

Commission for the
Review of Social Assistance
in Ontario

A Discussion Paper:
Issues and Ideas

June 2011



***The Vision:** A 21st century income security system that enables all Ontarians to live with dignity, participate in their communities, and contribute to a prospering economy.*

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Message from the Commissioners

On November 30, 2010, the government announced our appointment as Commissioners to lead the Commission for the Review of Social Assistance in Ontario.

We are both honoured and excited about our appointment and the trust the government has put in us: honoured because the government considered us worthy to recommend improvements to programs that have the potential to improve the lives of so many Ontarians; excited about tackling the many challenges involved in reforming these complex programs. We believe strongly that where there is a challenge, there is an opportunity.

As a team, we feel particularly well-suited for this task, given our years of combined experience in leading change at the federal and provincial levels. We have led policy and program change in diverse areas, such as social services, health, transfer programs, pensions, employment insurance, the tax system, budgets, economic development and trade.

We are also excited about our Terms of Reference and the outcomes expected of us. In these Terms of Reference, it is clear that the government expects us to provide practical, relevant and concrete recommendations to improve social assistance. We have been given the freedom to examine not only all aspects of social assistance, but to also consider other aspects of the overall income security system that may impinge upon social assistance outcomes.

We are pleased that our mandate is cast in the context of the 2008 Poverty Reduction Strategy, and are committed to keeping this in mind as we do our work. We are in full agreement with the view reflected in the Terms of Reference that the most promising way to improve outcomes for people receiving social assistance is to substantially improve their employment opportunities and — as a second and essential part of our task — to provide adequate income security to those who cannot work.

We are committed to developing recommendations to ensure that more people can be helped to work, and are thus helped to lift themselves and their families out of poverty.

Some Thoughts on our Task

The issues and challenges surrounding social assistance have been around for a very long time. Ontario and governments around the world have been trying to address them in different ways.

The last major review of Ontario's social assistance system resulted in the 1988 *Transitions* report. It concluded that programs that trap people in poverty miss the mark, from both a social and individual perspective. It told us that we need to do a better job helping people by addressing their barriers to employment and by providing "opportunity planning" to develop their capacity for work.

While various changes have been made by successive governments since the *Transitions* report, many of the same issues still confront us today.

Some economists predict that we are heading into a tighter labour market that will likely produce labour shortages. In these circumstances, the interests of employers, people receiving social assistance and governments are aligned. It is to everyone's advantage to ensure that people receiving social assistance can make the transition to the workplace and contribute to their full potential.

We need to do a better job connecting employers with potential workers, and aligning the needs of those who have work to offer with those looking for work. We need to do a better job providing coordinated employment services and skills upgrading to people receiving social assistance so they can be successful in the labour market.

Here we need to think differently about how we can tap into the talents of people with disabilities. For too long, we have focused on the disability, not on the capacity and aspirations of those with disabilities for meaningful employment.

We are interested in how you think the needs of employers and the skills of people receiving social assistance can be aligned so that those who can work have the opportunity to contribute to the economy and society to the maximum of their potential. We want to know your views on how to improve employment services.

We also know that the nature of work in Ontario is changing. Non-standard employment — whether it be temporary full-time, self-employment (without any paid employees), or part-time — is growing faster than what we traditionally think of as standard employment. These jobs tend to pay less, often lack access to benefits like prescription drug and dental coverage, and be of shorter duration. We are seeing a decline in manufacturing, and job growth in such sectors as services and retail, which rely more heavily on non-standard jobs.

Our policy framework needs to recognize these changes and deliver a benefit structure that provides an adequate level of support, without creating barriers to work — barriers that discourage people from seeking work because it may not pay enough in income and benefits. We have not achieved this yet. Today, we are faced with the dilemma that, for many, in some benefit classes, the overall benefit levels of social assistance are not adequate, while others find that moving from social assistance to employment is too costly if it means losing some benefits that they need. Both Ontario Works and the Ontario Disability Support Program provide a range of benefits, many of which are not available to people who are employed and not receiving social assistance.

These are not easy issues and they present difficult trade-offs. The solutions discussed in the literature include a number of different approaches.

One approach is to let people receiving social assistance keep a portion of income support and benefits on top of any employment earnings they may have. This approach postpones the inevitable withdrawal of benefits. This could make the rate of benefit withdrawal steeper, when people earn somewhat more income. It also raises a question of fairness, since the financial circumstances of people receiving social assistance may be better than those who are working full-time in low-wage jobs and who are not receiving social assistance.

A second approach is to choose a market comparison of paid work, such as minimum wage, and to set benefits at a lower level so that people would be better off working. However, in today's job market, with the growth of non-standard employment, as noted above, this approach can conflict with the goal of ensuring adequate incomes for those receiving social assistance.

Another approach is to make some benefits available to all low-income people, whether or not they are receiving social assistance. This is the approach taken with the Ontario Child Benefit and the National Child Benefit Supplement for parents living on low incomes.

A final approach — which is outside the mandate of our review but within the broader context of income security — looks at questions around what work should pay, and raises issues related to "living wages" and access to prescription drug and other benefits from employers.

We are interested in your views on how to tackle the trade-offs and how we can restructure benefits for both Ontario Works and the Ontario Disability Support Program so that they provide an adequate level of support without creating barriers to work.

Social assistance is a complex rules-based system, with perhaps as many as 800 rules. We can understand why this has become so. As unique situations arise — frequently as a result of changing economic and social conditions — it is often considered necessary to deal with them by creating new rules. Problems with such an approach arise when we don't look at the consequences of the layers of rules and the burden of red tape. A system with many rules may not be transparent and may become unwieldy, difficult to navigate and costly to administer. It may also become more open to abuse and may not even achieve the objectives it was set up to achieve.

We are interested in your assessment of the large number of complex rules; whether they are achieving their objectives and what changes you would suggest.

We are also interested in learning more about how social assistance can be designed to address the unique circumstances of First Nations people living on-reserve, the increasing number of Aboriginal people living off-reserve and Métis people.

We need to make progress on these issues and make sure that we have a viable social assistance system in the long term that works well with other income security programs.

As in any government program, social assistance expenditures must be focused on their intended purposes, services must be delivered efficiently and the growth of costs must be in line with available resources. We need to be confident that we are making the right choices in how we spend money and that our services and supports have a demonstrable impact on people's lives.

Ultimately, we need to build a new, accountable and financially sustainable system that enables all Ontarians to live with dignity, participate in their communities and contribute to a prospering economy.

We Need Your Help to Get It Right

We look forward to the task but need your help to get it right. This *Discussion Paper: Issues and Ideas* sets out background information, describes the challenges and the issues in greater detail, and poses a number of questions to help guide your input and promote a dialogue in communities across the province about these important issues.

We are looking to you to validate whether we have properly captured the issues. Tell us what we may have missed or misunderstood. We are also looking for your ideas on how to solve the challenges before us, both the big-picture solutions and the detailed fixes.

We know many of you — people with lived experience, First Nations, service deliverers, advocates, business, labour, faith community members and many more — have been working on these issues for many years. We know that tapping into your wisdom and experience will make our recommendations more practical, more relevant and more grounded in the lives of Ontario individuals, families and communities.

We look forward to hearing from you.

A handwritten signature in black ink that reads "Frances Lankin". The script is fluid and cursive, with the first letter of each word being capitalized and prominent.

Frances Lankin

A handwritten signature in black ink that reads "Munir A. Sheikh". The signature is written in a cursive style with a distinct horizontal line underlining the name.

Munir A. Sheikh

Chapter 1: Background to this Review

In the 2008 Poverty Reduction Strategy, the Ontario government committed to reviewing social assistance — Ontario Works and the Ontario Disability Support Program (ODSP) — with a focus on removing barriers and increasing opportunities for people to work. It subsequently appointed the Social Assistance Review Advisory Council (SARAC) to provide advice on a proposed scope for the review. Taking into account the advice of the Council, the government established the Commission for the Review of Social Assistance in Ontario in November 2010.

The Commission's task is to carry out a comprehensive review and provide specific recommendations and a concrete action plan for reforming the social assistance system. The Commissioners are expected to submit a final report to the government by June 30, 2012.

Outcomes of the Review

The Terms of Reference for the review provide a vision of “a 21st century income security system that enables all Ontarians to live with dignity, participate in their communities and contribute to a prospering economy.” This vision is grounded in Ontario's Poverty Reduction Strategy.

