



Ontario Budget 2016: A strong commitment to social assistance reform

The [2016 Ontario budget](#) took bold steps to transform an outdated income security system. In our 2016 pre-budget consultation, we asked for changes that would help more low income Ontarians live in good health and dignity, as well as move toward a modern income security system that supports people's transitions to employment and improve their income security. These were recommendations that were reiterated from our 2015 submission, where we outlined 5 key ideas from the final report of the Commission for the Review of Social Assistance in Ontario, Brighter Prospects, which we wanted to see implemented.

In their latest budget, the province has set out commitments to address three of those ideas. They include the \$100 total increase to Ontario Works rates for single adults without children; a commitment to reduce (to 100 per cent) the claw back rate on child support payments for households receiving social assistance; and laying the groundwork for the introduction of housing benefit for low income people to better afford their housing.

Daily Bread Recommendation	2016 Ontario Budget
<ul style="list-style-type: none"> Increasing the social assistance rates, in particular bringing the Ontario Works rate for single person households to the full \$100 increase recommended by the commission. 	<ul style="list-style-type: none"> Provided a further top-up to singles without children receiving Ontario Works — bringing their total increase to \$25 per month more than last year, and \$100 more per month than they received in 2012.
<ul style="list-style-type: none"> Setting a withdrawal rate for child support payments based on a rationale and empirical evidence, and less than the dollar for dollar clawback that exists currently. 	<ul style="list-style-type: none"> A commitment to introduce changes to social assistance rules so that families receiving social assistance who receive child support payments can benefit from more of this income.
<ul style="list-style-type: none"> A commitment to examine and design a Housing Benefit to help all low income tenants in Ontario better afford their housing. 	<ul style="list-style-type: none"> A commitment to the development of a framework for a portable housing benefit, and transformation of social and supportive housing programs. \$2.4 million in 2016–17 to pilot a new portable housing benefit that would offer more options for those fleeing domestic violence, benefiting approximately 500 households.

In addition to these commitments, the province has also committed to Basic Income pilot project.

A “Basic Income” is an income which would provide households with enough money that they wouldn’t have to live in poverty. The amount of income a household receives would either replace or complement other forms of income they might be receiving, such as child tax benefits or social assistance, in order to bring them above a pre-determined “poverty line”.

Many see the idea of a basic income as one that replaces the outdated form of provincial social assistance which provides only very low levels of income, as well as has restrictive rules which create barriers to escaping poverty. In the 2016 budget, the province seeks to pilot a project which would address these issues, including providing improved and more seamless financial support for those making the transition from welfare to work.

We’re hopeful that the results of this pilot project will provide the evidence needed to create further, large scale changes to the income security support system in Ontario.

Other important steps that still need to be taken

In the meantime, the Province should continue to increase the liquid assets allowable for those on social assistance. Low asset limits can undermine financial resiliency and jeopardizes retirement savings, which makes it more difficult to escape poverty and may cost the government more in the long term. Currently, the allowable level of liquid assets is \$2,500 for single people receiving Ontario Works and \$5,000 for those on the Ontario Disability Support Program. While the allowable assets for those receiving Ontario Works have increased significantly in the last few years, Ontario should continue to increase asset levels for both programs in the near future.

Additionally, there needs to be work to replace rent scales in Rent Geared to Income (RGI) housing with the 30 per cent of income RGI calculation outlined in the *Brighter Prospects* report, which will help prevent the sudden spike in rent for tenants receiving social assistance who are able to earn added income from employment.