

The Income Security Advocacy Centre makes the following six recommendations for the 2023 federal budget:

- **Recommendation 1** – Remove the accrual model for the 10 employer-paid sick days legislated in Bill C-3 and replace it with full access to 10 paid sick days per year immediately upon starting new employment and at the beginning of each calendar year.
- **Recommendation 2** – Increase the minimum wage for federally regulated workers to \$20 an hour, while maintaining its annual indexation to the Consumer Price Index (CPI)
- **Recommendation 3** – Reform Employment Insurance (EI) into a fair and accessible program for all workers by setting a cross-Canada qualifying rule of 360 hours or 12 weeks for all benefits and setting a benefit floor at \$500 per week.
- **Recommendation 4** – Implement a Canada Disability Benefit that brings people living with disabilities above the poverty line, that uses the broadest possible definition of disability to determine eligibility, and that is accessible to everyone who resides in Canada, regardless of their immigration status. Reduce barriers to tax filing to ensure people can access the benefit and include a timely appeal process through an accessible administrative tribunal.
- **Recommendation 5** – Address working-age single adult poverty by expanding the Canada Workers Benefit while reducing barriers to tax filing and including a timely appeal process through an accessible administrative tribunal.
- **Recommendation 6** – Extend eligibility for the Canada Child Benefit (CCB) to all children who reside in Canada, regardless of their parents’ immigration status. Invest in targeted community outreach strategies to reduce barriers and to ensure Indigenous communities can access the Benefit.



ISAC is a specialty legal clinic funded by Legal Aid Ontario. Our mandate is to advance the rights and interests of low-income Ontarians with respect to income security and employment. We carry out our mandate through test case litigation, policy advocacy, community organizing, and public education.

Founded in 2001, we are governed by a community Board of Directors representative of all regions of Ontario. Our Board includes legal clinic caseworkers and people who identify as low-income, with representation from Indigenous communities, racialized communities, people with disabilities, and recipients of income support benefit programs.

We make the following six recommendations for the 2023 budget:

**1. Replace the accrual model for the 10 employer-paid sick days with full access to 10 paid sick days per year immediately upon starting new employment and at the beginning of each calendar year**

December 1, 2022, the federal government finally implemented the 10 employer-paid sick days for federally regulated workers in the *Canada Labour Code* by passing Bill C-3. The implementation of the 10 employer-paid sick days is an important step to protect the health of all federally regulated workers. However, the accrual model for these paid sick days raises significant concerns. Workers need adequate, universal, and seamlessly accessible paid sick days. For workers starting new employment, they will earn only three days after a 30 day waiting period and then begin accruing one paid sick day per month up to a maximum of 10 days. The monthly accrual model will leave many workers without protection. In particular, this will be a barrier to accessing adequate paid sick days for those in temporary and insecure employment who are disproportionately racialized and immigrant workers.

- **Recommendation 1** – Remove the accrual model for the 10 employer-paid sick days legislated in Bill C-3 and replace it with full access to 10 paid sick days per year immediately upon starting new employment and at the beginning of each calendar year.

**2. Increase the minimum wage for federally regulated workers to \$20 an hour**

December 29, 2021, a federal minimum wage of \$15 per hour was brought in for the federally regulated private sector, which encompasses roughly 955,000 workers in Canada. The federal minimum wage is annually adjusted on April 1<sup>st</sup> of each year in line with the Consumer Price Index (CPI). The current federal minimum wage is \$15.50 an hour. This year it is set to rise to \$16 an hour.

The implementation of a minimum wage in the federal sector was long overdue. The indexation of the wage to the CPI is important to ensure workers do not fall behind as they are confronted with the cost of living crisis. However, the pandemic has revealed that a baseline of a \$15 per hour wage is not enough. Workers in the federally regulated sector need a higher minimum wage in order to keep up with the cost of living crisis. The cost of food, shelter, and transportation are putting workers further behind. Just this last year the price of groceries increased by 11%.<sup>1</sup> We therefore recommend raising the minimum wage to support workers and ensure none are left behind.