The Terms of Reference identify five specific outcomes for the review. They indicate that “the review will make recommendations that will enable government to:

- Place **reasonable expectations on, and provide supports** for, people who rely on social assistance with respect to active engagement in the labour market and participation in treatment and rehabilitation;
- Establish an **appropriate benefit structure** that reduces barriers and supports people's transition into, and attachment within, the labour market;
- Simplify income and asset rules to improve equity and make it **easier to understand** and administer social assistance;
- Ensure the **long-term viability** of the social assistance system; and
- Define **Ontario's position** vis-à-vis the federal and municipal governments as it relates to **income security** for Ontarians.”

These outcomes provide the focus for this *Discussion Paper: Issues and Ideas* and for the Commission's research priorities.

The Commission's Approach

The Commission intends to provide the government with well-grounded, evidence-based recommendations consistent with its mandate. To accomplish this, the Commission will:

- Draw on the perspectives and input of various stakeholders and communities across Ontario, including people with lived experience of social assistance, advocacy groups, labour organizations, business, First Nation communities and other levels of government; and
- Develop a research agenda that captures key research findings and the experience of other jurisdictions, and that engages researchers, academics and technical experts to address gaps in our current understanding.

The Commission will seek input from stakeholders and communities in two phases. First, through the release of this *Discussion Paper: Issues and Ideas*, the Commission will seek views to confirm the key issues in social assistance today and to identify possible solutions. The Commission is also releasing a *Summary and Workbook* which people can use to send their comments to the Commission. See “How to Participate” on page 39 for more details. Feedback on the *Discussion Paper*, including written submissions and conversations in communities, will help inform the development of options and possible approaches.

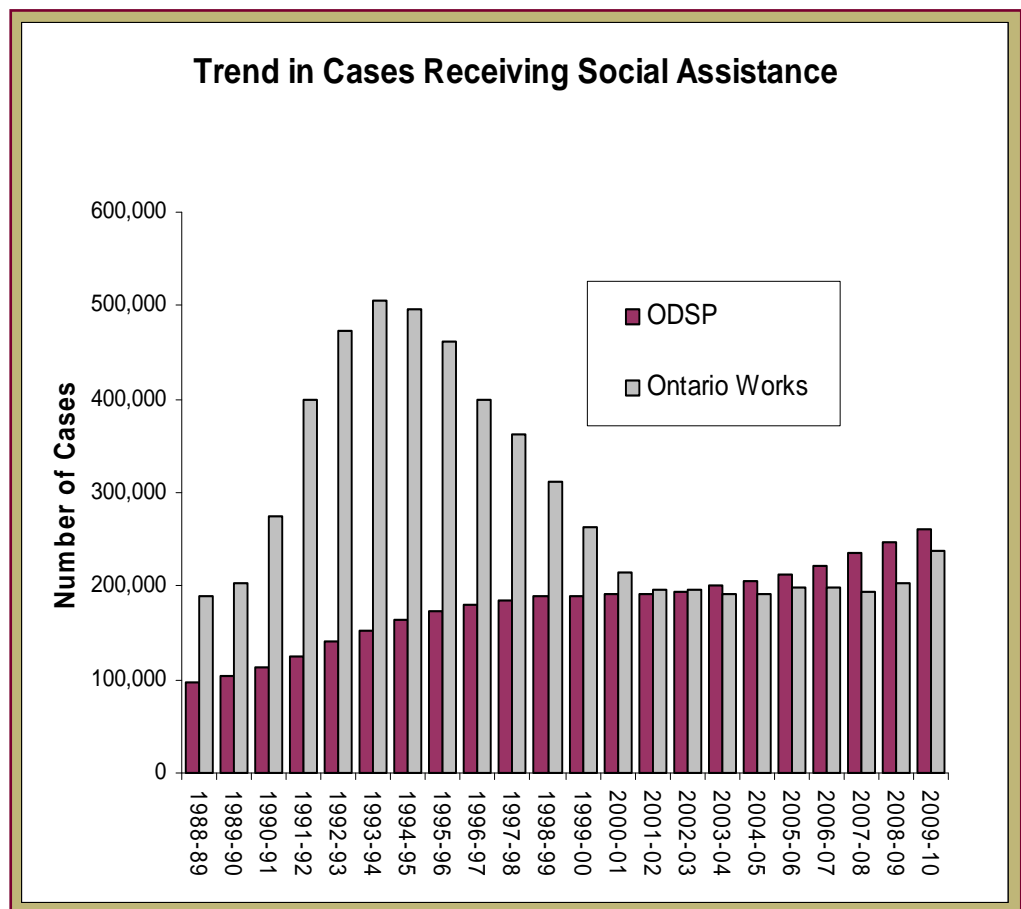
Second, this input, integrated with findings from the Commission's research, will be incorporated into an Options Paper to be released in late fall 2011. Through this paper, the Commission will seek further input and advice from stakeholders and communities to help frame its recommendations to the government.

Chapter 2: Social Assistance in Ontario

Social assistance in Ontario has evolved over the 20 years since the last comprehensive review was undertaken. Various changes have been made by successive governments to encourage people's transition to employment, including changes to benefit rates, earnings exemptions and employment services. Changes have also been made outside the social assistance system, such as providing child benefits to support parents living on low incomes.

The number of people receiving Ontario Works and ODSP has also changed. Following the recession of 1990–91, the number of people receiving social assistance peaked at about 12 per cent of the Ontario population and then declined significantly.

By the early 2000s, the number of Ontario Works cases (individuals and families) had declined to under 200,000 and then remained roughly stable until 2009, when the number increased as a result of the recession. During this period, the majority of cases coming onto Ontario



Works remained on social assistance for six to 12 months and then either left the program permanently or returned temporarily. A smaller group of Ontario Works cases remained on the program for longer periods. A recent Ministry of Community and Social Services study of cases that entered Ontario Works in 2003 found that less than 25 per cent experienced a continuous period receiving Ontario Works of two or more years between 2003 and 2009.

ODSP has experienced a different trend. The number of cases in the program has been increasing steadily over the past 10 years and is currently growing by about five per cent a year. The Commission will work with communities to better understand the underlying reasons for this trend (see Appendix 1 for a more detailed profile of people receiving social assistance).

Social Assistance Milestones

The list below provides some of the key changes and developments in social assistance since the *Transitions* report. It is not intended to be comprehensive.

1989

- Following the *Transitions* report, earnings exemptions (the amount people can earn without affecting social assistance benefits) are changed and rates are increased.

1990

- A new shelter allowance that pays 100 per cent of rental costs, up to a maximum determined by family size, replaces the former shelter subsidy.

1993

- *JobsOntario* programs are introduced to link people accessing social assistance with employment and job training. The program ends in 1995.

1995

- Social assistance rates are reduced by 21.6 per cent, except for people with disabilities and their families.

1996

- A number of measures begin, including the introduction of the Consolidated Verification Process and a Welfare Fraud Hotline, intended to regularly review the eligibility of recipients and to identify and prevent misuse or fraud.

1998

- Legislation creates Ontario Works and ODSP. Sole-support parents are transferred from Family Benefits to Ontario Works. As part of this change, they are required to participate in employment activities and receive increased supports to do so.
- The role of municipalities in delivering Ontario Works, social housing, child care and other programs is enhanced through the establishment of Consolidated Municipal Service Managers and District Social Services Administration Boards. Municipalities become responsible for 20 per cent of

the benefit costs for sole-support parents transferred to Ontario Works, as well as ODSP benefit costs.

- The legislation introduces a new definition of disability for ODSP eligibility and establishes a centralized process for assessing ODSP applications. People formerly eligible for Family Benefits as “permanently unemployable”, but who do not have a substantial disability, are grandparented into the new ODSP program. The “permanently unemployable” eligibility criterion does not exist under the new program.
- The federal government introduces the Canada Child Tax Benefit, including the National Child Benefit Supplement (NCBS), to provide child benefits to all low-income families. Ontario deducts the NCBS from social assistance payments and reinvests the savings into the Ontario Child Care Supplement for Working Families and children’s treatment and mental health centres.

2004

- A series of social assistance rate increases begins, to both Ontario Works and ODSP, totalling 13 per cent over eight years.
- Registered Education Savings Plans are exempted as assets for Ontario Works and ODSP.
- Deb Matthews, Parliamentary Assistant to the Minister of Community and Social Services, releases a report on ways to encourage employment in Ontario Works and ODSP. Subsequently, Ontario implements a 50 per cent earnings exemption and extends prescription drug benefits for up to one year (Ontario Works) or permanently (ODSP) when people leave social assistance for employment. Non-disabled spouses of ODSP recipients and dependent adults without caregiving responsibilities receiving ODSP are now required to participate in employment activities.

