

The Social Assistance Review

**This toolkit was created by
The Income Security Advocacy Centre**



in partnership with

Campaign 2000

Colour of Poverty - Colour of Change

Metro Toronto Chinese & Southeast Asian Legal Clinic

The Ontario Council for Agencies Serving Immigrants

The ODSP Action Coalition

The community legal clinic system's
Steering Committee on Social Assistance

YWCA Toronto

January 2012

Tools You Can Use In the Social Assistance Review

The Commission for the Review of Social Assistance in Ontario (the Commission) is expected to release an Options Paper in February 2012 with options for reforming Ontario Works (OW) and the Ontario Disability Support Program (ODSP), followed by a very short period for public response and feedback. The options could have far-reaching implications for people on low incomes so it is important that as many groups as possible provide input and meet with the Commissioners during the consultation period.

The toolkit provides 7 different resources to help individuals and groups assess the options, provide feedback to the Commission and lobby MPPs for reforms that will truly benefit people living on low incomes in Ontario – whether they are on OW and ODSP or are low-wage workers. All materials mentioned are included in this toolkit or available online following the links provided.

1) Frameworks for Reforming Social Assistance

The principles that underlie the positions that individuals, groups, and governments take on issues like changes to social assistance programs are extremely important. Principles determine the focus and direction that programs take. They influence the ways that programs are implemented. And they have a huge impact on the outcome of programs – how they affect people in their day-to-day lives.

ISAC and the ODSP Action Coalition have created our own visions for restructuring OW and ODSP, and both groups used poverty reduction as the underlying basis on which these visions were built. That's because the social assistance review originated from the government's poverty reduction strategy, which outlined action government can take to meet the goal of reducing poverty.

The two documents, or frameworks, discuss the current problems with OW and ODSP and then outline a vision of how supports could be offered to be more effective and incorporate principles such as adequacy, accessibility, equity, inclusion and opportunity.

You can use these documents to assess whether each of the options in the Options Paper fit within these frameworks. Or consider how each option would need to be implemented in order to provide the kinds of supports envisioned in a framework that respects people's dignity and rights to opportunity, inclusion and an adequate standard of living.

ISAC's Vision: <http://sareview.ca/isac-resources/submission-to-the-commission-for-the-review-of-social-assistance-in-ontario/>

ODSP Action Coalition's Vision: <http://sareview.ca/isac-resources/dignity-adequacy-inclusion-rethinking-the-ontario-disability-support-program/>

2) Options Backgrounders

ISAC has created backgrounders on three policy options: 'Tax Delivered Income', 'Moving Benefits out of OW & ODSP', and 'Merging OW and ODSP'. They are attached to this kit.

Use these backgrounders to help people in your community understand these options and what the advantages and risks of each might be. Organize a community consultation to decide whether or not to support particular options or come up with your own options. You could also discuss how each option would need to be implemented for it to be effective at addressing poverty and other barriers in your community.

3) Using an Equity Lens

ISAC's own approach to the Social Assistance Review has been to assess the needs of particular groups in Ontario disproportionately affected by poverty, including women, lone mothers, peoples of colour, newcomers and people with disabilities.

So rather than commenting on each option broadly, you could focus your submission or meetings with MPPs on the impact of various policy options for a particular group(s).

For examples of how this can be done, see the submissions from:

- ISAC: <http://sareview.ca/isac-resources/submission-to-the-commission-for-the-review-of-social-assistance-in-ontario/>
- Bringing in Women's Voices Project: <http://sareview.ca/wp-content/uploads/2011/07/Key-messages-BWV-workshops-July-2011.pdf>
- Colour of Poverty-Colour of Change: <http://sareview.ca/other-resources/racialized-communities-consultations-report/>
- Gendering the Ontario Social Assistance Review: <http://ifls.osgoode.yorku.ca/wp-content/uploads/2011/05/Genderingltrwebsiteupdated.pdf>
- Ontario Council of Agencies Serving Immigrants: <http://www.socialassistancereview.ca/uploads/File/Ontario-Council-of-Agencies-Serving-Immigrations.pdf>
- ODSP Action Coalition – Activation Agenda: <http://sareview.ca/isac-resources/an-activation-agenda-for-people-with-disabilities-on-odsp/>
- YWCA Toronto: [http://www.socialassistancereview.ca/uploads/File/YWCA-Toronto\(1\).doc](http://www.socialassistancereview.ca/uploads/File/YWCA-Toronto(1).doc)

4) ODSP Action Coalition Position Statements

ODSP is at particular risk in the Social Assistance Review. The ODSP Action Coalition has created position statements on five key issues in the Social Assistance Review of concern to people with disabilities:

- Defining people with disabilities based on who can and cannot work
- Accommodation and the Accessibility for Ontarians with Disabilities Act
- Mandatory participation in work-related activities
- Mandatory treatment and rehabilitation
- Special Diet Allowance

These documents are available as background materials in the ODSP Action Coalition's MPP Lobby Kit: <http://sareview.ca/isac-resources/mpp-lobby-kit/>.

Use these position statements to help people in your community understand what is at stake for people with disabilities in this review. Consider these impacts when you are discussing whether or not to support various options or how a particular option would need to be implemented for it to be effective at addressing poverty and other barriers in your community.

5) Government's Poverty Reduction Commitments

The Social Assistance Review is part of the government's Poverty Reduction Strategy and thus reducing poverty needs to be one of the outcomes of any reforms to OW and ODSP. So reminding all provincial parties of their commitments under the Poverty Reduction Act and drawing the government's attention to the 10 principles in its Poverty Reduction Strategy are important tools to use in responding to the Options Paper.