- **Recommendation 2** – Increase the minimum wage for federally regulated workers to \$20 an hour, while maintaining its annual indexation to the Consumer Price Index (CPI).

### **3. Reform Employment Insurance into a decent and accessible system**

We commend the federal government for undertaking a review of the Employment Insurance (EI) system. EI is long overdue for reform into a system that can meet the needs of working Canadians who lose their jobs, fall ill, go on parental leave, or are unable to work. The program’s eligibility requirements have become increasingly inaccessible to workers, including low-wage precarious workers. This has most hurt women, Indigenous, racialized, disabled, and migrant workers. We therefore make the following recommendations:

1. Set a new cross-Canada qualifying rule of 360 hours or 12 weeks for all EI benefits.
2. Set a minimum benefit floor of \$500 per week.
3. Eliminate unfair disqualification rules that hurt vulnerable workers the most (including management-labelled “quit-fire”).
4. Expand access to migrant workers and those misclassified as independent contractors.

We also support the [recommendations of the Ontario Community Legal Clinics Employment Insurance Working Group](#).

- **Recommendation 3** – Reform Employment Insurance (EI) into a fair and accessible program for all workers by setting a cross-Canada qualifying rule of 360 hours or 12 weeks for all benefits and setting a benefit floor at \$500 per week.

### **4. Bring people living with disabilities out of poverty with the Canada Disability Benefit**

People with disabilities are twice as likely to live in poverty.<sup>2</sup> Up to one third of people living in poverty are women with disabilities, and this poverty is exacerbated for those who are Indigenous, racialized, single parents,<sup>3</sup> or for people with precarious immigration status. Since people with disabilities have not received the same increases to income guarantees as children or seniors over the last fifteen years, action is required immediately

The introduction on June 2, 2022 of Bill C-22, *the Canada Disability Benefit Act*,<sup>4</sup> was welcome news.<sup>5</sup> For the Canada Disability Benefit to reduce poverty among people with disabilities, we also make the following recommendations:

1. Use the broadest possible definition of disability to determine eligibility.
2. Guarantee an adequate benefit amount to bring all people with disabilities above the poverty line.
3. Ensure the benefit is exempt from clawbacks.
4. Extend it to everyone living in Canada, regardless of their immigration status.
5. Proactively reduce barriers to tax filing for marginalized and low-income populations to increase access to the benefit.

6. Include a transparent and timely appeal process through an accessible administrative tribunal.
- **Recommendation 4** – Implement a Canada Disability Benefit that brings people living with disabilities above the poverty line, that uses the broadest possible definition of disability to determine eligibility, and that is accessible to everyone who resides in Canada, regardless of their immigration status. Reduce barriers to tax filing to ensure people can access the benefit and include a timely appeal process through an accessible administrative tribunal.

## 5. Address working-age single adult poverty by expanding the Canada Workers Benefit

The 2021 Census showed that more than one in five Canadians living alone or not living in an economic family were in poverty because they cannot pool resources or share costs.<sup>6</sup> Across Canada, working-age single people, many of whom rely on social assistance, experience the highest rates and deepest levels of poverty.<sup>7</sup> Working-age singles comprise 61% of the Ontario Works (OW) caseload and 79% of the Ontario Disability Support Program (ODSP) caseload.<sup>8</sup> A single individual receives \$733 per month from OW, and \$1,228 per month if they qualify for ODSP.<sup>9</sup> These individuals are therefore forced to live between 45%-65% below the poverty line and in deep poverty based on the Market Basket Measure.<sup>10</sup>

Rampant inflation has made it increasingly difficult, if not impossible to afford disability supports, transportation, digital access, and the basic needs of food and shelter. Tragically, some are turning to medical assistance in dying (MAiD) because they cannot afford to live.<sup>11</sup> Because accessible and subsidized housing is scarce, approximately 70% people who rely on social assistance live in market rent housing. In Ontario, 67% of households that rely on social assistance are food insecure, almost half of which are severely food insecure and experience reduced quality *and* quantity of food intake.<sup>12</sup>

