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About our presenters...

Jennefer Laidley is Policy and Research Analyst with the Income Security Advocacy Centre. She also coordinates ISAC's government relations, media work and online communications — including ISAC's website on the Social Assistance Review: www.sareview.ca. She holds a Masters degree from York University.





About our presenters...

Dana Milne is ISAC's Provincial Organizer. She works closely with community groups, legal clinics, and people on low incomes across Ontario to push for changes to government legislation and rules, including improvements to social assistance. She has a Bachelor's degree in journalism and social work and more than a decade of community organizing experience.

ISAC's Partners on the Social Assistance Review

- Campaign 2000
- Colour of Poverty Colour of Change
- The Ontario Council for Agencies Serving Immigrants
- The ODSP Action Coalition
- Metro Toronto Chinese & Southeast Asian Legal Clinic
- The community legal clinic system's Steering Committee on Social Assistance
- YWCA Toronto

Agenda

- Quick Social Assistance Review Update
- Overview of Tax-Delivered Benefits
 - Discussion
- Overview of Assessing and Organizing Toolkit
 - > 7 key tools
- Wrap-up

Commission for the Review of Social Assistance in Ontario

- Appointed by Minister of Community and Social Services in January 2011.
- Discussion Paper released June 9, 2011
 - Reflected government's focus on "removing barriers and increasing opportunity with a particular focus on people trying to move into employment from social assistance" (poverty reduction strategy)
 - Consultation period was June through end August
 - Received more than 700 submissions from across Ontario
- Options Paper to be released in early February
 - Will identify various options for reform that could be part of final recommendations
 - No information yet about consultation process but could be very short
- Final Report and Recommendations due June 2012

Tax-Delivered Income

- What does it mean?
 - Using the income tax system to deliver financial benefits, instead of doing it through a program like social assistance.
 - Some or all income benefits could be moved out of social assistance, or new benefits could be created that are delivered through the tax system.

More on what it means

- Right now, people on social assistance get:
 - OW or ODSP cheques
 - child benefit cheques
 - E.g., Ontario Child Benefit, Canada Child Tax Benefit, National Child Benefit Supplement
 - provincial and federal come in one cheque
 - refundable tax credit cheques
 - E.g., Ontario Sales Tax Credit, the Ontario Energy and Property Tax Credit, and the Northern Ontario Energy Credit
 - E.g., federal Working Income Tax Benefit
 - provincial and federal come separately

More on what it means

- OW / ODSP financial eligibility is different from that for child benefits and refundable tax credits – both of which are delivered through the tax system.
- For tax-delivered income, like child benefits and refundable tax credits, financial eligibility is based on the amount of income they declare on their annual tax return.
- Other eligibility criteria can also apply.

Advantages of tax-delivered income

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

Can therefore help in the transition between assistance and work.

People on low-income often move between social assistance and low-paid work – tax-delivered benefits are "portable"

Government says it acts as an "incentive" to working.

We say it acts to help people facing a labour market that no longer works.

... advantages

2. Could reduce punitive elements of OW and ODSP.

Financial eligibility is determined by income only, not income and assets as in OW and ODSP.

Not having assets included in financial eligibility means people wouldn't have to get rid of all their savings and investments before being eligible for help. So people wouldn't have to fully impoverish themselves before getting benefits.

And it would mean that more people would be eligible for the benefit.

Income is assessed once a year, at tax time, instead of monthly as in OW and ODSP.

This means constantly having to declare your income from work, and constantly worrying about "overpayments" and having some OW or ODSP benefits clawed back.

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.

... advantages

3. Could reduce stigma.

The tax system is viewed in a much more neutral light than social assistance.

Giving people income through the tax system may thus reduce stigma.

This is especially important for certain groups, like people from racialized communities or people who are immigrants, for whom stigma around getting social assistance can be particularly strong.

... advantages

4. Could get governments to invest more money and protect programs.

Governments seem more willing to invest in tax-delivered income programs than in direct income support programs like social assistance.

Tax-delivered programs may thus be less likely to be cut or not invested in than programs like social assistance.

E.g., social assistance rates continue to fall behind, while the provincial government has fast-tracked money to low-income families through the Ontario Child Benefit.

Problems with tax-delivered income

1. You have to file an income tax return to get the income.

This is not easy. The forms are getting more complex as more tax credits are added to the system. Paying a company to do your taxes means you have that much less money.