Refer to ISAC's '*Government's Poverty Reduction Principles and the Social Assistance Review*' in this kit for more detailed information on the commitments the government and all parties have made to reduce poverty in Ontario. Refer to these commitments in your submission or in meetings with the Commissioners or MPPs. Remind the government that they need to uphold these principles in implementing any of the options outlined in the Options paper.

6) Political and Economic Overview

Understanding the political and economic context that the Social Assistance Review is happening in is a crucial tool in assessing the various options for reforming OW and ODSP. Refer to ISAC's '*The Social Assistance Review So Far: Political and Economic Context*' for an overview of the politics behind the review and the impact of sluggish economic growth in Ontario.

When assessing the options, consider *if* the Liberal government is likely to implement this option (given the current political and economic context), *how quickly*

they are likely to move forward, and *how* they might implement it, if they do. *Who* is likely to benefit and who isn't? *How much* money is likely to be put into it? *How narrow* will the eligibility requirements likely be?

If you feel there is a real risk that certain groups could be left out or that the options won't reduce poverty, consider focusing your submission on how each option needs to be implemented to be effective at addressing poverty and other barriers in your community. Or respond by presenting alternative options that would be more effective.

7) MPP Lobby Kit

Once the Commission's final report is released in June 2012, it will be the Ontario government that decides which recommendations to implement. Government ministers can be very influential and individual Members of Provincial Parliament (MPPs) can mount considerable pressure on caucus, which guides the government's decisions. Opposition MPPs can also be very helpful in raising key issues and asking important questions in the Legislature.

The ODSP Action Coalition has developed a lobby kit specifically to lobby MPPs around the Social Assistance Review and the impact it could have for people with disabilities on ODSP.

The kit contains key messages, helpful backgrounders, MPP letter templates and tip sheets on getting a meeting with MPPs and preparing for meetings.

Download the full lobby kit at: <http://sareview.ca/isac-resources/mpp-lobby-kit/>.

Option 1: Tax-Delivered Income

An option for the Social Assistance Review?

The Commission for the Review of Social Assistance in Ontario is considering reforms to Ontario Works (OW) and the Ontario Disability Support Program (ODSP).

The Commission released its first Discussion Paper in June 2011 and accepted feedback until September 1. The Commission will release an Options Paper in February, which will outline suggestions for changing the social assistance system.

One of the ideas the Commission has been talking about is giving some kinds of benefits to all low-income people, whether they are receiving social assistance or not. In preparation for the Options Paper, this Backgrounder discusses the idea of delivering financial benefits (i.e. income) to low income people through the income tax system. Moving some or all income delivery out of social assistance and into the tax system could be one of the options in the Options Paper.

This Backgrounder explains what it means to have income delivered through the income tax system, including some benefits and drawbacks. It also talks about how this idea might be included as an option in the Options Paper, and suggests some questions you can use to hold discussions or consultations in your community.

What does “tax-delivered income” mean?

This means using the income tax system to deliver financial benefits, instead of using a program like social assistance. The amount of money that people get depends on the amount of income they declare on their annual tax return. Other eligibility criteria can also apply.

The most well-known example of this is the federal Canada Child Tax Benefit (CCTB) and the National Child Benefit Supplement (NCBS). These are direct, monthly income payments to people with children. The money is tax free. The amount of money people get depends on how much income they have and the number of children under age 18 living with them. The money is paid on a graduated scale – the more money a family has, the less they get from the CCTB and NCBS.

The Ontario Child Benefit (OCB) is another example of tax-delivered income. The OCB is a provincial benefit, which means that the Ontario government pays for it and decides how it is delivered to people. The OCB gives low-income Ontarians with children up to \$92 per month per child, whether they are working or on social assistance. The amount they get depends on their income, and other eligibility requirements.

Another example of tax-delivered income is refundable tax credits. There are many tax credits that people can get, both provincially and federally.

This year, people have been getting the Ontario Sales Tax Credit, the Ontario Energy and Property Tax Credit, and the Northern Ontario Energy Credit every three months from the provincial government. Starting in July 2012, these three tax credits will be brought together under the new “Ontario Trillium Benefit”, which will be paid monthly.

Federally, the Working Income Tax Benefit (WITB) gives low-income people up to \$944 depending on how much money they earn through work. People who qualify for the WITB receive the money for this benefit every three months.

What are the advantages of tax-delivered income?

1. You don't have to be on social assistance to get this income.

This is one of the biggest reasons given for increasing the amount of money that people get through the income tax system.

Governments and others argue that tax-delivered income provides an “incentive” for people to try to get off of social assistance and into the workforce. It gives people extra money even if they're working at a low paid job, which may act as an incentive to encourage people to try to get a job, even if it is low paying.

Tax-delivered income also helps people deal with a labour market that is just getting worse. It's not a matter of incentives; instead, providing income through the tax system is a matter of government taking some responsibility for helping people who are stuck with low wages and precarious jobs.

And because tax-delivered income is “portable” (i.e., you can take it with you from social assistance to work and back again), it responds to the reality of many low-income people's lives – which is that cycling between social assistance and a low-paid job happens a lot.

2. Financial eligibility is determined by income, and income is assessed once a year, at tax time.

In contrast, financial eligibility for OW and ODSP depends on the amount of both income and assets that a person or family has. People must have very low incomes to get OW or ODSP, but they must also have almost no assets like savings or investments. And both income and assets are tested monthly, which means constantly having to declare your income from work, and constantly worrying about “overpayments” and having some OW or ODSP benefits clawed back.

Not having assets included in financial eligibility means that people would not have to fully impoverish themselves before getting a tax-delivered income benefit. And it would mean that more people would be eligible for the benefit.

