



O.D.S.P. ACTION COALITION

C/O SCARBOROUGH COMMUNITY LEGAL SERVICES, 695 Markham Rd., Suite 9, Scarborough, ON M1H 2A5

A PROPOSAL FOR ODSP RULE CHANGES: 'Stupid Rules' Have Dire Consequences

As the provincial government begins to move forward on its review of social assistance programs, the ODSP Action Coalition would like to present its recommendations for short-term rule changes that would make a significant difference in the lives of people who rely on ODSP benefits.

The following list of ODSP rules that should be changed immediately is not exhaustive, but constitutes a start on reforming a system that continues to offer insufficient support to people with disabilities. We do not make recommendations that would require changes to the ODSP Act itself, since that would not be a 'quick fix' but would take considerable time, study, and debate in the legislature. We will make submissions on more transformative changes when the major social assistance review is underway.

Each section below identifies the particular rule (regulation or policy) that should be changed, the problem associated with that rule, and the ODSP Action Coalition's recommendation for change.

Rules Relating to Other Sources of Income

ss.38-43, OReg 222/98.

The general rule about income in ODSP, as in Ontario Works, is that any source of income is to be deducted 100% from the benefits cheque, unless the regulation specifically exempts that income source, or a portion of a certain kind of income.

This results in a lengthy and confusing list of income that is exempt or partially exempt. Why some forms of income are acceptable for exemption but others result in reducing or losing one's benefits is incomprehensible to many people.

Earnings

s.38, O.Reg 222/98.

Earnings from employment or self-employment were at one time fully deducted from social assistance benefits, but in an attempt to create incentives to work there have been partial exemptions granted over the years. For example, it was considered progress in 2006 when the 'clawback rate' was reduced from 75% of all net earnings over a flat rate exemption of \$160 to 50% of all net earnings from the first dollar earned.

A new Work Related benefit of \$100 per month was added at the same time to lessen the negative impact of this change on those with part time earnings.

However, this 50% clawback rate still functions as a disincentive to work. It is unfair to tax earnings at this rate when a person's total income still falls far below any poverty line or low income measure. Effectively, many people end up working for less than minimum wage since the net benefit to their income is so low.

RECOMMENDATION: A flat rate exemption should be put in place to allow ODSP recipients to benefit from working before any reduction in their allowance. For single persons, this exemption should be \$500 per month, which would equal the amount of the annual exemption for gifts from family or friends. And as the allowable casual gift exemption is \$6,000 per year per member of a benefit unit, so too should the exemption be \$500 per month for each member of the benefit unit; thus a couple on ODSP would be allowed to earn \$1,000 before any earnings are clawed back.

Loans

s.43(1)1 and 43(1)2, O.Reg 222/98.

Only in ODSP and Ontario Works are loans bizarrely defined as income. There are a few types of loans that are exempt from being considered income and thus do not affect a person's benefits, including OSAP loans for tuition and educational expenses, and approved loans for the operation of a business. However other loans are defined as income, resulting in many unfair and absurd situations.

For instance, a person can purchase items using a credit card, but should that person take a cash advance on the credit card to purchase the same items, the amount paid is considered income. As a result, that amount is deducted from the person's ODSP benefit cheque in the month following the purchase, even though it must be repaid.

As another example, if a person has a friend or relative wealthy enough to provide a bit of help, they can provide up to \$6,000 per year without the person incurring deductions from their benefits. However, if that person does not know anyone who could help them in that way but in an emergency borrows money from a family member that must be repaid, the full amount of the loan must be reported and thus will be deducted from the recipient's ODSP benefits.

RECOMMENDATION: Loans should not be considered income.

Child Support Income

s.37, 38-43, OReg 222/98.

Income received from child support payments are not specifically exempted as income, and thus 100% is deducted from monthly benefits.

