



Ontario Agencies Supporting Individuals with Special Needs
Agences ontariennes de soutien pour les personnes qui ont des besoins spéciaux

Submission to the Commission
for the
Review of Social Assistance in Ontario

August 10, 2011

EXECUTIVE SUMMARY

OASIS welcomes the opportunity to comment on the Review of Social Assistance in Ontario.

OASIS represents 156 transfer payment agencies located in all regions and communities of Ontario. OASIS member agencies provide services to about 35,000 individuals with developmental disabilities. The majority of the individuals supported by OASIS member agencies are recipients of the Ontario Disability Support Program (ODSP). The focus of this submission will be on the key issues that affect ODSP recipients.

Ontario's Poverty Reduction Act was unanimously approved by all Parties in the Legislature and should be a core consideration in reviewing Social Assistance in Ontario. Currently recipients of ODSP are living below the poverty line and earn less than the mandatory minimum wage for workers in the province. ODSP must be redesigned to enable people with disabilities to cover the actual costs of living as well as providing for their full participation and citizenship within their local community.

OASIS has identified four key issues for consideration by the Commission:

- Close the gap between ODSP benefits and the cost of living.
- Change the income rules to allow people to retain more of their income from other sources.
- Enable people to participate in employment with the necessary supports.
- Enable people to save for the future.

OASIS recommends:

- The ODSP rate is increased by \$500 per month to reflect the actual cost of living incurred in 2011 by people living on ODSP;
- Provide ODSP benefits at the beginning of the month to cover the shelter costs as they are incurred;
- Index future rates to inflation;
- Establish an independent panel to review and make recommendations regarding income supports for social assistance recipients on a go forward basis;
- A flat rate earning exemption should be put into place to allow ODSP recipients to benefit from working or earning other income in the amount of \$700 monthly or \$1,000 if there is a spouse included in the individual's benefit unit. Any earning above the flat exemption would be deducted at 50%;
- A comprehensive overhaul of employment related supports including but not limited to transportation incentives that will increase participation and eliminate barriers for people with disabilities; and

- Raise the asset limits that apply in determining whether a person is eligible for income support so that the person can have \$12,000 individually or \$20,000 if there is a spouse included in the benefit unit.

BACKGROUND

Ontario Agencies Supporting Individuals with Special Needs (OASIS) is a province-wide association of transfer-payment agencies that seeks to ensure cost-effective, high quality supports and services for people with developmental disabilities, and to facilitate and strengthen the operations of its members. OASIS is an entirely voluntary association – it has no staff and no office. All work is performed by individuals and committees on a volunteer basis using the internet to communicate to members on such matters as best practices in financial management, program and service innovations, human resources and labour/management relations, and governmental regulations and initiatives.

OASIS represents 156 transfer payment agencies located in all regions and communities of Ontario. OASIS member agencies provide services to about 35,000 individuals with developmental disabilities, employ 25,000 full-time, part-time and casual staff, and receive approximately \$1 Billion in operating funding, primarily from the Ministry of Community and Social Services. Such agencies constitute the primary vehicle for delivering government-regulated supports and services to people with developmental disabilities, notably in the form of:

- Residential care via group homes, supervised residences or approved family-home programs;
- Supported independent living programs;
- Day programs, including Life Skills learning, Sheltered workshops and other training situations;
- Community participation supports; and
- Supported employment programs leading to independent employment in the community.

The majority of the individuals supported by OASIS member agencies are recipients of the Ontario Disability Support Program (ODSP). The focus of this submission will be on the key issues that affect individuals with a developmental disability that receive ODSP.

KEY ISSUES

OASIS has identified four key issues for consideration by the Commission:

- Close the gap between ODSP benefits and the cost of living.

- Change the income rules to allow people to retain more of their income from other sources.
- Enable people to participate in employment with the necessary supports.
- Enable people to save for the future.

ISSUE #1: CLOSE THE GAP BETWEEN ODSP BENEFITS AND THE COST OF LIVING

According to the Commission a single person on ODSP earns \$12,636 plus Ontario and Federal tax credits of \$964 for a total income of \$13,600. Based on a 37 ½ hour work week (1950 hours annually) this equates to an average hourly wage of approximately \$7 per hour - \$3.25 per hour below the mandatory minimum for workers in Ontario.

The Canada Mortgage and Housing Corporation rental market report reported that the average one bedroom apartment in Ontario was \$836 per month in April 2010 and increased to \$850 per month in April 2011. The shelter rate, as of July 31, 2011, for a single ODSP recipient is \$469 per month which is on average a shortfall of \$381 a month or \$4,572 annually. This shortfall forces people to live in substandard housing, attempt to secure affordable housing through local municipalities, utilize their basic needs funds for shelter costs, or live with other people which may present additional challenges. In many communities waiting lists can be extremely long for affordable housing and often people wait years to access this type of housing.