Assessing income annually rather than monthly would remove many of the intrusive and punitive aspects of OW and ODSP and reduce the amount of paperwork that social assistance requires.

Tax delivery could also reduce other punitive eligibility requirements, like the requirement to participate in employment-related activities in order to get your income benefits.

3. Income delivered through the tax system doesn't carry with it the same stigma that social assistance does.

The tax system is viewed in a more neutral light than social assistance, so it is assumed that providing income this way will result in much less stigma for the people who get it. This can be particularly important for certain groups of people, like people from racialized communities or people who are immigrants, for whom the stigma associated with receiving social assistance can be particularly strong.

As Colour of Poverty – Colour of Change noted in its submission to the Commission: *“Due to social stigma and barriers in accessing the system, many members of racialized and immigrant communities are very reluctant to apply for social assistance even when they are qualified to do so. They believe that being on social assistance is a shameful thing. Many would rather work in jobs that pay less than minimum wage than be on social assistance. If they are immigrants, there is the added pressure, both from their own families and communities, and from the larger society, to succeed economically or to be seen as being economically independent. For many members of racialized communities and immigrants, being on social assistance amounts to admitting being a ‘failure’, thus experiencing the related shame and stigma even though the poverty they experience is often the product of systemic social and economic inequities.”*

4. Governments seem to have more political will to invest in tax-delivered income than in direct income support programs like social assistance.

Because of this, some people think that tax-delivered income is less likely to be eroded for political reasons than income delivered through programs like social assistance. For example, social assistance rates continue to fall further and further behind increases in the cost of living, while the provincial government has fast-tracked additional money to low-income families through the Ontario Child Benefit.

What problems have to be addressed?

1. People have to file an income tax return to get tax-delivered income benefits.

This can be difficult for people – filling out a tax return is not easy, especially for those who have trouble filling out government forms. The forms themselves are getting more complex as more tax credits are added to the system. And, when you're living on a low income, paying a company to do your taxes for you means you have that much less money. Governments need to take responsibility for providing extra free services to help people file their returns.

2. Difficulties that people might encounter with getting their benefits are not easily dealt with. If a calculation is wrong or there is a problem with eligibility, for example, a person's only recourse is to go through a process at the Canada Revenue Agency that is lengthy, isn't transparent, and isn't easy, with the final appeal to the Tax Court of Canada. Resources to help low-income people through this process are limited. Governments need to make the system more transparent, easier to navigate, and provide more help in resolving disputes in a timely manner.

- 3. Moving income outside social assistance could have impacts for those on OW or ODSP.** The implementation of the Ontario Child Benefit (OCB), for example, included reducing OW and ODSP basic needs rates, and moving some lump-sum benefits out of OW / ODSP and into the OCB. So while families on assistance ended up with more money than they had before, some family types got less net benefit from the OCB than low-income people who work, or than other family types on assistance. Government must not do any further restructuring of OW and ODSP rates. Increases in tax-delivered income benefits must give all people on assistance the full net benefit.

An increase in the amount of income delivered through the tax system could also result in fewer people being eligible for OW or ODSP. For some women, for example, a combination of child support income, income from working, the Canada Child Tax Benefit, the National Child Benefit Supplement, and the Ontario Child Benefit has meant they are not eligible for OW or ODSP. This means they have lost access to other vital supports, such as drug and dental benefits, which are critical for both themselves and their children. Governments must grapple with this issue, particularly as benefits are becoming less available from employers. Extending drug and dental benefits, for example, to all low income people would resolve these inequities.

- 4. Getting more cheques means more cheque cashing fees.** If every time you cash a cheque, you have to pay a fee – whether at a bank or a cheque cashing service – then an increase in the number of cheques you receive from different sources will have an impact on your income. Government should work with the banks and other institutions to give people on social assistance a break from cheque cashing fees.
- 5. Stigma is not completely erased by delivery through the tax system.** Some people point out that increasing the amount of income delivered by the tax system could lead to an increase in the stigma attached to that system, because of the perception that people might have of benefits intended for low-income people.
- 6. People who are not permanent residents or citizens of Canada could be excluded.** This has happened with the Ontario Child Benefit, where eligibility depends on eligibility for the federal CCTB and NCBS. The federal rules say that people or their spouse / partner must be “a Canadian citizen, a permanent resident, a protected person, or a temporary resident who has lived in Canada for the previous 18 months, and who has a valid permit in the 19th month” in order to be eligible. This is different from OW and ODSP, where people claiming refugee status, for example, are eligible. Government must address the inequity of the impact that these kinds of eligibility rules have on people without these kinds of status in Canada.
- 7. Transitions from the current social assistance system to the tax system can be very difficult for people with low incomes.** Government has to think through the impacts that changes will have on people – what people lose, as well as what they might gain – and take active steps to mitigate those impacts. For example, government recently changed how they pay refundable tax credits, from a lump sum after a person files their tax return to quarterly throughout the year. People were not well informed of this change, nor were there any measures put in place to minimize the impact of the loss of the lump-sum payment, which some people have counted on for large purchases like winter clothes, Christmas presents, or furniture.

How might tax delivery be included in the Options Paper?

Many advocates are pushing for the provincial government to create a Housing Benefit to give people with low incomes in Ontario extra help with their housing costs. Advocates see the Housing Benefit as a way for government to help low-income Ontarians, while at the same time giving people on OW and ODSP additional income. In their 2011 election platform, the Liberals committed to “consider” a Housing Benefit. The Commission noted the Housing Benefit in its first Discussion Paper, and could propose a Housing Benefit in its upcoming Options Paper. A Housing Benefit would likely be delivered through the tax system.

