

# Changes to Social Assistance in Ontario Important ODSP/OW Update



In November 2018, we reported on the government of Ontario's announcement of a new direction for social assistance (<https://www.halco.org/2018/news/odsp-update2018nov>). The proposed changes relate to Ontario Works (OW) and the Ontario Disability Support Program (ODSP).

## **OW recipients residing in First Nations communities**

Changes will not be implemented at this time for OW recipients who reside in First Nations communities because the government announced a commitment to engage with First Nations on a plan for implementing reform. As a result, implementation of some changes for First Nation Ontario Works delivery partners is deferred, with the government expecting a report in May 2020.

## **Changes to how earned income is treated**

People receiving OW and ODSP can earn income and still receive benefits. Earned income may be from employment, operating a business, or from a training program. Some income does not affect the amount of social assistance that a recipient receives, but all income must be reported to OW/ODSP.

The government announced in November 2018 that the way earned income is treated will be changing. In May 2019, the government indicated that earned income changes will take effect on November 1, 2019 for OW recipients and on January 1, 2020 for ODSP recipients.

## **How earnings are treated now**

OW and ODSP recipients can now keep the first \$200 of net earned income each month without any impact on the amount of assistance they receive. After reducing net income by this \$200, 50% of the remaining amount is then deducted from their OW/ODSP assistance. For example, if net income is \$1,000, then \$400 would be deducted from their assistance ( $\$1,000 - \$200 = \$800 \times 50\% = \$400$ ). These exemptions apply to all ODSP recipients and to OW recipients who have been receiving OW for at least three months. Allowable child care and disability-related employment expenses further reduce the amount of earnings deducted from OW/ODSP assistance. ODSP recipients also receive a \$100 Work-Related Benefit for each month that they report earned income. All income must be reported.

## **How earnings will be treated after the changes**

**OW in November 2019:** The new OW earned income rules will begin on November 1, 2019, and will apply when someone has been receiving OW for at least one month instead of the current three months. OW recipients will be able to keep the first \$300 of net earned income each month without any impact on the amount of assistance they receive. After the net income is reduced by this \$300, 75% of the remaining amount is deducted from their OW assistance. For example, if net income is \$1,000, then \$525 would be deducted from the recipient's assistance ( $\$1,000 - \$300 = \$700 \times 75\% = \$525$ ). It is not clear how childcare and disability-related expenses will be treated.

**ODSP in January 2020:** New ODSP earned income rules will begin on January 1, 2020, and will consider income on an annual rather than monthly basis (although it is not clear yet if income will still have to be reported on a monthly basis). ODSP recipients will be able to keep the first \$6,000 of net annual earned income without any impact on the amount of assistance they receive. When a recipient's net earnings are more than \$6,000 in a calendar year, 75% of net earnings will be deducted from their ODSP assistance. We do not know yet how the reporting or calculations will be done. It is not clear how the earnings of spouses/partners or dependent adults of ODSP recipients will be treated, or, how childcare/disability-related expenses will be treated.

## **People will become ineligible at lower incomes**

The earnings changes will benefit certain people who have earned income: OW recipients who earn about \$500 or less per month, and, ODSP recipients who earn about \$1,100 or less per month. The increase to a 75% clawback means that people earning above these amounts will have less total income once the new rules are implemented and will become ineligible to receive income support at lower income levels, although some health benefits may continue.

## **Transition Child Benefit will end in November 2019**

The Transition Child Benefit (TCB) provides up to \$230 per child per month to parents on OW or ODSP who have children under 18 who are not eligible for or not yet receiving the Ontario Child Benefit (OCB)/Canada Child Benefit (CCB), or who receive partial OCB/CCB. TCB helps parents to pay for children's basic living expenses. The government recently announced that the TCB will end in November 2019. (As noted above, this will not apply to OW recipients residing in First Nations communities until the government has engaged with First Nations.)

