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May 2, 2013

**Memorandum To:** Ontario Works Administrators  
– Municipalities and DSSABs  
– First Nations

**From:** Jeff Butler  
Director, Ontario Works Branch

**Re:** **2013 Provincial Budget – Implications for Social Assistance**

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The 2013 Ontario Budget released today announced changes that would affect the Ontario Disability Support Program (ODSP) and Ontario Works. The proposed changes are intended to make social assistance programs work better for clients, and to improve their incomes and employment outcomes.

The Budget proposes to invest in:

- A \$200-a-month earnings exemption to allow social assistance recipients to earn more without impacting their assistance;
- A one per cent rate increase for Ontario Works recipients and people with disabilities on ODSP;
- A \$14 top-up for single adults without children on Ontario Works. The top-up and the one per cent mean that single adults without children on Ontario Works would receive an additional \$20 per month;

- An increase in Ontario Works asset limits (to \$2,500 for singles, \$5,000 for couples), and greater flexibility for First Nations and northern communities around determining allowable assets;
- A full exemption of primary vehicles as assets in Ontario Works; and
- More harmonized rules between ODSP and Ontario Works, such as those related to self-employment earnings and treatment of gifts.

Rate changes would be effective September 1, 2013 for ODSP and October 1, 2013 for Ontario Works. Other changes would take effect September 2013.

The government also proposed to:

- Increase the OCB annual maximum to \$1,210 per child, effective July 2013 and \$1,310 per child effective in July 2014;
- Establish a new Partnership Council on Employment Opportunities for People with Disabilities, composed of government and corporate leaders, to champion the hiring of people with disabilities;
- Engage municipalities, First Nation communities and employment service providers on better ways to link social assistance recipients with services provided by Employment Ontario;
- Work with partners to develop a simpler, more effective and flexible employment-related benefit structure to help social assistance recipients find jobs; and
- Introduce a simplified process for accessing and administering medical travel supports for social assistance recipients living in northern Ontario.

The Budget noted that we are already engaging with employers and service delivery partners in a series of roundtables to improve social assistance employment services and supports for those who are able to work, and to better connect clients, including people with disabilities, to the workforce.

The Budget also highlighted the introduction of the Transitional Support Fund for First Nations which provides support for the housing-related needs of persons in First Nation communities.

We recognize the importance and value of maintaining strong linkages with our delivery partners and will continue to engage with you as we move forward with this work.

I have attached questions and answers related to these announcements, and will provide further details on implementation of the changes in the coming months.

For questions regarding the above information, please contact Gurpreet Sidhu-Dhanao, Manager, Ontario Works Branch at 416-325-6272 or [gurpreet.sidhu-dhanao@ontario.ca](mailto:gurpreet.sidhu-dhanao@ontario.ca).

**Please share this memo with staff within 24 hours.**

*Original signed by*

Jeff Butler  
Director, Ontario Works Branch

Enc.

- c. Regional Directors  
Regional Program Managers  
Patti Redmond, Director, Ontario Disability Support Program  
Maxine Daley, Director, Social Assistance and Municipal Operations  
Kira Heineck, OMSSA  
Staci Williams, ONWAA  
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## Ministry of Community and Social Services

### 2013 Ontario Budget Questions and Answers

#### Rates:

#### **Q1) What are the proposed rate increases for Ontario Works?**

The Budget proposes to increase rates for all individuals and families on Ontario Works. Specifically:

- The maximum basic needs amount for singles would increase by \$20, from \$230 to \$250 per month. There would be no change to the maximum shelter amount for singles.
- The board and lodge rate for singles would increase by \$20, from \$414 to \$434 per month.
- The basic needs and shelter maximums for Ontario Works families would increase by 1%.
- The board and lodge rate for families would increase by 1%.