In addition, the upcoming report of the Drummond Commission on the way government delivers services is looking at finding cost savings. One way to save costs may be to move the delivery of social assistance income benefits into the tax-delivered system.

Discussion Questions

You can use any or all of these questions in your community organizing or in preparing for your response to the Social Assistance Review Commission’s Options Paper.

1. Based on your own experience, are there other benefits or drawbacks to moving more income into the tax-delivered system?
2. How would delivering more of people’s income through the tax system impact on particular groups of people in your community? (e.g., women, lone mothers, peoples of colour, people with disabilities, newcomers, First Nations, etc.)
3. How might the current political or economic situation have an impact on the government’s implementation of the option of moving more income into the tax system?
 - Is the government likely to implement this option?
 - How quickly are they likely to move forward?
 - How much money would they be likely to put into it?
 - How narrow will eligibility requirements likely be – whether financial eligibility or other kinds of eligibility?
 - Will certain groups be left out?
 - Are there alternative options that would be more effective?
4. In order for you to support moving more income into the tax system (through a housing benefit, for example), how would it need to be implemented? For example:
 - Who should benefit?
 - How much money should it provide?
 - How would the government prevent landlords from simply raising rents?
 - Should people on social assistance be eligible without the Shelter Allowance being reduced?

Option 2: Moving Benefits Out: An option for the Social Assistance Review?

The Commission for the Review of Social Assistance in Ontario is considering reforms to Ontario Works (OW) and the Ontario Disability Support Program (ODSP).

The Commission released its first Discussion Paper in June 2011, and accepted feedback until September 1. The Commission will release an Options Paper in February, which will outline suggestions for changing the social assistance system.

One of the ideas the Commission has been talking about is giving some kinds of benefits to all low-income people, whether they are receiving social assistance or not.

In preparation for the Options Paper, this Backgrounder discusses the idea of moving some benefits out of the social assistance system and offering them to all low-income people. This could include benefits like extended health, dental and vision coverage.

This Backgrounder discusses what it means to deliver benefits in this way and some of the benefits and drawbacks. It also talks about how this idea might be included in the Commission's upcoming Options Paper.

What does moving benefits out mean?

In its first Discussion Paper, the Commission talks about changing the social assistance system so that people are "better off" working, rather than being on social assistance. One of the ways that this could be achieved, it says, is through extending the benefits that people on social assistance get to people who are working at low-wage jobs.

What this could mean is making social assistance programs primarily about providing people with income, and delivering other kinds of benefits in other ways. For example, the Trillium Drug Program or the Ontario Health Insurance Plan (OHIP) could be changed to deliver a special drug and dental benefit for all people with low incomes.

What are the advantages of moving benefits outside of social assistance?

Many people on assistance have said that one of the things that prevents them from working is their fear of losing their drug and dental benefits. This can be particularly important for women and their children, and people with disabilities.

In a context where many jobs don't provide benefits, like extended medical, it makes sense for government to step in where the labour market has failed.

Providing these kinds of benefits to all low-income people, whether they're working or on social assistance, would mean that a person's eligibility for benefits like drug and dental would not depend on their eligibility for social assistance. Instead, eligibility would depend on their level of income, regardless of where that income comes from. People would have to have low incomes to qualify, but they wouldn't have to spend down all their savings and investments like you have to in order to be eligible for OW or ODSP.

And, since some people are losing eligibility for OW and ODSP because more and more of their income is being delivered through the tax system, it makes sense for government to ensure that people in this situation do not lose out on important health-related benefits.

Moving benefits out would also help people for whom the stigma of being social assistance prevents them from even contemplating looking for help from OW or ODSP, even if they are eligible.

Government should be extending these kinds of benefits to all low income people – not only because it makes working easier, but because it's a smart strategy for reducing poverty and reducing health care costs.

What are the risks to moving benefits out?

The main risk comes from whether or not government is willing to invest in a system of supports that would be very costly. Given the current dismal state of the economy, it seems unlikely that government would extend benefits to all low-income people – at least in the near future.

And if they did go ahead right now, it could mean sacrificing quality for quantity. In other words, the amount and level of services that people on social assistance currently get would get worse if more people were eligible for benefits, but there wasn't any more government money to pay for it. So not only would people on social assistance be impacted, but other low-income people wouldn't get the amount and level of services that they are entitled to.

Discussion Questions

You can use any or all of these questions in your community organizing or in preparing for your response to the Social Assistance Review Commission's Options Paper.

1. Based on your experience, are there other benefits or drawbacks to moving some benefits out of social assistance?
2. How would moving benefits out of assistance impact particular groups of people in your community? (e.g., women, single parents, people in racialized communities, people with disabilities, newcomers, First Nations, etc.)

3. How might the current political or economic situation might impact on the government's implementation of the option of moving benefits out?
 - Is the government likely to implement this option?
 - How quickly are they likely to move forward?
 - How much money would they be likely to put into it?
 - What would eligibility requirements likely be?
 - Would certain groups be left out?
 - Are there alternative options that would be more effective?

4. In order for you to support moving benefits outside social assistance (like drug and dental benefits), how would it need to be implemented? For example:
 - Who should benefit?
 - What kinds of benefits would absolutely need to be covered in a new drug and dental program?
 - What level of coverage should there be?
 - Should implementation happen over a period of time?
 - What should happen to social assistance recipients in the meantime? Should their coverage stay the same?

Option 3: Merging OW and ODSP

An option for the Social Assistance Review?

The Commission for the Review of Social Assistance in Ontario is considering reforms to Ontario Works (OW) and the Ontario Disability Support Program (ODSP).