The \$584 per month for basic needs is expected to cover nutritional food, telephone, transportation, clothing, bank fees, household supplies, personal hygiene items and all other basic needs. The majority of people on ODSP must use at least part of their basic needs allowance to pay for rent and utilities as identified above. As identified in the discussion paper: the Ontario Public Health Unit “Cost of a Nutritious Food Basket” survey and the Daily Bread Food Bank also reflected that many people receiving social assistance were unable to buy healthy foods after paying for shelter costs and a growing reliance on food banks was apparent. Other organizations have recommended that ODSP recipients receive a \$100 food supplement.

There are no funds left over for people on ODSP to plan for replacements of furniture, bedding, linens, or small appliances, consider being able to participate in recreational activities, plan a trip or save for the future.

People on ODSP do not receive their benefits for the month until the end of that month even though rent must be paid to landlords on the first of the month and basic need costs are incurred throughout the month. This delay in income adds additional pressures on to people already living below the poverty line.

OASIS recommends:

- The ODSP rate is increased by \$500 per month to reflect the actual cost of living incurred in 2011 by people living on ODSP, and comparable to the income of a person living at Ontario's minimum wage;
- Provide ODSP benefits at the beginning of the month to cover the shelter costs that are incurred;
- Index future rates to inflation, after the existing rate is increased to reflect actual costs of living; and
- Establish an independent panel to review and make recommendations regarding income supports for social assistance recipients.

ISSUE #2: CHANGE THE INCOME RULES TO ALLOW PEOPLE TO RETAIN MORE OF THEIR INCOME FROM OTHER SOURCES

As identified in the discussion paper: "ODSP does not differentiate between people with the capacity and desire to work, and those who are unable to take a job because of disability. For people who are able to work, the benefit system must be designed in such a way that they are better off working than receiving social assistance."

ODSP recipients are not required to work or to pursue training. The current model discourages recipients from having employment or developing other sources of income by clawing back 50% of the money earned and is counterproductive. This effectively caps people's income at very low levels and often has the effect of having people working for less than minimum wages. This practice goes against the government's commitment to reducing poverty.

OASIS supports the proposed Private Member's Bill by Tony Barrett that recommends "lowering the reduction so that a person can retain a maximum of \$700 of other income monthly or a maximum of \$1,000 of other monthly income if there is a spouse included in the individual's benefit unit."

Under the current rules 100% of the income received from Employment Insurance, Canada Pension or other income is deducted from ODSP benefits. This further penalizes people and can leave them worse off than if they had never worked or received any other income.

ODSP should not be considered as a "system of last resort" but rather as an essential component of income security that for many recipients is permanent. The system should

provide individuals with a minimum guaranteed annual income that enables individuals to cover the basic necessities of life and fully participate within their communities.

OASIS recommends:

- A flat rate earning exemption should be put into place to allow ODSP recipients to benefit from working or earning other income in the amount of \$700 monthly or \$1,000 if there is a spouse included in the individual's benefit unit. Any earning above the flat exemption would be deducted at 50%.

ISSUE #3: ENABLE PEOPLE TO PARTICIPATE IN EMPLOYMENT WITH THE NECESSARY SUPPORTS

Employment supports must be available to all recipients of ODSP who are interested in securing employment, even if they are not “job-ready”. This will enhance their skills, through access to additional training, and/or education, and will assist people to give back to the community through working or volunteering. Recognition must be given to the benefits of volunteering to gain skills and experience that may lead to future employment. People benefit by being involved in the community both socially and through improvement in their overall health and wellbeing.

While in some areas of the province transportation and other costs are covered by Ontario Works for individuals who volunteer, this is not consistent across the province. Many individuals on ODSP do not drive, or have access to affordable transportation. In many communities public transit is not available and access to employment and volunteer opportunities is hindered by the individual's ability to afford the transportation costs to get to work or engage in the community. Transportation assistance should be provided to ODSP recipients to increase the chances of attachment to the workforce and successful participation in employment related activities.

OASIS recommends:

- A comprehensive overhaul of employment related supports including but not limited to transportation incentives that will increase participation and eliminate barriers for people with disabilities.

ISSUE #4: ENABLE PEOPLE TO SAVE FOR THE FUTURE

By enabling people to save for the future helps break the cycle of poverty. OASIS supports the proposed Private Member's Bill by Tony Barrett that recommends “raising the asset limits that apply in determining whether a person is eligible for income support so that the person can have \$12,000 individually or \$20,000 if there is a spouse included in the benefit unit.

As stated in the ODSP Action Coalition's submission "requiring the depletion of assets... is short-sighted and counter-productive, undermining the financial security of individuals and increasing future costs to government for supplementary income programs in old age."

OASIS recommends:

- Raising the asset limits to \$12,000 individually or \$20,000 if there is a spouse included in the benefit unit.