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Not Much Assistance for Social Assistance in Budget 2015

April 24, 2015 – Ontario's 2015 Budget provides very little assistance to people relying on the low incomes provided by the province's two social assistance programs, Ontario Works (OW) and the Ontario Disability Support Program (ODSP).

“For most people on social assistance, benefits will continue to be eroded by a rate increase that is below the rate of inflation,” said Jennefer Laidley, Research and Policy Analyst at the Income Security Advocacy Centre.

The Budget contains a 1% increase to OW and ODSP rates, with some caveats. Single people on OW without children, who have the lowest incomes of all groups on social assistance, will receive an additional \$25 per month, which is an effective 3.8% increase. All others on OW and single people on ODSP with no dependents will receive 1%. However, no increase will be given to support the non-disabled family members of people with disabilities, as the 1% ODSP increase will only apply to funds for the person in the household with the disability.

“We commend government for continuing to bolster the dangerously low incomes of singles on OW,” said Laidley. “But it's unacceptable that government continues to make the choice to allow some of Ontario's most vulnerable low-income residents, especially those with disabilities, to suffer the effects of real losses in their incomes year over year.”

This differential approach to rate increases mirrors that taken in the last three years. Rate increases will take effect in October for ODSP and November for OW.

An important commitment in Budget 2015 is a consultation process that will take place over the coming year to redesign the rate structure in OW and ODSP. No details on the consultation process are currently available. However, the Budget does indicate that reforms to social assistance will proceed using the 2012 recommendations of the Commission for the Review of Social Assistance in Ontario as a “guide”.

“We are pleased to hear that the Ministry will be consulting on rates, given the absence of meaningful consultation on reforms made in the last three years,” said Mary Marrone, ISAC's Director of Advocacy and Legal Services. “We hope this consultation will focus on determining what income adequacy looks like for people on social assistance and putting in place a plan and the additional investments that are required to get there, rather than on the Commission's problematic recommendations that put rates and benefits even further at risk.”

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The Budget also indicates that changes are coming to the Ontario Drug Benefit program, which people on OW and ODSP have access to. Details of these changes are not currently available. ISAC will monitor this issue and provide further information as details become available.

No action was taken in this Budget to exempt child support payments from being deducted from social assistance rates or end the requirements for single parents to pursue child support, as many advocates have recommended for several years. Neither was there any indication that government will reverse the decision taken in last year's Budget to eliminate the ODSP Work-Related Benefit, which is slated to take place in October 2015.

Budget 2015 also re-states important previously-announced commitments related to poverty reduction, including:

- Indexing the Ontario Child Benefit to inflation, which will begin in July 2015 and provide a maximum additional \$26 per child per year.
- The creation of the Ontario Electricity Support Program, which will start in January 2016 and provide a monthly benefit of between \$20 and \$50 directly on the bills of low-income electricity consumers.
- Additional funding to increase the legal aid eligibility threshold, which will allow community legal clinics to increase the number of people they serve and the areas of law in which services are provided.
- Continuing the work of the Expert Advisory Panel on Homelessness, which is giving advice to government on defining homelessness, collecting data, and effective approaches to ending homelessness.
- The annualization of an additional \$42 million in funding for the Community Homelessness Prevention Initiative (CHPI).
- A review of the Long-Term Affordable Housing Strategy.
- Continued investment in the Affordable Housing Program.

ISAC will provide more information on the relationship between inflationary increases to the Ontario Child Benefit and social assistance rates as more details become available.