



INCOME SECURITY ADVOCACY CENTRE
Centre d'action pour la sécurité du revenu

1500 – 55 University Ave.
Toronto, ON M5J 2H7
Tel: 416-597-5820
Fax: 416-597-5821
Toll-free: 1-866-245-4072

More than 930,000 Ontarians continue to wait for incomes that give health and dignity: Other 2017 Budget announcements bring much-needed change

28 April 2017 – Ontario's 2017 Budget does very little to address the deep poverty experienced by people relying on support from Ontario Works (OW) and the Ontario Disability Support Program (ODSP), particularly those without other sources of income.

The Budget does make meaningful and substantial change to OW and ODSP rules around asset and gift exemptions, and significant increases to allowances for people in remote northern communities, all of which are welcome improvements.

As well, the Budget reiterates government's commitment to income security reform, signalling the importance of the upcoming report from the Income Security Reform Working Group.

The Budget's signature program announcement, prescription drug coverage for all Ontarians aged 24 years and under, makes major progress on expanding drug coverage beyond seniors and those receiving social assistance.

And while advocates are looking forward to comprehensive change to Ontario's labour laws in the upcoming Changing Workplaces Review report, no new investments have yet been made in employment standards enforcement.

Meagre Rate Increases Continue to Leave Ontarians in Poverty

The Budget includes a 2% increase to Ontario Works and Ontario Disability Support Program rates. For a single person on OW, this will mean an increase of \$15 per month, for a total of \$721 in basic needs and shelter benefits. A single person on ODSP will receive an additional \$23 per month, for a total of \$1,151.

Given government's balanced budget and its investments in other areas, these very low monthly increases constitute a tremendous disappointment for the more than 930,000 Ontarians on OW and ODSP, who are forced to live in deep poverty. Singles on OW would require a 40% increase in rates to get back to the levels received in 1995, before the previous government's 21.6% rate cuts. The current government has not made sufficient investments since 2004 to address these cuts.

Although the 2% increase is close to the current official rate of inflation, it doesn't address the real increases in costs that low-income people in Ontario face. Housing and energy costs have seen particularly steep recent hikes, which this low rate increase will not address. We acknowledge that government is making investments in low income energy programs, such as the Ontario Electricity Support Program, and look forward to progress on promised changes, like automatic enrollment, that will increase access for people on social assistance.

Rate increases will take effect in September 2017 for ODSP and October 2017 for Ontario Works, as has been the practice in past years. The 2% increase will also apply to a variety of other benefits available to people on OW and ODSP.

Major Increases to Asset Limits and Gift Exemptions

The 2017 Budget includes significant improvements to OW and ODSP rules around the amount of cash and other liquid assets people can have, and monetary gifts they can receive, without affecting their benefit levels or eligibility.

The amount of money that people can have in the bank or in other liquid assets will increase in Ontario Works from \$2,500 to \$10,000 for singles and from \$5,000 to \$15,000 for couples. ODSP asset levels will increase from \$5,000 to \$40,000 for singles and from \$7,500 to \$50,000 for couples. The Budget indicates that these increases will be in place by January 2018.

These asset level increases are substantial. They will provide a much better financial cushion and prevent low-income Ontarians from having to be completely destitute before qualifying for social assistance support. The higher level for people on ODSP acknowledges the sometimes life-long barriers they face, by allowing them to save and to retain more assets while still receiving income support.

Cash gift levels will increase from \$6,000 to \$10,000 per year in both OW and ODSP. As well, people will be able to accept a cash gift in any amount as long as the funds are used to pay for first and last month's rent deposits, purchasing a principal residence, or buying a vehicle. These changes will take effect in September 2017, and will be of great benefit to those who have family or friends who are able to provide cash gifts, or who receive honorariums or donations.

These increases are important and welcome, and build on positive changes made in 2013. But government must not lose sight of its responsibility to provide income security for those who don't receive enough to save for the future, and those who are without other sources of income to pay their day-to-day bills.

Increase to OW and ODSP Remote Communities Allowance

The Budget includes enhanced increases to the Remote Communities Allowance, which is available to people on OW and ODSP who live in communities above the 50th parallel.

People who are eligible will receive an additional \$50 per month for the first person in the household and an additional \$25 for each additional family member. For example, single people on OW or ODSP will see their allowance increase by \$50, from \$217 to \$267. A single parent with one child would see an additional \$75 increase, from \$348 to \$423. A couple with no children would also see a \$75 increase – from \$322 to \$397 for OW and from \$349 to \$427 for ODSP.

The Remote Communities Allowance is intended to assist with higher costs faced by remote First Nations and other communities. These increases will provide much-needed additional funds for those living in northern and remote areas, who have much higher costs of living.

Prescription Drug Coverage for All Ontario Children and Youth

The 2017 Budget also unveiled the new OHIP+: Children and Youth Pharmacare program, which will provide prescription drug coverage for all Ontarians aged 24 years and under, regardless of family income. The new program will start January 1, 2018.

This important expansion of drug coverage will ensure that all families with children in Ontario who need prescription drugs, whether they receive social assistance benefits or not, will have their drug costs covered. Low-income families with children will not have to choose between paying for their children's medications or for other essential needs. Eligibility will be the same as for OHIP, and there will be no deductible and no co-pay.

This is a major step toward providing prescription drug coverage to all Ontarians. An important next step will be to expand drug coverage to all adults, and to move toward a system of expanded extended health benefits, not only for low income children and adults as envisioned in government's 2014 Poverty Reduction Strategy, but for all Ontarians.

Employment Standards Enforcement

The 2017 Budget did not include new investments in employment standards enforcement or assistance for workers to file employment standards claims. It did indicate, however, that the Changing Workplaces Review Special Advisors' report, which is expected to be released soon, will include recommendations on enforcement. The report is intended to provide government with advice on changes to the Employment Standards Act and the Labour Relations Act, which address minimum workplace standards and labour relations protections.

Income Security Reform

The Budget does reiterate the government's commitment to reforming the province's income security system, which includes OW and ODSP. The Income Security Reform Working Group that government appointed in June 2016 continues its work to provide advice to government on a multi-year roadmap for improvements. ISAC is represented on the Working Group. We anticipate its report and recommendations in summer 2017, with public consultations in the fall.