

ISARC Statement on Social Assistance, December 17, 2018

The Ontario Government's new Social Assistance Plan falls far short of achieving the government's intentions of wanting to provide vulnerable Ontarians with compassion and dignity while promoting their participation in the workforce. While there are some positive measures, overall the government's plan falls short of those objectives in several key ways, particularly for people with disabilities. It also lacks details in many respects, such that it is impossible to gauge the full effect of the measures until further details are provided.

Announcing that she wanted a plan that would help people get back to work, Community and Social Services Minister Lisa MacLeod, who announced the plan November 22, announced that for Ontario Works recipients there would be an improved earned income exemption of \$300 monthly. While this is an increase of \$100 dollars, it is actually \$100 dollars less than the scheduled increase to \$400 announced by the former government. People on ODSP (Ontario Disability Support Plan) will be allowed an earnings exemption of \$6000 per year. Moving to an annual amount will add welcome flexibility for people with disabilities, whose earnings can fluctuate from month to month.

However, Minister MacLeod also announced that the clawback on earnings above the new thresholds, for both OW and ODSP, would be raised to 75% from the existing 50%. The higher clawback also means that people would become ineligible for social assistance – including access to prescription drug coverage – at a lower income than under the former provisions. For example, a single person on OW would become ineligible for social assistance as soon as they earned \$1300 per month, instead of \$1700 as they did under the previous system. A single recipient of ODSP would lose eligibility at \$2100 per month, compared to \$2500 previously. Thus, instead of providing an incentive for people to enter the workforce, these changes would benefit those who work less, and penalize those who work more.

We are glad to see that ODSP eligibility will be reviewed annually rather than monthly. However, Minister MacLeod's announcement that ODSP will change the definition of disability to align with federal guidelines is a grave concern. While Minister MacLeod stated that the eligibility of current ODSP recipients would be grandfathered, moving to a more stringent federal definition of disability will mean that new applicants for disability, particularly those with episodic and mental health disabilities, will find it harder to qualify for the program, forcing them onto the much lower benefits of Ontario Works. There is also the question whether current ODSP recipients may be required to qualify under a newer, more stringent definition after their annual review. No details have been provided regarding the date when the new definition will take effect, leading to greater uncertainty and stress for people with disabilities. This change, and the uncertainty around its implementation, neither displays compassion nor treats recipients with dignity.

The government announced two potentially promising developments: wrap-around supports to help people move into employment, and health spending accounts to give added flexibility for people with disabilities. These are welcome proposals, but few details have been released, so it is not yet possible to determine their real benefit.

The provision of wrap-around supports, including improved access to mental health and addictions supports, childcare, housing, and life skills, recognizes that people on social assistance are not necessarily “job-ready”. The effectiveness of these supports, however, will depend very much on their accessibility and whether the approach taken is a collaborative or a punitive one.

Health Spending Accounts for people with disabilities could indeed offer more flexibility for people to customize their support to their own particular needs. However, it is not clear how much this benefit will provide, whether it would supplement or replace current benefits, or how ODSP recipients would qualify for it and access it. More details are needed before either of these measures can be evaluated.

Finally, none of the changes announced address the real problem of social assistance rates, which are abysmally low. The government’s 1.5% increase for 2019 does not even cover inflation, much less meet the real cost of basic needs for people living in Ontario. As a result, people who already live in poverty will have to endure even greater hardship in the months ahead, while there will be increased demand for basic “survival” programs such as foodbanks and meal programs for low-income people.

The Ontario government asserts that the best pathway out of poverty is a job. However, the increase in the rate of the clawback on earnings by social assistance recipients is effectively a disincentive that penalizes and makes ineligible those who work more. We believe that this situation is further compounded by the effects of Bill 47. The freezing of the minimum wage and reduction of employment standards, in our view, make work more precarious. Taken together, these developments make it harder, not easier, for vulnerable Ontarians to leave social assistance and support themselves by employment. It is difficult to understand how these changes demonstrate compassion or dignity towards people living in poverty.

The Interfaith Social Assistance Reform Coalition (ISARC) is a provincial network of faith groups engaged in advocacy efforts for the elimination of poverty in Ontario. Representing Ontario’s major faith communities, ISARC has worked for more than 30 years to promote public policies that ensure justice and dignity for Ontarians marginalized by poverty.