Government should provide more free services to help people file their returns.

2. Difficulties getting benefits are not easily dealt with.

E.g., if a calculation is wrong or there is a problem with eligibility

Recourse is a process at the Canada Revenue Agency - lengthy, not transparent, and not easy. Final appeal to the Tax Court of Canada.

Resources to help low-income people through this process are limited.

Governments must make the system more transparent, easier to navigate, and provide more help in resolving disputes in a timely manner.

3. Could impact any income still coming through OW or ODSP.

E.g., the implementation of the Ontario Child Benefit (OCB) - OW and ODSP basic needs rates were reduced - certain lump-sum benefits were moved out of OW / ODSP and into the OCB.

While families on assistance ended up getting 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.

And more tax delivered income could make some people ineligible for OW or ODSP.

E.g., for some women, child support income + income from working + the Canada Child Tax Benefit + the National Child Benefit Supplement + the Ontario Child Benefit = not eligible for OW or ODSP.

Access lost to other vital supports, such as drug and dental benefits.

Government must not further restructure OW and ODSP rates. Any other moves to increase tax-delivered income benefits must give all people on assistance the full net benefit.

4. More cheques means more cheque cashing fees.

An increase in the number of cheques you receive from different sources will mean more cheque cashing fees, which 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.

Increasing tax-delivered income could just lead to an increase in the stigma attached to the tax system.

6. People without permanent resident or citizen status in Canada could be excluded.

E.g., the Ontario Child Benefit - eligibility for the OCB depends on eligibility for the federal CCTB and NCBS, which requires citizenship, permanent resident status, protected person status, or a valid permit in the 19th month.

In OW and ODSP, status is not part of eligibility.

Government must address this inequity and not perpetuate it in any new tax-delivered income benefits.

7. Transitions can be very difficult for people with low incomes.

If and when income is moved from social assistance into the tax-delivered income system, government must ensure that any negative impacts are addressed.

E.g., refundable tax credit payment recently changed - from lump sum to quarterly.

People were not well informed of the change. No measures were put in place to minimize the impact of the loss of the lump-sum payment. This means people are no longer able to count on a lump-sum for large purchases like winter clothes, Christmas presents, or furniture.

What would this look like in the Commission's Options Paper?

- The Commission could propose a Housing Benefit, which some advocates have been pushing for.
- It would likely be delivered through the tax system.
- It is seen by advocates as a way for government to help low-income Ontarians, while giving people on OW and ODSP extra income.
- In the election, the Liberals committed to "consider" a Housing Benefit.
- The Review Commission noted the Housing Benefit in its first Discussion Paper.
- 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. The Drummond report is due soon.

Discussion Questions

- Any questions on what tax-delivered income means?
- Can you think of other benefits / drawbacks to moving more income into the tax-delivered system?
- How would delivering more income through the tax system impact on particular groups of people in your community? (e.g., women, single parents, people in racialized communities, people with disabilities, newcomers, First Nations, etc.)

Discussion Questions

- In order for you to support moving income into the tax system, 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?
- 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 (financial or other kinds of eligibility)?
 - Will certain groups be left out?
 - Are there alternative options that would be more effective?

Why Organize?

- Options could have far-reaching implications for people on social assistance and low-wage workers
- Commission's final recommendations will guide government restructuring
- Government's focus appears to be on costcutting and administrative efficiencies, not poverty reduction

Organizing Toolkit

- Assess the Options
- Consult with your community
- Write a submission
- Meet with the Commissioners
- > Lobby MPPs

7 Useful Tools

- 1) Vision/Framework
- Options Backgrounders
- Using an Equity Lens
- 4) ODSP Action Coalition Position Statements
- 5) Government's Poverty Reduction Commitments
- 6) Political and Economic Overview
- 7) MPP Lobby Kit

1. Vision / Framework

- Assess each option against your vision for OW/ODSP
 - > Does it reflect your principles and values?
 - ➤ How would it need to be implemented to accomplish what you want to change about OW / ODSP?