The Commission released its first Discussion Paper in June 2011, and accepted feedback until September 1. The Commission will release an Options Paper in February, which will outline suggestions for changing the social assistance system.

One of the ideas the Commission has received in submissions is combining Ontario Works and the Ontario Disability Support Program into one program.

In preparation for the Options Paper, this Backgrounder outlines one of the proposals received by the Commission on combining OW and ODSP, and what that might mean for people currently on social assistance.

How would combining these programs work?

While “merging” is not a word that they use, the Ontario Municipal Social Services Association (OMSSA) has proposed a transformation of OW and ODSP that is helpful for thinking about how these programs could be brought together.

OMSSA is “a professional association representing the 47 Consolidated Municipal Service Managers and District Social Services Administration Boards across Ontario”. Its members are the people who work for local municipalities that deliver the Ontario Works program across Ontario. In its submission, OMSSA is suggesting:

“An integrated income security system with three streams of income support including short term benefits, medium term benefits and a pension-style guaranteed income for people whose reasonable prospects of earning liveable incomes from employment are limited by disability or other circumstances”

This idea deserves close inspection so that groups can think about what the implications might be for people on OW and ODSP, for people who are excluded from OW or ODSP for certain reasons, or for other people who might need these programs in the future.

The OMSSA submission proposes three “streams” of income support under which people would be categorized.

It’s important to note that the OMSSA proposal recommends that financial eligibility for all of these streams should be based on income, and verified through income tax return statements annually. As well, the proposal is based very clearly on providing incomes that people can actually live on, in each stream.

1. “Short term temporary bridge assistance”

OMSSA says that this stream would be for people who have “strong levels of attachment or potential attachment to the workforce”. This means it would be for people who are “job ready” – in other words, they don’t have barriers to getting a job. For example, this could be people who may have just been laid off from a job and only need a little bit of help with income while they look for another job.

This part of the system would respond to regular downturns in employment, like during a recession. It would also help fill the gap in benefits for unemployed people that should be provided by Employment Insurance but currently aren’t.

2. “Medium term income supports”

This stream would be for people “who may require more intensive supports, including a more extensive variety of pre-employment and ancillary supports”.

People who might qualify for medium term supports would be people who have some barriers to getting a job and need additional help to become “job ready” – like help with literacy, life skills, or particular kinds of education or training. It could also include single mothers whose ability to work is very limited while their children are young.

“Ancillary supports” may also mean supports like childcare, better help with the costs of housing, or other kinds of supports. These are the supports that have to be in place before people can begin to think about working or can afford to move into the workforce, given the precarious nature of many of the jobs that are currently available.

3. “Long-term pension style supports”

OMSSA says that this stream would be for people “whose prospects of earning liveable incomes from employment are limited by disability or other circumstances”.

The proposal says that the income support provided would be in the form of a “pension style or guaranteed annual income program”.

OMSSA’s proposal includes making sure that people in this income stream have access to employment supports so they can work to whatever degree they want or are able.

What are the advantages of merging OW and ODSP?

Since financial eligibility would be based on income only, people wouldn’t have to spend down their investments and savings to qualify. So people would not have to fully impoverish themselves before receiving assistance. And testing income annually rather than monthly would remove many of the intrusive and punitive aspects of OW and ODSP and reduce the amount of paperwork that a person has to provide to make sure they continue to be eligible.

This model also has the potential to significantly improve supports for people on OW. For example, the “medium term” income stream could be of significant benefit to many people on OW because it could mean recognizing that not everyone is “job ready” and that people have a number of barriers to employment.

In the current system, disability is the only barrier to work that is recognized. The other barriers that people face – like lack of education and training, discrimination, lack of childcare and affordable transportation, homelessness, addictions, caregiving responsibilities, and abuse and family violence – could be recognized within the second income stream. Pre-employment or employment-related services, including education and training, could then be targeted to meet individual needs.

A system like the one in this model could therefore mean better quality and more targeted supports for people who need assistance with pre-employment or employment-related services, ancillary supports, and more education and training opportunities.

What are the risks?

While this model could be of great benefit people on OW, much depends on how it would be implemented by the government. The OMSSA proposal does not provide many details on implementation, which means it could be interpreted in many different ways.

1. The government could decide to set out very stringent criteria for which stream to put people in. Similarly, stringent criteria could be used to determine how “attached” a person is to the workforce, and how or how often that would be tested.
2. Many of the positive aspects of the OMSSA proposal would be undermined if eligibility for benefits remains tied to agreeing to employment-related activities that are limited by what’s available and often determined by a caseworker. The fundamental problem of OW is that it is based on a punitive “workfare” and “work-first” model where people have to “earn” their benefits and are required to take the first available job, or risk jeopardizing their income. Employment-related activities should be a right, where people are entitled to training, education, and supports.
3. If government is not willing to invest in improving employment-related services, education and training, the benefits of creating a second income stream will be limited.
4. And while the model is based on significantly improved incomes – incomes that people can actually live on – how much money people would actually receive in each income stream would depend on how much money the government is willing to invest.

For people with disabilities on ODSP, however, this model poses much greater risks.

The Ministry of Community and Social Services is already actively trying to narrow the definition of disability through the courts. Combining OW and ODSP into one new program would give them the opportunity to narrow the definition in legislation. The three different income streams in this model could give the government the opportunity to divide people with disabilities into those who “can” and “cannot” work, with those who “can” work being placed in the “medium term” income stream and those who “cannot” work in the “long-term” stream. Depending on how much people in the short and medium-term income streams would get, people currently on ODSP who are deemed

employable might end up with less income than they get right now. They might also be required to seek employment or do employment-related activities in order to get their income, despite the extensive barriers that people with disabilities face in the labour market.