Deducting child support payments from social assistance runs directly counter to the intention behind child support payments; that is, to ensure the child's standard of living is not negatively impacted by marital breakdown. Instead, deducting child support from

OW and ODSP benefits – thereby capping a sole support parent’s income to the meagre level of benefits provided by these programs – ensures that children living in sole support families continue to live in poverty. This rule is therefore antithetical to the government’s poverty reduction goals.

Removing or reducing these deductions would not only allow sole support parents to better provide for their children and thus increase their quality of life both now and into the future, it would also increase the incentive for the non-custodial parent to pay child support, as well as that of the custodial parent to pursue child support.

It should be noted that the province of Québec allows custodial parents to retain \$100 per month of child support income received.

RECOMMENDATION: That all or some portion of child support payments be exempted from the calculation of income.

Rules Relating to Spousal Relationships

Many people with disabilities have questioned the fairness of including a non-disabled spouse’s income and assets when determining eligibility or calculating the amount of assistance that the person with a disability receives. This often results in people with disabilities being unable to form relationships or get married, as the non-disabled partner becomes required to take on complete responsibility for that person’s support and medication costs. However, we are not able to fully deal with this issue in this submission as it relates to the definition of ‘benefit unit’ – a fundamental part of the ODSP Act, rather than a rule change or ‘quick fix’. Nevertheless, making some easy changes to rules relating to spouses will at least promote more fairness in the way couples are treated within the existing system.

Assets of Spouses

s.27(1), O.Reg 222/98.

This rule sets asset limits for singles, couples, and families with children. The asset limit is \$5,000 for the ODSP recipient with an additional amount of \$2,500 for a spouse. An additional amount of \$500 is allowed for each additional dependent, including children.

This rule means that a couple can only have an asset limit of \$7,500. Two single people, however, would have a combined asset limit of \$10,000. The differential in asset limits between a couple and two single people is unfair. This rule is one of several governing spousal relationships that effectively dissuade people from entering into spousal relationships for financial reasons, as mentioned above, which contributes to social exclusion and loneliness.

RECOMMENDATION: A couple on ODSP should be allowed double the amount of assets as a single person, or \$10,000. In addition, assets owned by children should be entirely exempt, as RESP’s already are, as children are being ‘removed’ from social assistance and provided for through the OCB and other benefits.

Earnings of Spouses

s.38, O.Reg 222/98.

We have recommended (as above) a flat rate exemption of \$500 before any deductions are made to earnings for single ODSP recipients. Doubling this for couples respects both partners and provides incentive for them to both work, if possible, or provides somewhat more fairness when a non-disabled partner is working so that there is less impact on the disabled person's income. Just as the exemption on gifts of \$6,000 per year applies to each member of the benefit unit, so too should the earnings exemption.

RECOMMENDATION: There should be a flat rate exemption of \$1,000 per month for recipients with a spouse included in the benefit unit.

Double Disabled Cap

s.30(2), O.Reg 222/98.

The Basic Needs Allowance chart [s.30(1)] indicates that the Basic Needs rate provided for a couple where both spouses are disabled is nearly double the amount of Basic Needs for a single person (i.e., \$1,153 for a couple where both spouses are disabled as compared to \$578 for a single person). The Maximum Shelter Allowance amount [s.31(2)] for two people is \$729. As such, s.30(1) and 31(2) provide for a total monthly income for a couple wherein both people are disabled of \$1,882.

However, s.30(2) of the regulation sets a maximum of \$1,742 as the amount that any couple can get on ODSP, other than 'extra' amounts such as those for Special Diet or Mandatory Special Benefits.

This rule clearly penalizes two disabled people who are or would like to become partners. It also results in unequal treatment for different couples; if a couple is lucky enough to have subsidized housing or low costs, they can get the full amount of Basic Needs and their actual shelter costs because they would be under the 'cap' amount. However if they have rent over the Maximum Shelter amount, then not only would they have to use some of their Basic Needs for rent, but they actually will have a lower Basic Needs amount from which to draw to make up the difference. This rule also denies the reality that a couple wherein both people are disabled will have additional costs related to their disability.