2006

- The Task Force on Modernizing Income Security for Working-Age Adults (MISWAA) recommends reforms to income security, including the creation of an Ontario child benefit for all low-income parents and a tax benefit for low-income wage earners.

2007

- The Ontario Budget announces that the municipal share of ODSP costs will be uploaded to the province by January 2011.
- The Working Income Tax Benefit (WITB) is announced in the federal budget to provide tax relief for low-income individuals and families already in the workforce and to encourage other Canadians to enter the workforce.

2008

- As a result of the Provincial-Municipal Fiscal and Service Delivery Review, municipal costs for Ontario Works financial and employment assistance are to be uploaded to the province over nine years. Administrative costs continue to be cost-shared on a 50-50 basis.
- The Ontario Child Benefit (OCB) is implemented to provide financial support for all eligible low-income families with children. The deduction of the NCBS from social assistance payments is ended.
- Ontario's Poverty Reduction Strategy is launched, including the commitment to review social assistance.

2009

- Contributions to, and withdrawals from, Registered Disability Savings Plans are exempted so they do not affect social assistance payments.

2010

- The Social Assistance Review Advisory Council releases its report, which includes recommendations for terms of reference for an Ontario income security review.
- The government appoints Frances Lankin and Munir A. Sheikh in November to lead the Commission for the Review of Social Assistance in Ontario.

Social Assistance Today¹

This section provides a brief description of Ontario Works and ODSP. Readers who are already familiar with social assistance may wish to skip to the discussion of the key issues and questions in the next chapter.

Overview

Social assistance is intended by the government to be used as a last resort when people have no other financial options. Ontario's social assistance system is made up of two programs: Ontario Works and ODSP. Ontario Works is intended to provide financial and employment assistance to help people in temporary financial need find sustainable employment and achieve self-reliance. ODSP is intended to help people with disabilities live as independently as possible and to reduce or eliminate disability-related barriers to employment.

Together, Ontario Works and ODSP serve approximately 857,000 Ontarians each month. In 2009–10, total provincial expenditures on social assistance were about \$6.6 billion, about six per cent of the provincial budget (see Appendix 2 for more detail on social assistance expenditures).

Eligibility

Financial eligibility for both Ontario Works and ODSP is based on family size, income, assets and housing costs. To be eligible for ODSP, an applicant must also meet the financial eligibility criteria and Ontario's legislative definition of a person with a disability: a person who has a substantial physical or mental impairment that is expected to last for at least one year and a substantial restriction in an activity of daily living.

As social assistance is intended by the government as a last resort, there are limits on the assets that people can have in order to qualify. For Ontario Works, the liquid asset limit varies, depending on family composition. However, in most cases, it is roughly equal to one month's assistance (e.g. \$592 for a single person). For ODSP, liquid asset limits are higher: \$5,000 for a single individual and \$7,500 for a couple with no dependents. Some assets are exempt under both Ontario Works and ODSP, including a principal residence, cars (up to a maximum value of \$10,000 for Ontario Works), Registered Education Savings Plans and Registered Disability Savings Plans.

¹ This section highlights some of the key features of Ontario's social assistance system. For more detail about Ontario Works and ODSP, please see the social assistance policy directives at <http://www.mcsc.gov.on.ca/en/mcsc/programs/social/directives/index.aspx>, or the *Ontario Works Act, 1997* and related regulations and the *Ontario Disability Support Program Act, 1997* and related regulations at <http://www.e-laws.gov.on.ca/navigation?file=home&lang=en>.

Social assistance recipients are also expected to seek other sources of income, such as child support, Canada Pension Plan Disability, or Employment Insurance, if they are eligible for these payments. Depending on the amount of these income supports, people may not be eligible for social assistance, or will have their social assistance payments reduced by the amount of these other sources of income. In the case of income from employment, social assistance payments are generally reduced by half the amount of net employment earnings. Some additional deductions are allowed before earnings exemptions are applied, such as child care expenses and work expenses related to a disability under ODSP. Some income, such as child benefits and tax credits, are also allowed without affecting social assistance payments.

To be eligible for Ontario Works, legislation requires applicants and their spouses to participate in employment assistance activities, such as a job search, skills upgrading, self-employment or volunteer work. Some recipients, such as sole-support parents with pre-school children, may have their participation requirements temporarily deferred. Other people may be granted a temporary deferral for medical or other reasons. People with disabilities who receive ODSP are not required to work or to pursue training. Spouses who do not have a disability or caregiving responsibilities are required to participate in employment activities.

Income Assistance

The social assistance system provides income assistance for basic needs (food, clothing and personal needs) and shelter. The amount of assistance depends on a number of factors, including family composition and the number and age of dependents. Shelter amounts are provided based on actual shelter costs, up to a maximum amount.

Additional assistance is available to eligible low-income families with children through the Canada Child Tax Benefit, including the National Child Benefit Supplement (NCBS). All families with children under six receive the Universal Child Care Benefit. At the provincial level, eligible low-income families receive the Ontario Child Benefit (OCB). Taken together, federal and provincial child benefits provide critical income support to low-income families with children, including those receiving social assistance.

The Table on page 15 shows the total income for different types of households receiving Ontario Works or ODSP. The total income is made up of social assistance payments and provincial and federal child benefits and tax credits.

Total Annual Income for Selected Households, Ontario Works and ODSP

	Social Assistance*	Ontario Child Benefit	Other Ontario Tax Credits**	Federal Child Benefits***	Other Federal Tax Credits	Total Annual Income
Ontario Works						
Single Adult	7,104	-	598	-	250	7,952
Sole Parent, 1 Child ⁺	11,064	1,100	909	4,636	631	18,340
Sole Parent, 2 Children ⁺⁺	11,652	2,200	1,180	7,832	762	23,626
Couple, No Children	12,252	-	909	-	500	13,661
Couple, 1 Child ⁺	12,840	1,100	1,180	4,636	631	20,387
Ontario Disability Support Program						
Single Adult	12,636	-	623	-	341	13,600
Sole Parent, 1 Child ⁺	17,568	1,100	947	4,636	631	24,882
Sole Parent, 2 Children ⁺⁺	18,312	2,200	1,222	7,832	762	30,328
Couple ⁺⁺⁺ , No Children	19,212	-	947	-	500	20,659
Couple ⁺⁺⁺ , 1 Child ⁺	19,956	1,100	1,222	4,636	631	27,545
<p>* Based on annualized maximum shelter and basic needs rates as of Dec. 2010 for communities located south of the 50th parallel.</p> <p>** Includes 2010 Ontario Energy and Property Tax Credit and 2010-11 Ontario Sales Tax Credit.</p> <p>*** Includes Canada Child Tax Benefit (CCTB), National Child Benefit Supplement (NCBS) and Universal Child Care Benefit. CCTB and NCBS are annualized based on the 2010-11 benefit year.</p> <p>+ Assumes the child is under 6 years of age.</p> <p>++ Assumes one of the children is under 6 years of age.</p> <p>+++ Assumes that the spouse is not a person with a disability as defined by the <i>ODSP Act, 1997</i>.</p>						

Other Benefits

In addition to income support, legislation makes other benefits available through the social assistance system to people who meet the eligibility criteria. These include:

- Benefits to assist people make the transition to employment, including child care subsidies and assistance with the costs of starting employment or a new training program;
- The Special Diet Allowance, which assists people who have eligible medical conditions to purchase food for special diets to help manage their conditions;
- Prescription drug coverage;

- Basic dental and vision care for children in families receiving Ontario Works and ODSP, and for recipients and spouses receiving ODSP (dental benefits for adults receiving Ontario Works and dependent adults receiving ODSP may be provided through Ontario Works);
- Other health-related benefits including support for medical travel, assistive devices and medical supplies;
- A Community Start-Up and Maintenance Benefit to help prevent eviction or the loss of heating or other utilities, or to establish a new residence; and
- An allowance for people living in remote communities in northern Ontario.

Employment Services and Supports

A variety of employment services are available through Ontario Works to help people make the transition to employment. Ontario Works Administrators can tailor these services to reflect individual needs and the local labour market. They include:

- Help with job searches;
- Employment information sessions;
- Community participation (i.e. activities that allow people to contribute to the community and improve their employability);
- Employment placement and job retention services;
- Supports for self-employment development;
- Referral to basic education or approved training programs;
- The Learning, Earning and Parenting (LEAP) program for young parents who have not completed high school;
- Literacy screening, assessment and/or training;
- Job-specific skills training; and
- Addictions screening and treatment (in approved sites).