ISAC's vision

- OW
 - > from punitive and counterproductive
 - > to supportive and accessible
- ODSP
 - > from punitive and inaccessible
 - > to supportive and inclusive
- ISAC's vision / framework available online
 - http://sareview.ca/isac-resources/submission-to-the-commission-for-the-review-of-social-assistance-in-ontario/

ODSP Action Coalition's Vision

- Based on a human-rights approach
- Outlines 4 key principles
 - Adequate standard of living
 - ➤ Dignity
 - > Poverty reduction
 - Accessibility
- ODSP Action Coalition vision available online
 - http://sareview.ca/isac-resources/dignity-adequacyinclusion-rethinking-the-ontario-disability-supportprogram/

2. Options Backgrounders

- Use ISAC's backgrounders to help people understand the options
 - > Tax Delivered Income
 - Moving Benefits out of OW & ODSP
 - Merging OW and ODSP
- Organize a community consultation
 - Discuss the advantages / disadvantages
 - Support? Or Not support?
 - ➤ How would each option need to be implemented to address poverty and other barriers in your community?

3. Using an Equity Lens

- Rather than commenting on each option broadly, focus on the impact of various options for particular groups
 - People with disabilities
 - Women
 - Lone mothers
 - Peoples of colour
 - Newcomers
 - First Peoples (First Nations, Inuit and Metis)
- Refer to the Toolkit for examples of submissions that do this

4. Disability Position Statements

- Use the ODSP Action Coalition's position statements on 5 key issues to understand what is at stake for people with disabilities:
 - Defining people with disabilities based on who "can" and "cannot" work
 - Accommodation and AODA
 - Mandatory participation in work-related activities
 - Mandatory treatment and rehabilitation
 - ➤ Special Diet Allowance
- Available online
 - http://sareview.ca/isac-resources/mpp-lobby-kit/

Impact for People with Disabilities

- Commission's first discussion paper reflected
 MCSS concerns about ODSP
 - Increasing caseloads
 - Few ODSP recipients in the paid workforce (11%)
- Troubling indicators of possible changes
 - Narrowing the definition of disability
 - > Redefining disability as "can" and "cannot" work
 - Mandatory participation

5. Government Poverty Reduction Commitments

- The Poverty Reduction Act was passed unanimously in 2009 by all provincial parties
- The Social Assistance Review is part of the government's Poverty Reduction Strategy
- ISAC's handout on 'Government Poverty Reduction Principles' lays out the political commitments
- Refer to these commitments in submissions and meetings with the Commissioners and MPPs
- Restructuring should be about reducing poverty, not government cost-cutting and administrative efficiencies

6. Political and Economic Overview

- Use ISAC's Political and Economic Overview to assess:
 - Which options will the government likely act on?
 - How quickly are they likely to move forward?
 - How are they likely to implement this option?
 - Who is likely to benefit and who isn't?
 - How much money is likely to be invested?
 - How narrow will the eligibility requirements be?
- Focus feedback on particular options or how each option needs to be implemented to address poverty and other barriers

The Doom and Gloom on Ontario's Economy

- Job losses / tax cuts / slow economic growth = diminishing government revenues and a growing deficit
- Premier promises to eliminate the deficit by 2017/18
- Appoints Don Drummond to lead a Commission on the Reform of Ontario's Public Services
 - > Report expected late January early February
 - ➤ Media reports indicate government spending must be limited to 1% for next 6 years to eliminate deficit.
 - > Some ministries could face 30% cuts.
 - Radical overhaul of how public services are delivered, including OW and ODSP

What will Government do?

Fears

Poverty reduction will be lost amidst focus on spending cuts, administrative savings and reducing OW/ODSP caseloads

Possibilities for Optimism?

- MCSS Minister a key player in government caucus
- ➤ Improvements to employment supports and access to training and education
- ➤ Greater political influence of NDP and Tories

Lobby your MPP!

- It doesn't end with the Commission's final report and recommendations. Don't give up!
- It's the government who has the power to restructure OW and ODSP, not the Commission. Lobby Liberal MPPs and ministers.
- Lobby NDP and Tory MPPs in a minority government, opposition parties have more clout!

7. MPP Lobby Kit

- Use the ODSP Action Coalition's MPP Lobby
 Kit or adapt it to create your own
 - http://sareview.ca/isac-resources/mpp-lobby-kit/

- The kit contains:
 - Key messages
 - Backgrounders and Positions on Key Issues
 - >MPP letter templates and tip sheets

Any Questions?





Thanks! and finally...

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