RECOMMENDATION: Remove the 'double disabled cap'; that is, provide Basic Needs for a couple where both partners are disabled at an amount double that of the rate for a single person.

Definition of Spouse

s.1.1, O.Reg 222/98.

ODSP law defines 'spouse' differently than family law does. In the late 1980's the Liberals responded to a Human Rights challenge of this by making the then-Family Benefits Act definition the same as the Family Law Act definition; however the Harris government changed it again. There was a successful legal challenge of the Harris definition, but by the time that case ended the Family Benefits Act was replaced by

ODSP. The current definition is not the same as the one that was challenged, but nevertheless does not match the Family Law definition. The current definition is hard to understand and is arguably misapplied by ODSP staff.

RECOMMENDATION: Use the Family Law definition of 'spouse' for both ODSP and OW.

Rules Related to Living Situations or Sharing Arrangements

There are several rules that govern how benefits for people receiving ODSP are calculated, resulting in different amounts depending on where a person lives and how their shelter costs are calculated. These rules impact people who cannot find appropriate affordable accommodation, and therefore end up living with family, sharing with other people, or renting out one of their rooms. Whatever people do to try to save money on shelter results in a reduced benefit – not only because of the inadequacy of the Maximum Shelter Allowance itself but also because of one or more of these rules.

Board and Lodging Rate

O.Reg 222/98 s.33(1), ODSP Income Support Policy Directive 6.3.

Most people's benefits are calculated by adding the amount for Basic Needs (currently \$578 for a single person on ODSP) to their actual shelter costs up to the Maximum Shelter amount (currently \$464). Someone whose rent and utilities are at least \$464 therefore receives \$1,042.

However, s.33 provides for a different, lower rate for someone who is considered to be receiving 'board and lodging' from the same source. A single person considered a boarder gets \$736, plus a \$60 'special boarder allowance' for a total of \$796.

In a traditional boarding home scenario, wherein meals and a room are provided, costs are assumed to be less than those for a person who rents a room separately and buys her own food. However, most commercial rooming houses are very aware of the ODSP benefit structure and rules; they often structure their agreements with people so that they can charge rent rather than 'board and lodging'. As such, s.33(1) is more often used in situations wherein people receiving ODSP benefits reside with their families – and they receive a much a lower amount of benefits as a result.

The application of the Board and Lodging rate to people living with their families is, however, unfair. For instance, if a person's family charges rent and that person buys their own food or pays for it separately from rent, they are able to receive the maximum ODSP entitlement. But Policy Directive 6.3 states that if a person is unable to buy and prepare their own food, then they must be considered a 'boarder'. This results in the people with the greatest level of disability – such that they need help with food preparation – getting \$246 less per month than someone who is able to cook on their own.

RECOMMENDATION: Change the interpretation of the s.33(1) O.Reg 222/98 in the Income Support Policy Directives. Provide Shelter plus Basic Needs to any recipient whose landlord provides a rent receipt and states that rent and food are separate amounts, regardless of the person's level of ability in food preparation, and regardless of whether the 'landlord' is a relative or not.

Income from Rent or Boarding

s.39.1, O.Reg 222/98.

a. Actual Income: If a person rents out a room in their home to increase their income, 60% of the rental income is deducted from their monthly benefit, or 40% if board and lodging are provided together. This applies even if 100% of that rent is needed to pay the full amount of the rent or mortgage payment. That is, if a person attempts to afford to keep their apartment or house by renting out a room, when their costs are higher than the Maximum Shelter Allowance, their benefits are cut. This rule punishes their rational attempt to manage their income and costs.

b. Deemed Boarding Charges: This rule requires that an amount of at least \$100 is deducted whenever a person rents out a room or provides board and lodging to someone, no matter if the amount of money transacted between the two people is less than \$100 and even if there is no rent or board actually paid.