*Canada's First Poverty Reduction Strategy* met the target to reduce poverty by 20% by 2020<sup>13</sup> with investments in the Canada Child Benefit (CCB), the Guaranteed Income Supplement, (GIS) and temporary emergency pandemic benefits.<sup>14</sup> While children and seniors will continue to have support, working-age singles will remain in deep poverty because they have few permanent benefits available to them. If Canada is to maintain its 2020 target, it must address poverty among working-age single adults.

One important way to do this is by expanding the Canada Workers Benefit (CWB). The CWB is a refundable tax credit that is not clawed back by the provinces. Maytree and Community Food Centres Canada recommend expanding it to the proposed Canada Working-Age Supplement (CWAS). CWAS will increase the floor amount to \$3,000 with a \$1,000 employment boost to provide a maximum of a \$4,000 supplement for all working-age singles, whether they are working or not.<sup>15</sup> Raising the income floor will assist people living in deep poverty to access the labour force. In seven provinces, welfare incomes would rise above the deep income poverty threshold and CWAS would reduce the depth of poverty by between 9% and 39% across Canada.<sup>16</sup> CWAS will result in measurable gains to close the benefit gap for working-age singles living in poverty. It builds upon pre-existing infrastructure and is feasible for rapid implementation.

We recommend implementing CWAS with two important additions: first, proactively reduce barriers to tax filing for marginalized and low-income populations so they can access the benefit;<sup>17</sup> and second, implement a transparent, timely appeal process through an accessible administrative tribunal.

- **Recommendation 5** – Address working-age single adult poverty by expanding the Canada Workers Benefit while reducing barriers to tax filing and including a timely appeal process through an accessible administrative tribunal.

## 6. Increase access to the Canada Child Benefit

The Canada Child Benefit (CCB) was introduced by the federal government to help low and middle-income families with the cost of raising children, and to reduce child poverty. The program has helped to reduce child poverty significantly since its introduction in 2016, with the national child poverty rate falling from 9.4% in 2019 to 4.7% in 2020.<sup>18</sup> However, the reduction in 2020 was related to the temporary emergency pandemic benefits, and as a result, the child poverty rate is expected to increase again. Children whose families historically could not access the CCB will also continue to be impacted by the shortcomings of the program.

In particular, two significant barriers to accessing the CCB have prevented it from reducing poverty for all children:

- (i) **Eligibility:** The CCB excludes some of the most vulnerable children in Canada – children of refugee claimants – from receiving this important benefit. As a result of the exclusion, in 2017, 24,000 children under 18 could not access the CCB.<sup>19</sup> This denial hurts women and racialized people in particular, and leaves children from marginalized groups<sup>20</sup> without a financial benefit to help meet their basic needs.
- (ii) **Delivery:** Administration of the benefit through the income tax system poses barriers to Indigenous families living on reserve, only 79% of whom accessed the CCB in 2017 compared to 97% of the general population.<sup>21</sup>

We recommend that eligibility for the CCB be extended to all children who reside in Canada. The cost of doing so is minimal: an additional \$160 million a year, well under 1% of the total CCB paid.<sup>22</sup> We also ask the federal government to invest in targeted community outreach, education, and support strategies that will ensure Indigenous and other under-reached communities can access this critical benefit.

- **Recommendation 6** – Extend eligibility for the Canada Child Benefit to all children who reside in Canada, regardless of their parents' immigration status. Invest in targeted community outreach strategies to reduce barriers and to ensure Indigenous communities can access the Benefit.