While OW is the program that's most in need of improvement, much of the focus in the Social Assistance Review has been on ODSP. The overall risk, therefore, is that instead of getting the best out of proposals like the one from OMSSA, we will end up with ODSP picking up some of the worst traits of OW.

Could this be an option in the Commission's Options Paper?

The proposal from OMSSA, and similar proposals from other municipalities, is apparently being given a lot of consideration by the Commission. It is also likely attractive to the government, given the current drive to streamline public services and find administrative savings.

There will likely be several options in the Options Paper that talk about changing the way OW and ODSP are delivered. Recommendations could also be included in the upcoming Drummond Commission report on changing the delivery of public services.

Discussion Questions

You can use any or all of these questions in your community organizing or in preparing for your response to the Social Assistance Review Commission's Options Paper.

1. Based on your experience, are there other benefits or drawbacks to moving to merge OW and ODSP?
2. How would merging OW and ODSP impact on particular groups of people in your community? (e.g., women, lone mothers, peoples of colour, people with disabilities, First Peoples including Metis, Inuit, Aboriginal, newcomers, etc.)
3. Can you think of other ways that the current political or economic situation might impact on the government's implementation of merging OW and ODSP?
4. In order for you to support merging OW and ODSP, how would it have to be implemented?
 - What barriers need to be recognized in a merged system?
 - How should employment supports be improved in a merged system?
 - What is the minimum income that people should receive in each stream?
 - How should the definition of disability be determined?
 - What is the most effective in helping people overcome barriers to employment?

Government's Poverty Reduction Principles and the Social Assistance Review

In 2008, the provincial government released its first poverty reduction strategy, called “Breaking the Cycle”, with the target of reducing child poverty in Ontario by 25% over five years.

As part of “Breaking the Cycle”, the government committed to doing a review of social assistance. The current Social Assistance Review was therefore a key part of the government’s poverty reduction strategy.

In 2009, all parties in the legislature – the Liberals, Progressive Conservatives, and the NDP – voted unanimously to adopt the Poverty Reduction Act. This law does a number of things:

- It enshrines “Breaking the Cycle” as the first poverty reduction strategy.
- It requires this and all future governments to create poverty reduction strategies every five years.
- It outlines the process by which governments should create new poverty reduction strategies.
- It describes the required content of a poverty reduction strategy.
- It also sets out the key principles that all poverty reduction strategies must be based on.

The principles behind the Poverty Reduction Strategy and the Poverty Reduction Act are very important, because they can have a big impact on the focus and direction of poverty-related programs and influence the ways that programs and policies are implemented. This can have a huge impact how programs and policies affect people in their day-to-day lives.

This document outlines the core principles of the Poverty Reduction Act and the “Breaking the Cycle” poverty reduction strategy.

While many groups have developed their own frameworks or sets of principles through which the Commission’s options should or could be assessed, the principles of poverty reduction are key as they are government’s stated commitments.

Applying these principles to the work of the Commission for the Review of Social Assistance is one opportunity to give them meaning and to hold the government and the opposition parties accountable, as they will be making decisions about programs that impact on poverty and people living in poverty in Ontario.

The Commission for the Review of Social Assistance will soon be releasing its Options Paper, and the options outlined in that paper for ways to reform OW and ODSP should be judged by how well they support the principles of poverty reduction.

The Government's Core Principles in the Poverty Reduction Act, 2009:

The legislation states that “every new or modified poverty reduction strategy is to be based on the following principles”:

- **Importance of all Ontarians:** That there is untapped potential in Ontario's population that needs to be drawn upon by building and establishing supports for, and eliminating barriers to, full participation by all people in Ontario's economy and society and, in particular, persons who face discrimination on the grounds of their race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, marital status, family status or disability.
- **Importance of communities:** That strong, healthy communities are an integral part of the poverty reduction strategy; their potential must be brought to bear on the reduction of poverty.
- **Recognition of diversity:** That not all groups of people share the same level of risk of poverty. The poverty reduction strategy must recognize the heightened risk among groups such as immigrants, women, single mothers, people with disabilities, aboriginal peoples and racialized groups.
- **Importance of support and involvement of families:** That families be supported so that they can play a meaningful role in the reduction of poverty and in promoting opportunity.
- **Respect:** That all people in Ontario, including those living in poverty, deserve to be treated with respect and dignity.
- **Involvement:** That Ontarians, especially people living in poverty, are to be involved in the design and implementation of the strategy.
- **Commitment and co-operation:** That a sustained commitment to work together to develop strong and healthy children, youth, adults, families and communities is required to effectively reduce poverty.
- **Importance of the third sector:** That the third sector, including non-profit, charitable and voluntary organizations, are integral to a poverty reduction strategy by delivering the programs and services that matter to people, by strengthening communities and by making a positive contribution to the economy.