ODSP Employment Supports provide employment services to people with disabilities. These services focus on placing ODSP recipients in jobs and providing on-the-job support to participants and their employers. In addition to the services offered through Ontario Works and ODSP, people receiving social assistance can get help finding a job or training through Employment Ontario in the Ministry of Training, Colleges and Universities. Other ministries also support employment or training programs for people who may be receiving social assistance. For example, the Ministry of Citizenship and Immigration supports employment-related programs for newcomers.

Program Delivery and Cost-Sharing

Ontario Works is delivered by municipalities through 37 Consolidated Municipal Service Managers and ten District Social Services Administration Boards (in northern Ontario). They also deliver other social services, including social housing and child care.

Ontario Works is delivered on-reserve by 100 First Nations delivery agents in 112 communities. Of these, 35 currently deliver the full Ontario Works program, which includes financial support and employment assistance. The remainder deliver financial assistance only. Whether Ontario Works is delivered by a municipality or a First Nation, the rules are the same. However, in situations where First Nations do not deliver the employment assistance component, participation requirements are not mandatory.

ODSP is delivered directly by the province through the Ministry of Community and Social Services in nine regional offices and 45 satellite offices. ODSP Employment Supports are delivered through a network of about 150 community-based service providers and are cost-shared on a 50-50 basis with the federal government under the Labour Market Agreement for Persons with Disabilities.

The cost of Ontario Works financial and employment assistance is currently shared by the province (81.2 per cent) and municipalities (18.8 per cent). As part of a plan to upload these costs incrementally, the province will cover 100 per cent of these costs by 2018. Administration costs are shared on a 50-50 basis between the province and municipalities. The province covers 100 per cent of the costs of ODSP.

The federal government provides First Nations with funding to cover the municipal share of Ontario Works costs and reimburses about 93 per cent of the provincial costs of the program under the 1965 Indian Welfare Agreement. The agreement does not cover ODSP.

Other Programs

Two other programs that are part of the review of social assistance are highlighted here.

Temporary Care Assistance is intended to provide support for children in financial need while in the temporary care of an adult, such as a grandparent, who does not have a legal obligation to support the child. Eligibility is based on the income and assets of the child, not the financial circumstances of the caregiver. The caregiver must be making reasonable efforts to seek support from the legal guardian of the child. The child is also eligible to receive prescribed drugs and dental and vision care.

The **Assistance for Children with Severe Disabilities Program** provides funding to assist low- and moderate-income families caring for a child under the age of 18 with a severe disability who is living at home. Depending on family income, eligible parents can receive between \$25 and \$445 a month to help with costs related to the child's severe disability, such as travel to doctors and hospitals, parental relief, and special clothing and shoes. In addition to financial assistance, recipients also receive basic dental care, prescribed drugs, vision and hearing services, and the consumer contribution for assistive devices under Ontario's Assistive Devices Program.

Chapter 3: Key Issues and Questions

Introduction

This chapter discusses key issues related to social assistance in Ontario, organized around the five outcomes set out in the review's Terms of Reference. These are:

- Reasonable expectations on people receiving social assistance and necessary supports to employment;
- Appropriate benefit structure;
- Easier to understand;
- Viable over the long term; and
- An integrated Ontario position on income security.

The outcomes are interrelated and, as a result, the issues may overlap. The issues are discussed at a broad level. The Commission welcomes your input on additional issues and details that are not covered in the paper.

At the end of each outcome area, discussion questions are suggested to seek validation that the key issues have been captured and to solicit ideas for potential solutions. The questions are not intended to set out possible directions or to limit consideration of solutions.

A complete list of questions is provided in Chapter 4 on page 37.

Issue 1: Reasonable Expectations and Necessary Supports To Employment

“The review will make recommendations that will enable government to place reasonable expectations on, and provide supports for, people who rely on social assistance with respect to active engagement in the labour market and participation in treatment and rehabilitation.” (From the Terms of Reference for the review)

This section looks at three aspects of employment expectations and supports:

- Working with employers;
- Effectiveness of employment services and supports; and
- Capacity and aspirations of people with disabilities.

Working with Employers

It is clear that employers need to be engaged partners in improving employment opportunities for people receiving social assistance. Understanding employers’ needs is critical to ensuring that employment services match these needs and to connecting people with prospective employers. While some Ontario Works and ODSP employment services work closely with employers, more effective and consistent approaches are necessary.

Making inroads into the labour market and finding stable employment can be difficult for many social assistance recipients. They may lack knowledge of opportunities for employment or of how to market themselves to prospective employers. Generally, people receiving social assistance may be stigmatized and may not have their experience and skills valued. In particular, people from racialized communities, people from economically depressed communities, recent immigrants, women who have been raising children and people with disabilities may not have their experience, skills and abilities recognized.

The Ontario government is developing regulations under the *Accessibility for Ontarians with Disabilities Act, 2005* (AODA) that will include standards that businesses and organizations will have to follow to identify, remove and prevent barriers to employment for people with disabilities. The goal of the AODA is to help create the conditions for accessible employment opportunities for people with disabilities.

To encourage employers to hire people receiving social assistance, the review will look at the experience in Ontario and in other jurisdictions with wage subsidies and other supports to employers.

What Do You Think?

- *What mechanisms should be established to ensure that the needs of employers are addressed and to connect people receiving social assistance with employers?*
- *Can you suggest ways in which the skills of people receiving social assistance could be better developed to meet the needs of employers?*

Effectiveness of Employment Services and Supports

To be eligible for Ontario Works, applicants must be willing to participate in employment activities, such as a job search, skills upgrading, self-employment or volunteer work. A range of employment services is offered through the program to help people find work or to gain skills that will help them progress toward employment.

People with disabilities receiving ODSP benefits are not required to pursue employment activities but may voluntarily access employment services through the ODSP Employment Supports program.

The scope of this review includes investigating the “effectiveness of active interventions on clients’ employment outcomes and the achievement of financial independence.” There is limited research and outcome data on the success of employment services. However, a number of studies have questioned the effectiveness of employment services in preparing people for sustainable employment. The Social Assistance Review Advisory Council recommended that Ontario Works be re-engineered “as an opportunity planning program to support achieving full labour market potential through skills building, education, training, employment and related support.”²

There are concerns about whether employment services are effectively assessing the needs of individuals and responding appropriately. In his 2009 Annual Report, the Auditor General observed “... many instances where it did not appear that recipients were getting an adequate assessment of what skills and experience they would need to secure employment.”³

There are also concerns about whether Ontario Works is meeting the needs of First Nation communities. It has been suggested that First Nations that do deliver Ontario Works employment assistance need the flexibility to tailor services to their communities' priorities and to develop people’s capacity to contribute to community development.

² Social Assistance Review Advisory Council, p.16.

³ Office of the Auditor General of Ontario, p. 268.

People receiving social assistance may also need to access employment and training services from Employment Ontario, through the Ministry of Training, Colleges and Universities. Employment Ontario's Employment Service provides information about jobs, the labour market and occupational requirements; job search support; placement into volunteer and paid employment, including on-the-job training; and referral to education and training. The Ministry of Citizenship and Immigration and the Ministry of Health and Long-term Care also support employment-related programs for specific clients who may be receiving social assistance, such as newcomers and people with mental health issues.

Another issue that has been raised is the need for better integration of employment and training services provided through Ontario Works, Employment Ontario and the federal Aboriginal Skills and Employment Training Strategy (ASETS). ASETS links training to labour market demand to ensure that Aboriginal people can participate fully in economic opportunities. There are currently 16 delivery agents in Ontario providing ASETS programs, some of which overlap with the delivery of Ontario Works employment assistance and Employment Ontario employment services and training.

The 2008 Provincial-Municipal Fiscal and Service Delivery Review found that employment services are "...not well integrated and, for the individual looking for help, can be hard to access and confusing." The report called for partners to "simplify and modernize delivery of income assistance and employment-related supports."⁴

Some people who experience long-term reliance on social assistance may need a wider range of supports to address barriers to employment. For example, they may need help to secure stable housing, child care or health-related services. Intensive case-management services may be appropriate to assist with complex needs, such as mental illness and addiction.

Some municipalities and First Nations have requested that "wraparound" services, such as the Addictions Services Initiative, be expanded to support more people receiving Ontario Works and ODSP benefits to participate in addictions treatment programs. In its 2006 report, the Task Force on Modernizing Income Security for Working-Age Adults called for "special supports to encourage participation in community activities and longer-term capacity building" for people who "have multiple barriers to obtaining and keeping a job."⁵

⁴ Provincial-Municipal Fiscal and Service Delivery Review, p. 23.