## End Notes

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- <sup>1</sup> Statistics Canada (2023). *Consumer Price Index, December 2022*. Retrieved from Statistics Canada website: <https://www150.statcan.gc.ca/n1/daily-quotidien/230117/dq230117a-eng.htm>.
- <sup>2</sup> Canadian Centre for Policy Alternatives. (2020). *Alternative Federal Budget Recovery Plan*. <https://www.policyalternatives.ca/publications/reports/alternative-federal-budget-recovery-plan>, p. 57.
- <sup>3</sup> DAWN. (2019). *More Than A Footnote: A Research Report on Woman and Girls with Disabilities in Canada*, [https://www.dawncanada.net/media/uploads/page\\_data/page-64/beyond\\_crpd\\_final\\_eng\\_\(2\).pdf](https://www.dawncanada.net/media/uploads/page_data/page-64/beyond_crpd_final_eng_(2).pdf), p. 31.
- <sup>4</sup> *Bill C-22, An Act to reduce poverty and to support the financial security of persons with disabilities by establishing the Canada disability benefit and making a consequential amendment to the Income Tax Act*. (2021). First Reading June 22, 2021, 43<sup>rd</sup> Parliament, 2<sup>nd</sup> session. Retrieved from Parliament of Canada website: <https://www.parl.ca/DocumentViewer/en/44-1/bill/C-22/first-reading>.
- <sup>5</sup> *Bill C-22, An Act to reduce poverty and to support the financial security of persons with disabilities by establishing the Canada disability benefit and making a consequential amendment to the Income Tax Act*. (2021). First Reading June 22, 2021, 43<sup>rd</sup> Parliament, 2<sup>nd</sup> session. Retrieved from Parliament of Canada website: <https://www.parl.ca/DocumentViewer/en/44-1/bill/C-22/first-reading>.
- <sup>6</sup> Statistics Canada. (2022). *Disaggregated trends in poverty from the 2021 Census of Population*. (Catalogue number 98-200-X). Retrieved from Statistics Canada website: <https://www12.statcan.gc.ca/census-recensement/2021/as-sa/98-200-X/2021009/98-200-X2021009-eng.cfm>.
- <sup>7</sup> Talwar Kapoor, Garima, Mohy Tabbara, Sherri Hanley and Sasha McNicoll. *How to Reduce the Depth of Single Adult Poverty in Canada: Proposal for a Canada Working-Age Supplement*. Maytree & Community Food Centres Canada (September 2022). <https://maytree.com/wp-content/uploads/canada-working-age-supplement-report.pdf>, p. 1.
- <sup>8</sup> Tabbara, Mohy (2022). *Social Assistance Summaries, 2021*. Maytree. [https://maytree.com/wp-content/uploads/Social\\_Assistance\\_Summaries\\_All\\_Canada.pdf](https://maytree.com/wp-content/uploads/Social_Assistance_Summaries_All_Canada.pdf), p. 61.
- <sup>9</sup> *Ontario Disability Support Program Act* (1997). O. Reg. 222/98, s.30, 31. Retrieved from Government of Ontario website: <https://www.ontario.ca/laws/regulation/980222> and *Ontario Works Act* (1997). O. Reg 134/98, s. 41, 42. Retrieved from Government of Ontario website: <https://www.ontario.ca/laws/regulation/980134>.
- <sup>10</sup> The Market Basket Measure is “based on the cost of a specific basket of goods and services representing a modest, basic standard of living. It includes the costs of food, clothing, shelter, transportation and other items.” See Statistics Canada (2022). *Table 11-10-0066-01 Market Basket Measure (MBM) thresholds for the reference family by Market Basket Measure region, component and base year*. <https://www150.statcan.gc.ca/t1/tb11/en/tv.action?pid=1110006601>, note 2.
- <sup>11</sup> Favaro, Avis. (2022, April 30). *Woman with disabilities nears medically assisted death after futile bid for affordable housing*. CTV News. <https://www.ctvnews.ca/health/woman-with-disabilities-nears-medically-assisted-death-after-futile-bid-for-affordable-housing-1.5882202>.
- <sup>12</sup> Tarasuk, Valerie, Tim Li and Andrée -Anne Fafard St-Germain. (2022). *Household food insecurity in Canada, 2021*. Toronto: Research to identify policy options to reduce food insecurity (PROOF). <https://proof.utoronto.ca/wp-content/uploads/2022/08/Household-Food-Insecurity-in-Canada-2021-PROOF.pdf>, pp. 20-21.
- <sup>13</sup> Government of Canada. (2018). *Opportunity for All: Canada’s First Poverty Reduction Strategy*. Retrieved from the Government of Canada website: <https://www.canada.ca/content/dam/canada/employment-social-development/programs/poverty-reduction/reports/poverty-reduction-strategy-report-EN.pdf>, p. 3
- <sup>14</sup> Government of Canada. (2020). *Canada’s poverty rate decreased significantly in 2020* Retrieved from the Government of Canada website: <https://www.canada.ca/en/employment-social-development/news/2022/03/canadas-poverty-rate-decreased-significantly-in-2020-federal-emergency-and-recovery-benefits-mitigated-the-pandemics-economic-impact.html>.
- <sup>15</sup> Talwar Kapoor, Garima, Mohy Tabbara, Sherri Hanley and Sasha McNicoll. (2022). *How to Reduce the Depth of Single Adult Poverty in Canada: Proposal for a Canada Working-Age Supplement*. Maytree & Community Food Centres Canada (September 2022). <https://maytree.com/wp-content/uploads/canada-working-age-supplement-report.pdf>, p. 53.
- <sup>16</sup> Talwar Kapoor, Garima, Mohy Tabbara, Sherri Hanley and Sasha McNicoll. (2022). *How to Reduce the Depth of Single Adult Poverty in Canada: Proposal for a Canada Working-Age Supplement*. Maytree & Community Food Centres Canada. <https://maytree.com/wp-content/uploads/canada-working-age-supplement-report.pdf>, p. 58.