You can read the entire statute at:

http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_09p10_e.htm

The Government's Core Principles in 'Breaking the Cycle: Ontario's Poverty Reduction Strategy'

The government's poverty reduction strategy states that the following "ten key principles will guide the implementation of the Poverty Reduction Strategy:"

- **Kids First:** Kids are our highest priority. By helping kids living in poverty get what they need to succeed, especially at school, the cycle of poverty can be broken.
- **Kids Live in Families:** Families play the most important role in their child's success. Reducing child poverty and breaking the cycle of poverty can be achieved only with the support and engagement of families.
- **Community:** We recognize that there is tremendous potential in each community, and that a successful strategy must capitalize on that strength. Strong, healthy communities are an integral component of a poverty reduction strategy.
- **Unleashing Potential:** There is incredible untapped potential in Ontario's population. We need to put that potential to work by building supports and eliminating barriers to full participation in our economy and our society.
- **Diversity:** We need to respect and respond to the diversity of poverty. We know that certain people are at higher risk of poverty. They include new Ontarians, single moms, people with disabilities, Aboriginal peoples and racialized groups.
- **Respect:** All people in Ontario deserve to be treated with respect and dignity.
- **Engagement:** All Ontarians, especially people living in poverty, must be engaged in poverty reduction.
- **Determination:** It will take determination, time and hard work to do what needs to be done.
- **Cooperation:** We all have a role to play in reducing poverty. We need to work together to build strong, healthy kids, families and communities.
- **Effectiveness:** Scarce tax dollars must be spent in the most effective way possible. We need to support the research that will guide our investment decisions, and respond to their findings.

You can read the entire Poverty Reduction Strategy at:

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

The Social Assistance Review So Far: The Political and Economic Context

Advocates from all around Ontario pressed for a social assistance review as part of the government's 2008 Poverty Reduction Strategy, largely in the hopes of fundamentally changing the Ontario Works program – from a system based on “workfare” (working in order to “earn” your benefits) and “work-first” (being required to take the first available job) to one that provides opportunity and livable incomes. The ODSP system doesn't share this foundation, but many of the punitive aspects of OW have become increasingly part of ODSP over the years, and advocates wanted that to change too. And neither system provides the income support nor the quality education, training, and personal supports that people need to improve their employability and the quality of their lives.

However, given the current political and economic climate, along with the government's longstanding concerns about growing social assistance costs, what began as an effort to improve social assistance for the sake of reducing poverty in Ontario seems likely to become a cost-cutting exercise. It is clear that it will be very important for advocates to actively lobby the key players as the Review moves into its final stages of work.

The Ministry

Over the past several years, the Ministry of Community and Social Services has repeatedly raised concerns about three issues particular to ODSP: growing ODSP caseloads, what they consider a very low number of people on ODSP in the paid workforce (11%), and a definition of disability that is, in their estimation, too broad.

ODSP caseloads have indeed been growing; between April 2009 and November 2011, caseloads increased by 15%. Given that income benefits provided to people on ODSP alone amounted to around \$3.3 billion in 2009, this increase translates into hundreds of millions of dollars in additional cost to government.

Legal clinics across the province continue to see the Ministry applying a narrower definition of disability when assessing disability status than the law requires. Clinics have been very successful in overturning those decisions at the Social Benefits Tribunal, but in recent years the Ministry has been appealing more and more of these wins to Divisional Court.

The Commission

The Ministry's focus on ODSP was reflected in the many questions and dilemmas posed in the Commission's June Discussion Paper that focus on how to get more people on ODSP into the workforce. While OW caseload statistics are cited neutrally in the Discussion Paper, ODSP statistics are cited as a concern.

The Discussion Paper also refers to international trends in disability support policy. For example, the Organization for Economic Cooperation and Development (OECD) has released a number of reports advocating that people with disabilities should be

expected to look for work or prepare for entering the labour market as a condition of being eligible to receive income support.

Disability advocacy groups have been calling on governments to focus on their abilities, not their disabilities, and are demanding the right to work and the supports to do so. This important call for dignity, respect, and support is, however, being used to justify policies and approaches – like income becoming conditional on work-related activities – that result in restricting eligibility for disability programs.

One troubling indication that a similar approach may be considered in Ontario is the distinction that the Commission draws between people on ODSP who “can” work and those who “cannot”. The Discussion Paper indicates that the fact that ODSP does not distinguish between people in this way is a problem. And one of the paper’s discussion questions focused on whether it was “reasonable” to expect people with disabilities to be looking for work, presumably as a condition to receiving financial support.

Another question in the Discussion Paper focused on whether or not it is reasonable for people on OW and ODSP to be forced into mandatory addictions and mental health treatment or rehabilitation, presumably to move them towards being “job-ready”.

On the plus side, the Discussion Paper did ask for feedback on the kinds of employment supports that would be helpful for people on OW and ODSP and how to simplify rules to be more effective. We are expecting options around these issues in the Options Paper.

During public consultations on the Discussion Paper, the Commission heard a chorus of complaints about ODSP and, since then, they have spoken about ODSP as being irreparably broken – language they don’t use when talking about OW. And when analyzing problems in the system and considering solutions, the Commission often doesn’t differentiate between OW and ODSP.

Since consultations ended, we have found out that two other important possibilities are under active consideration by the Commission: combining OW and ODSP into one program, and / or downloading the delivery of ODSP to municipalities. Municipalities have successfully positioned themselves as innovators – as the level of government that creatively implements OW to minimize the most punitive aspects of the rules to provide better supports.

By comparison, ODSP has been portrayed as an old-fashioned paternalistic program that doesn’t support people into employment. This may reflect the institutional problem with the review, that while OW administrators as municipal employees were able to make submissions to the review and participate in consultations, the same cannot be said for ODSP, who are provincial employees. The fact that the review is being overseen by the Ministry of Community and Social Services has meant that their participation has been circumscribed.

The Commission has been mandated to make recommendations that would result in long-term change in the social assistance system. Given the current economic conditions, it is very likely that any recommendations requiring additional funding would be based on implementation over an extended timeline.

An important question is whether the options that the Commission will be releasing for social assistance reform will focus more around integrating and coordinating policies, or whether they will address the problems that people encounter in OW when they must participate in employment programs and job searches as a condition of receiving financial support. The Discussion Paper demonstrated no recognition that the financial eligibility and income reporting rules in OW and ODSP are deliberately designed to be punitive.