⁵ Task Force on Modernizing Income Security for Working-Age Adults, p. 37.

What Do You Think?

- *What would make employment services and supports more effective and easier to access?*
- *What would improve services to people receiving social assistance who face multiple barriers to employment?*

Capacity and Aspirations of People with Disabilities

As noted earlier, once in receipt of benefits from ODSP, people with disabilities are not expected to search for a job or take skills training. The scope for the review includes looking at “reasonable expectations and supports for persons with disabilities, including treatment or participation requirements.”

The Organisation for Economic Co-operation and Development (OECD) is undertaking a multi-year “Sickness, Disability and Work” project on issues of income support and employment for people with disabilities. In its 2010 report, the OECD noted that “many people with health problems can work and indeed want to work in ways compatible with their health condition, so any policy based on the assumption that they cannot work is fundamentally flawed.”⁶ The report recommends a refocus of disability benefit programs on ability and labour market attachment, rather than on disability.

The ODSP Action Coalition and others have raised concerns that employment supports provided through ODSP are not comprehensive enough. Although the current ODSP Employment Supports program helps some people with disabilities find jobs, the program does not address the needs of people who require skills development, training or further education to improve their capacity for long-term employment.

What Do You Think?

- *How can Ontario's social assistance system better connect people with disabilities to employment services, or the treatment or rehabilitation they may need?*

Have the key issues related to employment expectations and supports been identified in this section? Are there any issues we have missed or misunderstood?

⁶ Organisation for Economic Co-operation and Development, p. 3.

Issue 2: Appropriate Benefit Structure

“The review will make recommendations that will enable government to establish an appropriate benefit structure that reduces barriers and supports people's transition into, and attachment within, the labour market.” (From the Terms of Reference for the review)

This section looks at four aspects of the benefit structure:

- Adequacy of benefits;
- Ensuring that people are better off working;
- Asset limits and exemptions; and
- Benefits for people with disabilities.

Adequacy of Benefits

As noted earlier, the social assistance system provides income assistance for basic needs (food, clothing and personal needs) and shelter, as well as a number of other benefits for people who meet the eligibility criteria.

There are no standards or methodology for determining the level of rates. Those with lived experience on social assistance, especially single individuals receiving Ontario Works benefits, have told us that the rates may be too low. The annual “Cost of a Nutritious Food Basket” survey conducted by Ontario Public Health Units shows that many people receiving social assistance do not have enough money left over, after paying for shelter, to buy healthy foods. The Daily Bread Food Bank has documented the growing reliance on food banks by people receiving social assistance in the Greater Toronto Area.

An additional northern allowance is provided through social assistance. However, many consider it insufficient to meet the high costs of food, utilities and services in remote and northern communities.

Concerns have been raised that the current benefit structure does not consistently take into account the circumstances of First Nation communities on-reserve. For example, Ontario Works may provide one benefit rate to adults living with their parents and a higher benefit rate to those living in separate homes. It has been argued that this benefit structure does not reflect traditional living practices or the limited supply of housing in some First Nation communities.

What Do You Think?

- *How should social assistance rates be determined?*

Ensuring that People are Better Off Working

While there are a number of transitional benefits to help people move from social assistance to employment, eventually people may face the loss of benefits provided by the social assistance system (e.g. prescription drug coverage), as well as the loss of additional income-tested benefits provided outside the social assistance system (e.g. rent-geared-to-income housing or child care subsidies). With the growth in part-time and low-paid work, it is increasingly difficult for people to obtain sufficient earnings and health benefits through employment to replace social assistance benefits.

There is a difficult trade-off between providing adequate social assistance benefits and ensuring that people are better off working. The literature on social assistance suggests a number of approaches to address this challenge.

One approach is to let people receiving social assistance keep a portion of social assistance income support and benefits on top of their employment earnings. However, eventually these supports will be withdrawn as people's earnings increase, and the rate of withdrawal may be steep. This approach also raises a question of fairness, if people receiving social assistance are better off financially than those who are working full-time in low-wage jobs and who are not receiving social assistance.

A second approach is to set social assistance benefits at a level that ensures people are better off working. However, this approach can conflict with the goal of ensuring adequate incomes for people who need social assistance.

Part of the Commission's mandate is to "consider other areas in which income benefits may be paid to all low-income Ontarians outside of the social assistance system." This points to another approach: providing benefits to all low-income people so that those leaving social assistance can continue to get benefits up to a set income level. An example of this approach is the Ontario Child Benefit and the National Child Benefit Supplement. However, providing benefits to all low-income individuals and families would be more costly than providing benefits only to those on social assistance.

A 2009 Senate Committee report has taken a similar approach, recommending that all people living on low incomes be assisted with the cost of prescription drugs. As well, several organizations have proposed a housing benefit outside of social assistance to make housing more affordable and to reduce financial barriers to employment.

Low-income benefits, such as the ones mentioned above, can create challenges of their own. Once established, these benefits must be reduced or withdrawn as the income of an individual or family increases. This challenge was highlighted in a recent study by the C.D. Howe Institute. It shows that Ontario families with incomes between \$20,000 and \$40,000, who are receiving child benefits, experience a benefit withdrawal rate of more than 50 cents for every additional dollar of income earned.

What Do You Think?

- *How should benefits be designed to deal with the trade-off between ensuring adequate income support and ensuring that people are better off working?*
- *Considering the potential for increased costs, what new benefits, if any, should be provided to all low-income individuals and families, whether or not they are receiving social assistance?*

Asset Limits and Exemptions

Social assistance is intended by the government to support people who have no other financial options. As a result, they are allowed only very limited assets (with a few exceptions) in order to be eligible for social assistance.

Liquid asset limits vary, depending on family composition. However, for most cases in Ontario Works, they are roughly equal to one month's assistance (e.g. \$592 for a single person). For ODSP, the liquid asset limits are higher: \$5,000 for a single individual and \$7,500 for a couple with no dependents. At the time of the writing of this paper, a Private Member's Bill in the Ontario Legislature is proposing, among other reforms, to raise the asset limits for people receiving ODSP.

Some assets are exempt under both Ontario Works and ODSP, including a principal residence, cars (up to a maximum value of \$10,000 for Ontario Works), Registered Education Savings Plans and Registered Disability Savings Plans.

It has been argued by many, including TD Economics, that asset limits discourage social assistance recipients or potential recipients from accumulating assets that they will need in the future to help secure and make the transition to employment. Social assistance asset rules may also conflict with other government policy goals intended to help people build up assets through instruments such as Registered Retirement Savings Plans.

What Do You Think?

- *Should asset limits and exemptions be changed to improve the social assistance system?*

Benefits for People with Disabilities

ODSP does not differentiate between people with the capacity and desire to work, and those who are unable to take a job because of disability. For people who are able to work, the benefit system must be designed in such a way that they are better off working than receiving social assistance.

For people with disabilities who are unable to work, the Social Assistance Review Advisory Council and others have proposed that benefits be comprehensively redesigned, in order to provide adequate long-term income support. Such benefits could be provided through a pension-like program similar to Canada Pension Plan Disability and, as proposed by the Caledon Institute, delivered by the federal government.

What Do You Think?

- *How should benefits for people with disabilities be designed and delivered?*

Have the key issues related to an appropriate benefit structure been identified in this section? Are there any issues we have missed or misunderstood?

Issue 3: Easier to Understand

“The review will make recommendations that will enable government to simplify income and asset rules to improve equity and make it easier to understand and administer social assistance.” (From the Terms of Reference for the review)

This section looks at two aspects of making the system easier to understand:

- Complexity of benefits and eligibility; and
- Eligibility for special benefits.

Complexity of Benefits and Eligibility

In general, the rules and regulations in social assistance have evolved in an effort to achieve several objectives, including:

- Ensuring that people first access other resources before turning to social assistance;
- Addressing the varying and unique circumstances of individuals and families accessing social assistance;
- Meeting expectations for public accountability for expenditures and preventing fraud; and
- Facilitating administration of a system that delivers benefits to over 800,000 people each month.

These rules define eligibility, calculation of benefits, treatment of income and assets and many other aspects of social assistance. Over time, new rules have been developed to reflect the complexity of people’s lives and to respond to changing economic and social conditions. However, it is not clear whether the rules, particularly when taken as a whole, are meeting their objectives.