#### **Q2) What are the proposed rate increases for the Ontario Disability Support Program (ODSP)?**

The Budget proposes to increase rates for persons adjudicated as a person with a disability and all prescribed classes within ODSP. Specifically:

- The maximum basic needs amount for every person with a disability would increase by \$11 per month; and the maximum basic needs amount for a double-disabled couple would increase by \$22 per month. There would be no change to the maximum shelter amount for any ODSP cases.
- The board and lodge rate for every person with a disability would increase by \$8 per month; and the board and lodge rate for a double-disabled couple would increase by \$16 per month.
- The incremental basic needs and shelter amounts for non-disabled family members in ODSP would not change.

#### **Q3) Does the proposed approach include increases for any other allowances or rates?**

Yes. The Budget also proposes to increase the following allowances and rates by 1%:

- Temporary Care Assistance
- Assistance for Children with Severe Disabilities
- ODSP institutional rates
- Personal Needs Allowance
- Northern Allowance
- Special Boarder Allowance

- Special Age-Related Allowance
- Dependents with dependents rates
- Guide dog allowance

**Q4) When would the proposed rate increases take effect?**

The proposed increases would take effect September 1, 2013 for ODSP and October 1, 2013 for Ontario Works.

**Q5) Would municipalities have to cost-share the proposed Ontario Works rate increases in 2013?**

No. Municipalities would not have to cost-share the proposed Ontario Works rate increases until January 2014. Based on the upload schedule, the municipal/First Nations share of Ontario Works financial and employment assistance costs will be 11.4 percent as of January 2014.

**Q6) Will children's supplements in Ontario Works and ODSP be adjusted based on the proposed increase to the Ontario Child Benefit (OCB)?**

The Budget proposes to increase the OCB annual maximum to \$1,210 per child, effective July 2013 and to \$1,310 effective July 2014. Children's supplements remaining in social assistance would continue to be consolidated into the OCB as it increases. This means the single parent supplement in Ontario Works would be adjusted by \$9 in August 2013, moving from \$120 to \$111 per month; and the teenage supplement in ODSP would be adjusted by \$9 in July 2013, moving from \$18 to \$9 per month. These financial supports would now be provided through the OCB, consistent with the long-term objective of moving children's benefits outside of social assistance.

**Income and Assets:**

**Q7) What is the proposed increase to Ontario Works asset limits? When would the change take effect?**

Ontario Works asset limits would be increased and disconnected from the monthly rates. The proposed asset limits would be \$2,500 for singles and \$5,000 for couples. Asset limits would increase by \$500 for each additional dependent (beyond a spouse). The change would take effect in September 2013.

**Q8) What is the proposed treatment of primary vehicles in Ontario Works? Will additional vehicles be exempt in either program? When would the change take effect?**

Currently in Ontario Works, primary vehicles are exempt up to a value of \$10,000. Under the proposal, primary vehicles would be fully exempt as assets

as is the current practice in ODSP. Additional vehicles in both programs would continue to be subject to a maximum value if they are needed to support employment. The change would take effect in September 2013.

**Q9) What is the proposed change to the treatment of cash gifts and other goods and services in Ontario Works? When would the change take effect?**

Currently under Ontario Works, there is no specified amount for exempting infrequent gifts. The proposal would allow an income exemption for Ontario Works recipients of \$6,000 annually for all gifts received in the form of goods and services, or infrequent cash gifts. This would align Ontario Works policy with ODSP. The change would take effect in September 2013.

**Q10) What flexibility is being proposed for First Nations and northern communities regarding asset rules? When would the change take effect?**

It is being proposed that First Nation and northern communities have flexibility in how certain assets are treated. This flexibility would help to reflect the unique realities of living in First Nation and remote northern communities. Further information would be available at a later date. The change would take effect in September 2013.

**Q11) How will the proposed \$200 flat rate earnings exemption work? Will the proposed exemption apply to self-employment earnings? Is the 50% exemption rate remaining in place? Does the Work-Related Benefit remain in effect? When would the change take effect?**

The proposed flat rate exemption would allow each adult member of a benefit unit to earn up to \$200 per month without reducing their social assistance entitlement. The flat rate earnings exemption would apply to both regular employment earnings and self-employment earnings. Earnings above \$200 per month would continue to be subject to a 50% earnings exemption. ODSP recipients with earnings would continue to receive the Work-Related Benefit. For Ontario Works, the flat rate earnings exemption would not apply until after the third continuous month on assistance. The change would take effect in September 2013.