And while the Discussion Paper acknowledged the growth in precarious work and inequities in the labour market, the Commissioners have said that these problems are outside their mandate. So while the answer to ending poverty seems to be getting people on OW and ODSP working, it doesn't appear that the Review will grapple with problems in the labour market – despite how extensive the barriers are for people looking for work and struggling in precarious work, and despite how degraded the labour market has become.

The Economy

The global economic recession that began in October 2008 hit Ontario hard. Thousands of people have lost their jobs and many are still suffering that loss. People who lost their jobs and corporations who were hit by the recession paid a lot less taxes – meaning that the money government gets as tax revenues dropped dramatically. At the same time, government made a conscious choice to continue to spend in order to provide the economic stimulus necessary to minimize the impact of the recession.

They also continued to lower taxes – a trend that had been underway long before the recession. Each year since taking office in 2003, the provincial government has given up between \$14 and \$18 billion annually in tax cuts – whether through reducing marginal tax rates on personal income or through significantly reducing corporate taxes. This amount of lost revenue would make up for the province's deficit, which is currently projected at \$16 billion for 2010-11.

While the recession is officially over, economic growth – both around the globe and in Ontario – is sluggish. The province's March 2011 budget projected a growth rate of 2.6% for 2011. Numbers released by the provincial government recently show that projected growth has actually declined to 2.0%. This low rate of growth is projected to last for the next five years, which will have a significant impact on the provincial government's revenues.

In 2011, largely in response to concerns about the deficit, the Premier appointed Don Drummond to lead the Commission on the Reform of Ontario's Public Services. He and three other commissioners (Dominic Giroux, Susan Piggott, and Carol Stephenson) have been tasked with reviewing government services to see which ones can be eliminated or redesigned, where there are areas of overlap or duplication that could be eliminated, or where value can be generated in public services.

Drummond's report has not yet been released, but news reports over the past couple of months have provided a sense of what's coming. After meeting with Drummond in November to discuss his preliminary findings, the Premier indicated that the government will have to limit spending increases to 1% a year for six years. He has since indicated

that the government plans to increase healthcare spending by 3% and education by 1%, meaning even deeper cuts to other ministries.

Drummond himself has publicly mused about 30% cuts to some ministries, saying that “there’s pain in every single chapter” of his soon-to-be released report.

The Politicians

Will the Liberals embark on a major restructuring of social assistance in the midst of economic uncertainty and in the context of trying to cut costs and find savings in the public sector?

Cutting costs to keep the deficit from crippling growth and creating jobs are the two driving forces for all three political parties in this minority government, and were the focus of the government’s Throne Speech and Economic Statement last fall.

Exactly how deep and extensive the cuts will be will become clearer when Don Drummond’s report is released. While the Premier has stated plainly that the final decisions on spending lie with his government and not with Drummond, the government may very well undertake significant restructuring of OW and ODSP – with the goal of reining in spending, finding administrative savings and reducing caseloads, rather than reducing poverty. Poverty reduction appears to be far down the government’s radar.

But for advocates, there are still important tools that can be used to hold the government to account. The Poverty Reduction Act compels government to create a Poverty Reduction Strategy every five years, identify targets, and report on progress. The Liberals reaffirmed their commitment to doing that in the election and Eric Hoskins, the new Minister Responsible for Poverty Reduction, recently released the government’s third year progress report.

And the Social Assistance Review is continuing with a new minister at the helm. This creates some political space to influence the government’s direction around the Review. John Milloy is now the Minister of Community and Social Services. Milloy is the government’s House Leader, which means he liaises with the NDP and Tory House Leaders to oversee the day-to-day running of the Legislature. He also sits on the Liberal’s Parliamentary Liaison Group, where delicate negotiating between parties takes place. And he brings considerable experience to his role as Minister of Community and Social Services. Formerly Minister for Universities, Colleges and Training, his appointment may signal a commitment to improving employment supports and training. Or, it could signal a determination to push more people into the workforce.

But Milloy’s past actions – particularly in his home riding in Kitchener-Waterloo – show he has a level of support for poverty reduction efforts and an understanding of social assistance and its impact on people. So he may take a hands-on role in shaping the Ministry’s direction, particularly if he receives sufficient public pressure.

And, given we have a minority government, the NDP and Conservatives could have greater influence on the direction of changes to social assistance than before. Cheri DiNovo has taken over from Michael Prue as the NDP’s poverty critic and brings a solid

advocacy perspective to her work. And Toby Barrett is the Progressive Conservative's critic. This is significant because of Barrett recent Private Member's Bill that, among other things, would have allowed \$750 earnings for ODSP recipients before deductions and significantly increased allowable assets.

Next Steps

With the Commission potentially looking at a major restructuring of ODSP, the Drummond Commission's report coming out soon on fundamentally restructuring the delivery of public services in an effort to radically trim costs, and the provincial government focused on what to do in the upcoming budget and beyond, it will be very important to mount public pressure in a number of areas.

Continuing to contribute to the Social Assistance Review Commission's process is still critically important, as the Commission's final recommendations will be key to the future of social assistance in Ontario.

However, there is no reason to wait for the Commission's final report before trying to influence Milloy and other key political players. Clearly there is room for discussion with all the major players about how social assistance should be changed, and room to influence the political response to whatever recommendations end up coming from the Review.

And in the context of a minority government, individual MPPs have taken on a new degree of power. Lobbying MPPs around the province – no matter which party they represent – will also be important to try to ensure a progressive transformation of social assistance that benefits people on OW and ODSP, and all those who need to rely on income support services in Ontario.