In her 2004 report, Deb Matthews noted that “there are now approximately 800 rules and regulations... that must be applied before a client’s eligibility and the amount of their monthly cheque can be determined.” According to the report, these complex rules are inconsistently applied and “virtually impossible to communicate to clients.”⁷

⁷ Deb Matthews, p. 25.

The large number of rules can make it difficult for people who need social assistance to understand and access the system. Some argue that the rules intrude too far into the details of people's lives, or do not correspond to the real circumstances that people face. This can lead some people to try to adjust their life circumstances to fit the rules or others to look for ways to get around them. This is different than the issue of fraud, which any system must have mechanisms in place to prevent.

Applying for ODSP can be a challenging process because of the detailed medical records and application forms required. This may be especially true for people living in First Nation communities. Program data show that they are accessing ODSP in smaller numbers than elsewhere in the province. There may be a number of reasons for this, including a lack of awareness of the program, difficulty in obtaining the medical reports and assessments that are needed to apply, and discomfort dealing with an ODSP caseworker who is not from a First Nation community.

For service deliverers, administering so many rules is costly and labour-intensive and may take focus away from working directly with people to access employment and other services.

What Do You Think?

- *Are the rules meeting their objectives? Are there rules that are not working? What changes do you suggest?*

Eligibility for Special Benefits

As noted earlier, the social assistance system offers special benefits (in addition to income support) to Ontario Works and ODSP recipients who qualify. These benefits include the Special Diet Allowance and other health-related benefits. The Ontario Works and ODSP legislation also establish the Temporary Care Assistance and Assistance for Children with Severe Disabilities programs.

These benefits are generally intended to assist with special costs related to individual circumstances or health needs. To receive these benefits, recipients are required to demonstrate that they meet specific eligibility criteria and to meet additional reporting and administrative requirements.

Special benefits are complex to administer and may be difficult to access. People receiving social assistance may not be consistently aware of these benefits and the benefits may not be consistently available across the province. Ontario Works Administrators can decide whether or not to offer certain benefits, such as adult dental coverage. In some situations, ODSP recipients may need to go to their local Ontario Works office to apply for these benefits.

It has been suggested that it would be more effective and equitable to deliver some of these special-purpose benefits more broadly, outside of the social assistance system.

What Do You Think?

- *How can special-purpose benefits be delivered more efficiently and equitably? Should some be delivered outside of the social assistance system?*

Have the key issues related to making the system easier to understand been identified in this section? Are there any issues we have missed or misunderstood?

Issue 4: Viable over the Long Term

“The review will make recommendations that will enable government to ensure the long-term viability of the social assistance program.” (From the Terms of Reference for the review)

This section looks at two aspects of ensuring the system is viable:

- Sustainability and public accountability; and
- Improved system integration.

Sustainability and Public Accountability

As in any government program, social assistance expenditures must be focused on their intended purposes, services must be delivered efficiently and the growth of costs must be in line with available resources. This includes ensuring that key program components, such as employment services and special-purpose benefits, are meeting their objectives and being delivered effectively.

Currently, there is neither a shared understanding of the expected outcomes of Ontario's social assistance system, nor public reporting on whether it is achieving these outcomes.

While the legislation for social assistance sets out some objectives, there is a lack of clarity about how to apply specific objectives. The goal of helping people make the transition to employment is one example. It could mean getting people into temporary or low-paid jobs, even if they are likely to return to social assistance, or it could mean improving people's capacity to obtain sustainable employment.

There is also insufficient data collected on the needs and employability of, and outcomes for, people receiving social assistance. Without adequate data, it is difficult to measure and publicly report on the effectiveness of employment services in helping people back to work. Adequate data is also needed to assess whether the various supports and services are effective in addressing the diverse barriers faced by people receiving social assistance, such as sole-support mothers, newcomers, and First Nation and Métis peoples. It has been proposed, for example, that the Ontario government collect data on the racial and ethnocultural background of recipients in order to assess whether social assistance services are effectively meeting the needs of racialized and ethnocultural communities.

What Do You Think?

- *What should the expected outcomes be of social assistance?*
- *What additional data should be collected to assess the effectiveness of social assistance benefits and services? For example, should ethnocultural and racial data be collected in order to evaluate and improve supports for people from racialized and ethnocultural communities?*

Improved System Integration

Ontario Works is delivered by municipalities through 37 Consolidated Municipal Service Managers and ten District Social Services Administration Boards in northern Ontario. These service providers also deliver other social services, including social housing and child care. ODSP is delivered directly by the province.

The 2008 Provincial-Municipal Fiscal and Service Delivery Review identified the need for a clearer definition of the roles and responsibilities of the municipal and provincial levels of government, in order to support effective and integrated service delivery. The review noted that “where shared roles and responsibilities are not carefully thought out and articulated, the results can include duplication, confusion about who is responsible for a service or accountable for results, and a regulatory burden that may be inappropriate or excessive.”⁸

In a 2010 review of Canada’s disability income support programs, the OECD noted that federal and provincial disability support programs are poorly integrated and difficult for people to navigate. These programs include social assistance, Canada Pension Plan Disability, disability tax credits and training programs.

The mandate of the Commission includes developing specific recommendations on how a reformed social assistance system should “interact effectively with other municipal, provincial and federal programs outside of social assistance, including education, training, housing, child care and health benefits, to support employment.” A lack of coordination undermines the ability of social assistance to achieve its expected outcomes and to gain public confidence in the system.

There are efforts underway to improve service integration at the local level. For example, the Region of Peel has established an integrated reception counter so that clients requiring support from any program can speak to one person. The Algoma District Social Services Administration Board refers clients to a Client Service Coordinator who has access to a full range of services, including child care, training, employment, and addiction and mental health services. Other municipalities and First Nations are undertaking similar approaches.

⁸ Provincial-Municipal Fiscal and Service Delivery Review, p. 11.

Coordinated policy is also needed to set the framework for service delivery. Policy silos for managing social assistance and other income support programs need to be broken down, in order to make program objectives consistent and reduce unintended barriers created by disjointed programs.

What Do You Think?

- *What can the provincial government and municipalities do to better integrate services?*

Have the key issues related to ensuring the long-term viability of the system been identified in this section? Are there any issues we have missed or misunderstood?

Issue 5: An Integrated Ontario Position on Income Security

“The review will make recommendations that will enable government to define Ontario's position vis-à-vis the federal and municipal governments as it relates to income security for Ontarians.” (From the Terms of Reference for the review)

Social assistance is one part of a broader income security system. Other components include Employment Insurance, pension plans, child benefits and the federal Working Income Tax Benefit. Changes in any of these components can affect social assistance benefits. As well, if any of the components does not work effectively, it could increase the need for people to turn to social assistance.

This section looks at three aspects of an integrated Ontario position on income security:

- Gaps in Employment Insurance support and training;
- Other benefits; and
- Sponsorship.

Gaps in Employment Insurance Support and Training

The purpose of Employment Insurance (EI) is, in part, to stabilize the income of unemployed workers while they seek new employment or undertake training to enhance their skills to obtain employment.

A key challenge for Ontario is the gap in income support that exists due to the fact that just over one-third of unemployed Ontarians receive EI, compared to more than half of unemployed people in other provinces. Unemployed Ontarians who do not receive EI include youth, recent immigrants and people with part-time or temporary employment. The Mowat Centre for Policy Innovation has formed an Employment Insurance Task Force, which is developing Ontario-focused recommendations for a redesigned EI program. The Task Force's final report is expected in fall 2011.

For the purposes of our review, we must look at the fact that about two-thirds of people who are unemployed in Ontario are not eligible for EI and may be forced to turn to social assistance for support.

In addition to income support, there is a gap in training, as most of the training programs funded through the Labour Market Development Agreement are available only to people who are currently receiving EI or who have recently been receiving EI.

There are a number of provincial labour market training programs through Ontario Works, ODSP and Employment Ontario that are available to people who are not receiving EI. These programs are funded in part by other federal-provincial agreements, including the Labour Market Agreement and the Labour Market Agreement on Persons with Disabilities. However, these agreements may not be sufficient to address the range of training needs of people receiving social assistance.

What Do You Think?

- *What should Ontario do to address the short-term income support and training needs of people who are not eligible for EI?*

Other Benefits

The success of child benefits in helping to prevent and reduce the number of children living in poverty has been widely recognized. These benefits provide income support to low-income families with children, including those receiving social assistance. However, there is no stated longer-term federal-provincial plan for the level of child benefits. This needs to be taken into account when the review makes recommendations on social assistance rates and the best benefit structure to ensure that people are better off working.

