

FACT SHEET

Social Assistance Rate Restructuring and Child Benefits: How This Impacts You

If you are a parent with dependent children under 18 and are on Ontario Works (OW) or the Ontario Disability Support Program (ODSP), there are several changes to your benefits coming soon that you should know about.

Starting in November 2007, benefit rates for all OW and ODSP recipients will increase

The provincial government is increasing both the Basic Needs amount and the Maximum Shelter amount by 2% for everyone on OW and ODSP. See ISAC's *Social Assistance Rates Fact Sheet, November 2007*, for more information.

Starting in July 2008, there will be a major change to benefits for families

The provincial government is restructuring OW and ODSP rates and introducing a monthly Ontario Child Benefit.

These changes affect families with dependent children only. Single people, couples without children, and parents without dependent children will not be affected.

Right now, if you are receiving:

- a child benefit cheque, made up of the Canada Child Tax Benefit and the National Child Benefit Supplement; and,
- an OW or ODSP cheque, made up of a Basic Needs amount and a Shelter amount,

from July 2008 onwards, you will receive:

- a child benefit cheque, which will be **more** than before because a **new** Ontario Child Benefit will be added to the Canada Child Tax Benefit and the National Child Benefit Supplement; and,
- an OW or ODSP cheque, which will be **less** than before for most families because of a reduction in the Basic Needs amount.

Other changes:

- your OW or ODSP cheque will no longer show the National Child Benefit Supplement being deducted; and,
- the Back-to-School allowance and the Winter Clothing allowance will no longer be paid in lump sums in August and November. Instead, the government has said that they will be included in the monthly Ontario Child Benefit amounts.

Maximum Shelter amounts are not being reduced.

The tables on the next page show how cheques will change after July for some family types.

Maximum Monthly Rates as of Nov 2007, with 2% increase and existing NCBS deduction

OW Case Type	Ontario Works Cheque				Child Benefit Cheque			TOTAL
	Basic Needs	+ Max Shelter	- NCBS	= Total	CCTB	+ NCBS	= Total	
Single Parent + 1 Child*	\$480	\$549	\$122	\$907	\$107	\$166	\$273	\$1,180
Single Parent + 2 children**	\$615	\$595	\$226	\$984	\$214	\$312	\$526	\$1,510
Couple +1 Child *	\$512	\$595	\$122	\$985	\$107	\$166	\$273	\$1,258
ODSP Case Type	Ontario Disability Support Program Cheque				Child Benefit Cheque			TOTAL
	Basic Needs	+ Max Shelter	- NCBS	= Total	CCTB	+ NCBS	= Total	
Single Parent + 1 Child*	\$829	\$700	\$122	\$1,407	\$107	\$166	\$273	\$1,680
Single Parent + 2 Children**	\$1,001	\$759	\$226	\$1,534	\$214	\$312	\$526	\$2,060
Parent + Spouse + 1 Child*	\$940	\$759	\$122	\$1,577	\$107	\$166	\$273	\$1,850

Restructured Maximum Monthly Rates as of July 2008 with Ontario Child Benefit

OW Case Type	Ontario Works Cheque			Child Benefit Cheque				TOTAL
	Basic Needs	+ Max Shelter	= Total	CCTB	+ NCBS	+ OCB	= Total	
Single Parent + 1 Child*	\$355	\$549	\$904	\$107	\$166	\$50	\$323	\$1,227
Single Parent + 2 children**	\$372	\$595	\$967	\$214	\$312	\$100	\$626	\$1,593
Couple +1 Child *	\$420	\$595	\$1,015	\$107	\$166	\$50	\$323	\$1,338
ODSP Case Type	Ontario Disability Support Program Cheque			Child Benefit Cheque				TOTAL
	Basic Needs	+ Max Shelter	= Total	CCTB	+ NCBS	+ OCB	= Total	
Single Parent + 1 Child*	\$697	\$700	\$1,397	\$107	\$166	\$50	\$323	\$1,720
Single Parent + 2 Children**	\$756	\$759	\$1,515	\$214	\$312	\$100	\$626	\$2,141
Parent + Spouse + 1 Child*	\$821	\$759	\$1,580	\$107	\$166	\$50	\$323	\$1,903

* 1 child under the age of 12.