**Q12) What is the proposed change to the treatment of self-employment earnings in Ontario Works? When would the change take effect?**

Currently in Ontario Works, self-employment earnings are reduced by eligible business expenses and then reduce assistance dollar for dollar. Under the proposal, the 50% earnings exemption would be applied to self-employment earnings (net of eligible business expenses) as is the current practice in ODSP. In addition, the proposed \$200 flat rate earnings exemption would apply to self-employment earnings. Both the 50% earnings exemption and the \$200 flat rate

earnings exemption for self-employed persons would not apply until after the third continuous month on assistance. The change would take effect in September 2013.

**Q13) What is the proposed change to the treatment of earnings for people over 18 and spouses under 18 who are attending full-time secondary school? Does this change apply to both Ontario Works and ODSP? When would this change take effect?**

Under the current rules in both programs, earnings of adults over 18 and spouses under 18 who are attending full-time secondary school are subject to the 50 percent exemption rate, while the earnings of dependent children in full-time secondary school and all adults in full-time post-secondary school are fully exempt. Under this proposal, the earnings of adults over 18 and spouses under 18 who are attending full-time secondary school would also be fully exempt. The change would take effect in September 2013.

**Other:**

**Q14) Will any of these changes impact the launch of the new social assistance technology?**

The government is moving forward with plans to launch new social assistance technology that will better support quality client service and delivery across the province. As part of ongoing business, the ministry will continue to monitor and assess any potential implications of proposed policy changes on the roll out of the technology.

**Q15) Does the Budget propose to make participating in employment-related activities mandatory for all ODSP clients?**

The Budget does not propose mandatory employment plans for all ODSP clients, although it does propose changes aimed at further encouraging employment by:

- allowing social assistance clients to earn up to \$200 per month without affecting their assistance;
- establishing a new Partnership Council on Employment Opportunities for People with Disabilities, composed of government and corporate leaders, to champion the hiring of people with disabilities;
- engaging municipalities, First Nation communities and employment service providers on better ways to link social assistance recipients with services provided by Employment Ontario;and

- working with partners to develop a simpler, more effective and flexible employment-related benefit structure to help social assistance recipients find jobs.

The Budget noted the government is already engaging with employers and service delivery partners in a series of roundtables to improve social assistance employment services and supports for those who are able to work, and to better connect clients, including people with disabilities, to the workforce.

**Q16) Does the Budget propose to eliminate the ODSP Work-Related Benefit?**

The Budget does not propose to eliminate any of the employment-related benefits currently provided through social assistance, including the ODSP Work-Related Benefit. Recognizing that the myriad employment-related benefits provided in the system add unnecessary complexity, the government proposes to work with partners to develop a simpler, more effective and flexible employment-related benefit structure to help social assistance clients find jobs.

**Q17) Does the Budget propose to eliminate the Special Diet Allowance?**

The Budget does not propose to make any changes to the Special Diet Allowance.

**Q18) The 2012 Budget proposed to integrate social assistance employment programs with Employment Ontario. Is the government still planning to do that?**

The Budget proposes to engage municipalities, First Nation communities and employment service providers on better ways to link social assistance recipients with services provided by Employment Ontario.

**Q19) What is the proposed Partnership Council on Employment Opportunities for People with Disabilities and who will be on it?**

The Budget proposes to establish a new Partnership Council on Employment Opportunities for People with Disabilities, composed of government and corporate leaders, to champion the hiring of people with disabilities.

**Q20) What is the government doing to simplify the process for accessing and administering medical travel supports for social assistance recipients living in northern Ontario?**

The Ministry of Community and Social Services and the Ministry of Health and Long-Term Care will work together to introduce a simplified process for accessing and administering medical travel supports for social assistance



recipients living in northern Ontario. Further information will be provided once available.