The federal government has established a Working Income Tax Benefit (WITB) for low-income people who have employment earnings. In Ontario, the design of WITB tends to support part-time, low-wage work. This is because the benefit reaches its maximum and is withdrawn at an income level that is lower than full-time, minimum wage employment.

The Senate Committee and others have suggested that a redesigned and expanded federal WITB could play a role in strengthening the income security of low-income people. It could also help ensure that social assistance recipients making the transition to employment are better off working.

An overall framework may be needed to clarify the objectives and long-term plans for the federal WITB, child benefits and other income-tested benefits. Such a framework would help ensure that these benefits are effectively integrated with social assistance programs and would define the respective roles of Ontario and Canada in providing income security.

Sponsorship

Another area of federal and provincial interaction concerns sponsored immigrants. In order to sponsor an immigrant, a person must agree to support the sponsored person financially, or to reimburse the Ontario government for any social assistance paid to the sponsored immigrant. When a sponsored immigrant is provided with social assistance, Ontario can defer the collection of debt from the sponsor where there is financial hardship or a risk of domestic violence. However, it has been suggested that the federal and provincial governments should collaborate to identify other special circumstances where, for example, a sponsor's debt should be forgiven. The Supreme Court of Canada is currently considering this issue.

What Do You Think?

- *What should the interaction be between income-tested benefits, such as WITB and child benefits, and the social assistance system?*
- *Do you have suggestions on other areas of federal-provincial interaction related to social assistance?*

Have the key issues related to an integrated Ontario position on income security been identified in this section? Are there any issues we have missed or misunderstood?

Chapter 4: Questions Included in Discussion Paper

Issue 1: Reasonable Expectations and Necessary Supports to Employment

- a) What mechanisms should be established to ensure that the needs of employers are addressed and to connect people receiving social assistance with employers?
- b) Can you suggest ways in which the skills of people receiving social assistance could be better developed to meet the needs of employers?
- c) What would make employment services and supports more effective and easier to access?
- d) What would improve services to people receiving social assistance who face multiple barriers to employment?
- e) How can Ontario's social assistance system better connect people with disabilities to employment services, or the treatment or rehabilitation they may need?

Have the key issues related to employment expectations and supports been identified in this section? Are there any issues we have missed or misunderstood?

Issue 2: Appropriate Benefit Structure

- a) How should social assistance rates be determined?
- b) How should benefits be designed to deal with the trade-off between ensuring adequate income support and ensuring that people are better off working?
- c) Considering the potential for increased costs, what new benefits, if any, should be provided to all low-income individuals and families, whether or not they are receiving social assistance?
- d) Should asset limits and exemptions be changed to improve the social assistance system?
- e) How should benefits for people with disabilities be designed and delivered?

Have the key issues related to an appropriate benefit structure been identified in this section? Are there any issues we have missed or misunderstood?

Issue 3: Easier to Understand

- a) Are the rules meeting their objectives? Are there rules that are not working? What changes do you suggest?
- b) How can special-purpose benefits be delivered more efficiently and equitably? Should some be delivered outside of the social assistance system?

Have the key issues related to making the system easier to understand been identified in this section? Are there any issues we have missed or misunderstood?

Issue 4: Viable over the Long Term

- a) What should the expected outcomes be of social assistance?
- b) What additional data should be collected to assess the effectiveness of social assistance benefits and services? For example, should ethnocultural and racial data be collected in order to evaluate and improve supports for people from racialized and ethnocultural communities?
- c) What can the provincial government and municipalities do to better integrate services?

Have the key issues related to ensuring the long-term viability of the system been identified in this section? Are there any issues we have missed or misunderstood?

Issue 5: An Integrated Ontario Position on Income Security

- a) What should Ontario do to address the short-term income support and training needs of people who are not eligible for EI?
- b) What should the interaction be between income-tested benefits, such as WITB and child benefits, and the social assistance system?
- c) Do you have suggestions on other areas of federal-provincial interaction related to social assistance?

Have the key issues related to an integrated Ontario position on income security been identified in this section? Are there any issues we have missed or misunderstood?

Chapter 5: How to Participate

The Commission would like to receive your input by **September 1, 2011**, in order to consider it in the development of options and possible approaches in the fall.

There are many ways to share your views on social assistance with the Commission.

Online

You can go to the Commission for the Review of Social Assistance in Ontario website at www.socialassistancereview.ca to download this *Discussion Paper: Issues and Ideas* or the *Summary and Workbook*, complete the *Workbook* online, or make a submission.

There is a form on the website that you can use if you wish to send the Commission a short comment of up to 1,000 characters (approximately 150 words).

You can also send your comments via email to socialassistancereview@ontario.ca.

Mail or Fax

You can mail completed *Workbooks* or submissions to:

Commission for the Review of Social Assistance in Ontario
2 Bloor Street West
4th Floor, Suite 400
Toronto, ON
M4W 3E2

Or fax your comments to:

416-212-0413

Other Ways to Share Your Views

The Commissioners encourage people in communities across Ontario to engage in a dialogue on the issues and possible solutions. A *Guide to Hosting a Community Conversation* is available on our website www.socialassistancereview.ca to help you facilitate a discussion within your organization, agency or community, and send the collective comments of the participants to the Commission.

You may also wish to involve your local Member of Provincial Parliament in a dialogue. You can find a list of MPPs on the Legislative Assembly of Ontario website: http://www.ontla.on.ca/web/members/members_current.do?locale=en, or by calling 416-325-7500.

Contact Us

Email:

socialassistancereview@ontario.ca

Phone:

416-212-8029

Toll free 1-855-269-6250

Appendix 1: Profile of People Receiving Social Assistance in Ontario

Ontario Works⁹

Number of People

- In March 2011, 465,871 people (or 258,425 “cases”¹⁰) accessed Ontario Works. This represents 3.5 per cent of the Ontario population.

Gender

- 54 per cent of primary applicants¹¹ are women; 46 per cent are men.

Age

- The average age among primary applicants is 36.

Geographic Location

- 45 per cent of Ontario Works cases live in the Greater Toronto Area (GTA); about six per cent live in Ottawa; six per cent live in northern Ontario.

Family Composition

- Ontario Works cases are made up of 58 per cent singles without children, 31 per cent sole-support parents with children, three per cent couples without children, and eight per cent couples with children.
- 64 per cent of singles without children are men.

Sole-Support Parents

- Sole-support parents make up 31 per cent of Ontario Works cases; 93 per cent of sole-support parents are women.

Children

- Over 70 per cent of the children in families receiving Ontario Works benefits are led by sole-support parents.
- Over half of these families have a child who is five years old or younger.

Newcomers

- 14 per cent of primary applicants are newcomers who have been in Canada for five years or less. Among newcomers receiving Ontario Works, refugee

⁹ All information is from November 2010 unless otherwise noted. Except for the “Number of People”, the information does not include people accessing Ontario Works on First Nations reserves.

¹⁰ “Cases” means the number of individuals and families accessing Ontario Works. The number includes approximately 10,461 cases (four per cent) accessing Ontario Works on First Nations reserves.

¹¹ The “primary applicant” is the person who applies for Ontario Works, either as a single individual or on behalf of a family.

claimants make up about seven per cent of primary applicants and sponsored immigrants represent less than one per cent.

Education

- 32 per cent of primary applicants have completed Grade 12-13; about 23 per cent have post-secondary education; the remainder has Grade 11 or lower.

Workforce Earnings

- 11 per cent of primary applicants have some earnings from employment.

Length of Time Receiving Ontario Works

- The average case accesses Ontario Works for about 20 consecutive months. Sole-support parents tend to stay on assistance longer, about 27 months on average.
- 40 per cent of cases who leave Ontario Works return within one year.

Ontario Disability Support Program (ODSP)¹²

Number of People

- In March 2011, 391,443 people (or 281,946 “cases”¹³) accessed ODSP. This represents 2.9 per cent of the Ontario population.

Type of Disability

- 44 per cent of primary applicants¹⁴ have a physical disability, 38 per cent have a mental disability, and 18 per cent have a developmental disability.

Gender

- Primary applicants are split almost equally between men and women.

Age

- The average age among primary applicants is 46.

Geographic Location

- 35 per cent of ODSP cases live in the GTA; about seven per cent live in Ottawa; 11 per cent live in northern Ontario.

Family Composition

- ODSP cases are made up of 77 per cent singles without children, nine per cent sole-support parents with children, eight per cent couples without children, and six per cent couples with children.