** 1 child under age 12 and one child over age 12.

What do these changes mean for families on OW and ODSP?

The government has made the following commitments about what the Ontario Child Benefit (OCB) and the restructuring of the OW and ODSP rates will mean:

- The rate restructuring in July 2008 will not leave any family on OW or ODSP worse off than they were before; and,
- When the OCB reaches its maximum level of \$92 in 2011, families on social assistance who are eligible for the maximum OCB will be at least \$50 a month better off for each child.

Do the new OW and ODSP rates meet the commitment that no family will be worse off after restructuring?

For most families on OW and ODSP, it appears that the answer is “yes”.

But our analysis has shown that there are two types of families in the OW rates (**not** ODSP) who fall short, when we include the \$250 OCB down payment that families got in July 2007. Spread out over a year, that \$250 equals an increase of \$21 a month per child. As we understand the government’s commitment, families who are eligible for maximum benefits should continue to see an increase of at least \$21 after the OCB and rate restructuring starts. For almost all family types, that is what happens. But for two family types that we have identified, that is not the case.

ISAC has been in contact with the Premier’s office about this issue. They have told us that this problem was unintended, and that they will fix it as soon as possible. We are monitoring this closely and will provide more information as it becomes available.

The second important issue is that families with children will no longer receive a lump-sum payment in August and November for the Back-to-School and Winter Clothing allowances. Instead, the monthly equivalent for each benefit will be paid out over the year as part of the \$50 Ontario Child Benefit. This means that families will have to either put money aside for these purchases or buy them throughout the year.

In addition, it is important to know that the province will require parents to take reasonable steps to receive both the NCBS and the OCB.

What if I’m currently not eligible for the National Child Benefit Supplement?

At the same time that the monthly Ontario Child Benefit starts (July 2008), the government will also be introducing what it calls the Transition Child Benefit (TCB).

The TCB is intended to cover the difference between current rates and the restructured rates that will begin in July 2008. This means that the TCB is intended for those people receiving OW or ODSP who are not eligible for the National Child Benefit Supplement (NCBS), or who only receive part of the NCBS or OCB. Some examples are:

- people who are in Canada without immigration status;
- people who are in the middle of the OCB application process;
- people who have not filed an income tax return for the previous year;
- people who have a newborn child or who have recently moved to Ontario; or,
- people who did not qualify based on income in the previous year but who have had a sudden decrease in income in the present year.

If you are not receiving the NCBS, you should talk to your caseworker about whether you might be entitled to the Transition Child Benefit.

ISAC will be providing a separate Fact Sheet on the Transition Child Benefit as more information becomes available.

What if I have joint custody of my children?

The government has not provided details of how the Transition Child Benefit may be delivered to parents with joint custody. ISAC is monitoring this situation and will provide more information as it becomes available.

Does this end the clawback?

Some of the National Child Benefit will continue to be clawed back under this new system.

The value of the clawback is \$122 for one child. The government has said that when the OCB is fully implemented in 2011, families will be better off by at least \$50 a month per child. This means that for a family with one child, there will still be about \$72 being clawed back by the provincial government.

What can I do now?

1) Make sure that you are eligible for the Ontario Child Benefit.

In order to be eligible, you must have registered your children for the Canada Child Tax Benefit and filed a 2006 tax return.

Information about how to apply is available through your caseworker or online at:

www.cra-arc.gc.ca/benefits/cctb/faq_qualifying-e.html

2) See ISAC's Ontario Child Benefit Questions and Answers Fact Sheet for more information:

www.incomesecurity.org/documents/ISACOCBQandAOct07_000.pdf

3) See ISAC's Social Assistance Rates Fact Sheet, November 2007, for more information:

www.incomesecurity.org/documents/Socialassistanceratesw2increaseNovember2007.pdf