## **Some overpayments will be recovered at 10%**

If OW/ODSP takes the position that a recipient received benefits that they were not entitled to receive, an overpayment may be placed against a recipient's assistance. OW/ODSP can take action to recover the overpayment by making deductions from the recipient's assistance until the overpayment amount is paid off. If OW/ODSP decides that an overpayment was within the recipient's control to prevent, the overpayment recovery will be a monthly deduction of 10% until the overpayment is paid off. The 10% deduction rate may also be applied in some other circumstances, including when OW/ODSP takes the position that the recipient has the ability to afford a 10% deduction. A reduced overpayment recovery rate can be requested on the basis of financial hardship. OW/ODSP can also decide not to collect overpayments in certain circumstances. People who disagree with OW/ODSP overpayment decisions can request an Internal Review and also file an appeal at the Social Benefits Tribunal.

## **Other changes to OW and ODSP**

We do not know yet when other announced changes will be implemented, including the following:

- change to the ODSP definition of disability.
- simplification of OW and ODSP rates.
- introduction of the health spending account for ODSP recipients.
- increased use of automation and technology.
- enhanced verification and information sharing, including use of third-party information to identify cases for review.
- streamlined immigration sponsorship debt collection.

## **Addiction Services Initiative will end in July 2019**

The Addictions Services Initiative (ASI) is a pilot currently delivered by 17 municipal social assistance partners. The government announced that it will no longer fund the ASI as of July 31, 2019. The government indicated the following:

- Current ASI participants are to be given transition support.
- The government does not expect any ASI participants will be cut off from their treatment. The government is announcing the end of the ASI to give delivery partners time to plan for the transition, and will work with delivery partners to address circumstances where, despite reasonable efforts, a small number of participants are still in treatment as of July 31, 2019.

(As noted above, this will not apply to OW recipients residing in First Nations communities until the government has engaged with First Nations.)

## What can people do now?

People who may be eligible for OW or ODSP can apply for benefits now. People living with HIV can contact HALCO for free legal advice about their OW/ODSP eligibility or any other legal issue (see below *Getting Legal Help* for more information). People receiving OW/ODSP now are encouraged to ensure they are receiving all the benefits that they are entitled to receive, including any Special Diet Allowances as well as health benefits like:

- Prescription medications.
- Dental, vision and hearing benefits.
- Other health benefits including diabetic supplies, medical travel costs, medical/surgical supplies (including incontinence supplies).

## If someone disagrees with an OW or ODSP decision

OW/ODSP recipients have the right to request an internal review of any OW/ODSP decision. If the internal review is denied, most decisions can be appealed to the Social Benefits Tribunal.

## Getting Legal Help

People living with HIV in Ontario can contact the HIV & AIDS Legal Clinic Ontario (HALCO) for free legal advice about ODSP/OW and other legal issues: 416-340-7790 or toll-free 1-888-795-8889. You can find more information on the HALCO website: [www.halco.org](http://www.halco.org)

People can also contact their local community legal clinic for free legal advice. Local legal clinics can be found using the Legal Aid Ontario website:

[https://www.legalaid.on.ca/en/getting/type\\_civil-clinics.asp](https://www.legalaid.on.ca/en/getting/type_civil-clinics.asp).

**This info sheet contains general information. It is not legal advice. The law is complicated and may change. If you have a legal question or problem, you need legal advice.**

## Some other sources of information:

**Income Security Advocacy Centre (ISAC):** [www.incomesecurity.org](http://www.incomesecurity.org)

ISAC is a legal clinic that specializes in income security research, test-case litigation, policy, etc.

- Changes Ontario is Proposing to OW and ODSP (includes a webinar):  
<http://incomesecurity.org/policy-advocacy/changes-ontario-is-proposing-to-ow-and-odsp/>

**Ontario Government Social Assistance Changes Announcements:**

- Ontario Budget 2019, April 11, 2019, News Release (includes links to backgrounders and Budget document): <https://news.ontario.ca/mof/en/2019/04/2019-ontario-budget-ontarios-plan-to-protect-what-matters-most.html>
- November 22, 2018, Ontario Government News Release (includes link to backgrounder): <https://news.ontario.ca/mcys/en/2018/11/ontarios-government-for-the-people-announces-plan-to-restore-dignity-independence-and-empowerment-to.html>
- July 31, 2018, Ontario Government News Release (includes link to backgrounder): <https://news.ontario.ca/mcys/en/2018/07/ontarios-government-for-the-people-to-reform-social-assistance-to-help-more-people-get-back-on-track.html>