Sole-Support Parents

- Sole-support parents make up nine per cent of ODSP cases; 88 per cent of sole-support parents are women.

Children

- Just over half of the children in families receiving ODSP are led by sole-support parents.

Newcomers

- Two per cent of primary applicants are newcomers who have been in Canada for five years or less. Among newcomers receiving ODSP, refugee claimants and sponsored immigrants represent less than one per cent of primary applicants.

¹² All information is from November 2010 unless otherwise noted.

¹³ “Cases” means the number of individuals and families accessing ODSP.

¹⁴ The “primary applicant” is the person who applies for ODSP, either as a single individual or on behalf of a family.

Education

- 30 per cent of primary applicants have completed Grade 12-13; about 18 per cent have post-secondary education; the remainder has Grade 11 or lower.

Workforce Earnings

- 11 per cent of primary applicants have some earnings from employment.

Appendix 2: Social Assistance Expenditures

Provincial social assistance expenditures totalled \$6.6 billion in 2009–10. Of this amount, about 90 per cent went to income support paid to Ontario Works and ODSP recipients and to cover the costs of prescription drugs provided to recipients.

Provincial expenditures in 2009–10 for employment services totalled \$235 million or four per cent of total costs.

Note that the Table below shows provincial expenditures only and does not include the municipal share of costs for Ontario Works benefits, employment assistance and administration.

Provincial Social Assistance Expenditures (\$M)*		
	2009-10 Actuals	Per Cent of Total
Ontario Works		
Financial Assistance Payment to Recipients**	1,803	27%
Administration Subsidy***	205	3%
Employment Assistance**	193	3%
Ontario Disability Support Program		
Financial Assistance Payment to Recipients	3,295	50%
Employment Assistance	42	1%
Administration****	244	4%
Ont. Drug Benefit Program for ODSP and Ontario Works	846	13%
Total	6,628	100%

* Provincial expenditures do not include the municipal share of costs. Totals may not add due to rounding.

** Represents the 80.2 per cent provincial share of 2009-10 costs. As part of a plan to upload costs incrementally, the province will cover 100 per cent of financial assistance costs by 2018.

*** Provincial subsidy does not include municipal share of costs.

**** Includes costs for delivering ODSP, and for the Social Benefits Tribunal and the information technology that support both ODSP and Ontario Works.

Appendix 3: Reports Cited

The reports cited in this paper are listed below (in year order) with brief descriptions.

Transitions: Report of the Social Assistance Review Committee (SARC), 1988

SARC, chaired by George Thomson, was appointed by the Ontario government to undertake a comprehensive review of social assistance. This resulted in its landmark report, *Transitions*, which sets out a vision for an entirely redesigned social assistance system. In the years following the release of the report, some of the interim steps it recommended were implemented, including increasing rates and earnings exemptions through the Supports to Employment Program (STEP). (This report is not online but is available through public libraries.)

Deb Matthews, MPP, Parliamentary Assistant to the Minister: Report to the Honourable Sandra Pupatello, Minister of Community & Social Services: Review of Employment Assistance Programs in Ontario Works & Ontario Disability Support Program, 2004

This report reviews and makes recommendations on employment services and supports in Ontario Works and the Ontario Disability Support Program. It led to the Ontario government moving to a straight 50 per cent earnings exemption for people receiving social assistance and to other changes intended to encourage employment. http://www.mcsc.gov.on.ca/documents/en/mcsc/social/publications/EmploymentAssistanceProgram_Matthews_eng1.pdf

TD Economics: From Welfare to Work in Ontario, Still the Road Less Travelled, 2005

This report takes a broad look at the state of social assistance in Ontario, and cites five key problems with the system, including high marginal effective tax rates and low asset limits, that are counterproductive to the goal of reducing reliance on welfare.

<http://www.td.com/economics/special/welfare05.jsp>

Toronto City Summit Alliance: The Task Force on Modernizing Income Security for Working-Age Adults (MISWAA): Time For a Fair Deal, 2006

This coalition of business, labour, academic, non-profit, and think tank leaders calls for fundamental reform of Canada's income security programs for working-age adults and makes recommendations for ensuring that people are better off working. The report advocates for new federal and provincial income supplements, including the establishment of an Ontario Child Benefit, which was implemented in 2008.

<http://www.civicaaction.ca/time-fair-deal>

ODSP Action Coalition: Submission to the Honourable Deb Matthews, Chair, Cabinet Committee on Poverty Reduction, 2008

This coalition of community activists, caseworkers and agency staff makes recommendations in eight areas, including the adequacy of benefit rates and ways to improve employment outcomes through changes to earnings exemptions and employment supports provided through the Ontario Disability Support Program.

<http://sareview.ca/other-resources/disability-should-not-be-a-life-sentence-to-poverty/>

Government of Ontario, Association of Municipalities of Ontario (AMO) and City of Toronto: Report of the Provincial-Municipal Fiscal and Service Delivery Review – Facing the Future Together, 2008

This report sets out the consensus achieved by the provincial government, AMO and the City of Toronto through a review of provincial-municipal arrangements. The review, which began late in 2006, was broad in scope, covering fiscal relationships, infrastructure, and the delivery of human services.

<http://www.mah.gov.on.ca/Page181.aspx>

Government of Ontario: Breaking the Cycle: Ontario's Poverty Reduction Strategy, 2008

Ontario's plan for poverty reduction focuses on children and families and sets a key target to reduce the number of children living in poverty by 25 per cent over five years. The Strategy also commits to "undertake a review of social assistance with the goal of removing barriers and increasing opportunity — with a particular focus on people trying to move into employment from social assistance."

<http://www.children.gov.on.ca/htdocs/English/breakingthecycle/report/index.aspx>

Canadian Senate Committee: In From The Margins: A Call To Action On Poverty, Housing And Homelessness, 2009

The Standing Senate Committee on Social Affairs, Science and Technology's Subcommittee on Cities, chaired by the Honourable Art Eggleton, undertook a two-year, cross-country study resulting in over 70 recommendations to address poverty in Canada.

<http://www.parl.gc.ca/Content/SEN/Committee/402/citi/subsite-dec09/reports-e.htm>

Office of the Auditor General of Ontario: 2009 Annual Report, 2009

Chapter 3 of this Annual Report includes discussions of the Ontario Disability Support Program (3.09) and Ontario Works (3.11).

http://www.auditor.on.ca/en/reports_2009_en.htm

Daily Bread Food Bank: Who's Hungry: Profile of Hunger in the GTA, 2010

This research publication, updated annually with results gathered from almost 2,000 one-on-one interviews with food bank clients, offers a quantitative and qualitative glimpse into the hunger crisis in the Greater Toronto Area.

<http://www.dailybread.ca/learning-centre/publications/>

Organisation for Economic Co-operation and Development (OECD): Sickness, Disability and Work: Breaking the Barriers, 2010

Part of a multi-year project on income support and employment for people with disabilities across OECD countries, this report recommends a reorientation of disability benefit programs to focus on ability and work capacity, rather than disability.

http://www.oecd-ilibrary.org/social-issues-migration-health/sickness-disability-and-work-breaking-the-barriers_9789264088856-en

Caledon Institute of Social Policy (Michael Mendelson, Ken Battle, Sherri Torjman and Ernie Lightman): A Basic Income Plan for Canadians with Severe Disabilities, 2010

Commissioned by the Council of Canadians with Disabilities and the Canadian Association for Community Living, this report proposes a new federal “basic income” program to replace provincial/territorial social assistance for most working-age people with severe disabilities. Provinces would then be able to use their resulting savings to implement comprehensive disability supports and services.

<http://www.caledoninst.org/Publications/PDF/906ENG.pdf>

Report of the Ontario Social Assistance Review Advisory Council: Recommendations for an Ontario Income Security Review, 2010

The Council, chaired by Daily Bread Food Bank Executive Director Gail Nyberg, was appointed by the Ontario government to provide recommendations on short-term changes to social assistance and the scope and terms of reference for the review of Ontario’s social assistance system.

http://www.mcsc.gov.on.ca/en/mcsc/publications/social/sarac/toc_sarac.aspx

C.D. Howe Institute (Alexandre Laurin and Finn Poschmann): What's My METR? Marginal Effective Tax Rates are Down – But Not for Everyone: The Ontario Case, 2011

This paper finds that targeted tax benefits and credits have increased marginal tax rates for many families in Ontario with less than \$45,000 per year in income, and suggests that new or expanded income-tested benefits may discourage people from seeking additional earnings.

<http://cdhowe.org/?p=11348>

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