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<sup>17</sup> Several options are available to reduce barriers. Please see Prosper Canada (2016). *Breaking Down Barriers to Tax Filing for People Living on Low Incomes*. <https://prospercanada.org/getattachment/877cb75f-4f8f-44ff-b762-af726c3afce7/Breaking-down-barriers-to-tax-filing.aspx>.

<sup>18</sup> Government of Canada (2022, March 23). *Canada's poverty rate decreased significantly in 2020* [News release]. <https://www.canada.ca/en/employment-social-development/news/2022/03/canadas-poverty-rate-decreased-significantly-in-2020-federal-emergency-and-recovery-benefits-mitigated-the-pandemics-economic-impact.html>.

<sup>19</sup> Canadian Centre for Policy Alternatives. (2022). *Alternative Federal Budget 2023*. <https://policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2022/09/AFB%202023.pdf>, p. 93.

<sup>20</sup> Income Security Advocacy Centre, Campaign 2000, Chinese and Southeast Asian Legal Centre and South Asian Legal Centre. (2018). *Every Child Counts: Making sure the Canada Child Benefit is a benefit for all children*. <http://incomesecurity.org/wp-content/uploads/2020/04/Every-Child-Counts-Canada-Child-Benefit-for-All-September-2018.pdf>, pp. 3-4.

<sup>21</sup> Office of the Auditor General of Canada. (2022). *Access to benefits for hard-to-reach populations: independent auditor's report (Series)*. Retrieved from the Office of the Auditor General of Canada website: [https://www.oag-bvg.gc.ca/internet/docs/parl\\_oag\\_202205\\_01\\_e.pdf](https://www.oag-bvg.gc.ca/internet/docs/parl_oag_202205_01_e.pdf), p 9.

<sup>22</sup> Canadian Centre for Policy Alternatives. (2022). *Alternative Federal Budget 2023*. <https://policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2022/09/AFB%202023%20-%20Rising%20to%20the%20Challenge%20.pdf>, p. 93.