$522	\$441	\$522	\$441
\$45,000	\$3,750	\$689	\$635	\$554	\$635	\$554
\$50,000	\$4,167	\$801	\$747	\$666	\$747	\$666
<b>Net Income</b>	<b>Annual Fee</b>					
Yearly	Monthly					
\$10,000	\$833	\$0	\$0	\$0	\$0	\$0
\$15,000	\$1,250	\$162	\$0	\$0	\$0	\$0
\$20,000	\$1,667	\$1,513	\$865	\$0	\$865	\$0
\$25,000	\$2,083	\$2,861	\$2,213	\$1,241	\$2,213	\$1,241
\$30,000	\$2,500	\$4,212	\$3,564	\$2,592	\$3,564	\$2,592
\$35,000	\$2,917	\$5,563	\$4,915	\$3,943	\$4,915	\$3,943
\$40,000	\$3,333	\$6,911	\$6,263	\$5,291	\$6,263	\$5,291
\$45,000	\$3,750	\$8,262	\$7,614	\$6,642	\$7,614	\$6,642
\$50,000	\$4,167	\$9,613	\$8,965	\$7,993	\$8,965	\$7,993
<b>Net Income</b>	<b>Fees as % of Income</b>					
Yearly	Monthly					
\$10,000	\$833	0.0	0.0	0.0	0.0	0.0
\$15,000	\$1,250	1.1	0.0	0.0	0.0	0.0
\$20,000	\$1,667	7.6	4.3	0.0	4.3	0.0
\$25,000	\$2,083	11.4	8.9	5.0	8.9	5.0
\$30,000	\$2,500	14.0	11.9	8.6	11.9	8.6
\$35,000	\$2,917	15.9	14.0	11.3	14.0	11.3
\$40,000	\$3,333	17.3	15.7	13.2	15.7	13.2
\$45,000	\$3,750	18.4	16.9	14.8	16.9	14.8
\$50,000	\$4,167	19.2	17.9	16.0	17.9	16.0

- Note: 1. Turning Point represents the income level at which the tax-back begins (i.e. for a 1+1 family 27% of all income above \$1,200 will be applied against the fee).  
The Turning Point is determined by doubling the Basic Needs Allowance as determined by provincial regulation and is annually adjusted.
2. No minimum fee is being applied regardless family size.
3. For each additional dependent aged 0-12 add \$300 to the turning point value;  
for each additional dependent aged 13+ add \$350 to the turning point value.

Appendix 4

### Income Tested User Fees

Lone Parent Families, 1 Child