Not only is this rule unfair in terms of the actual amounts of money involved in the transaction, it also penalizes recipients whose children reside with them but are not part of the benefit unit because they are not attending school or not complying with the rules of participation. Such a child is 'deemed' to be paying rent or board, even if they have no or very little income and can pay nothing. This means that a parent is forced to either kick the child out rather than supporting them to get back to school or get help to get their life together, or has to survive on even less money while they struggle to help their child.

RECOMMENDATION: End the reduction of benefits in situations where people rent out a room in order to be able to afford their shelter costs when the full shelter cost is not covered by the Maximum Shelter amount.

RECOMMENDATION: Remove 'deemed' boarding charges for adult children from the regulation where no rent or board is actually paid.

Co-Resident Reductions

s.34(1), O.Reg 222/98.

This rule provides for equal sharing of shelter costs among any adults who reside together but are not spouses. This rule applies regardless of the actual rental arrangements between the two people or the actual amount of money transacted.

This rule originally served to reduce the allowance of two adults who shared accommodation but were not spouses, based on the premise that some household costs are saved when people live together.

For example, a single mother with two children might try to reduce her costs by sharing a place with another single woman with no children. Both sign a lease as tenants. The mother with two children might have two bedrooms, while the other woman has one bedroom, and both share the rest of the house. Therefore they might find it reasonable to split the rent 2/3 for the mother and children, and 1/3 for the woman with no dependents and only one bedroom. However according to this rule, each woman is expected to pay an equal share of the rent; therefore the single mother will only be given the amount equal to 1/2 the total apartment rent than her actual cost of 2/3 of the rent.

RECOMMENDATION: Delete s.34(1) on 'co-resident reductions' and calculate shelter costs according to the actual cost paid by the recipient.

Rules Related to Education and Training

ODSP and OSAP

Sections 2(2)b; 11(2)(b); 28(1)12, 26; 42(5), (6), (7), (11); 43(1)1.v, vi, 2, 2.1, 7, 9.1, 13, 15, 15.1, 15.2, and 15.3 of the ODSP Regulation.

While people who receive ODSP benefits are eligible to receive OSAP loans, there are several problems with this system of providing funding for education and training to people with disabilities. Some of these problems are outlined below.

First, the lack of coordination and communication between ODSP and OSAP causes significant problems for people on ODSP. ODSP rules only allow people to take out loans for education-related expenses (tuition, books, etc.) and not for living expenses. However, people on ODSP who apply for OSAP loans must have the knowledge and capacity to indicate on their loan application that they are receiving ODSP benefits in order to prevent OSAP from issuing a loan that includes living allowance funds. Any living allowance funds issued by OSAP, whether because the applicant hasn't indicated their receipt of ODSP or in error, are treated as income by ODSP and are deducted from a person's monthly benefit. Often, however, any such funds aren't immediately deducted. This puts people into the situation in which they are deemed to have received an 'overpayment' which they are then required to pay back. Of course, paying back these funds is burdensome because of the lack of overall adequacy of ODSP benefits.

Second, post-secondary students who live at home with parents receiving ODSP are caught in the same situation as outlined above. Any living allowance funds that are provided by OSAP are counted as income to the entire family, thus putting that entire family into an 'overpayment' or deduction situation.

Third, a considerable amount of frustration and anxiety is caused by the repayable nature of the funds people receive from OSAP. While some education grants for people with disabilities are available, they are seriously insufficient to meet need and demand. In addition, the only employment supports available to people through the ODSP system are for 'job-ready' people – no supports are available for education and training. This means that people who are disabled – and whose employment prospects are

uncertain because of the serious lack of accommodation in the labour market – are required to take on significant amounts of debt with limited prospects for repayment.

RECOMMENDATION: ODSP Employment Supports should include training programs, and the Ministry of Community and Social Services should work collaboratively with other Ministries in a transparent and coordinated fashion to ensure appropriate access to education and training programs for ODSP recipients. Dependent adults attending post-secondary education should be able to access OSAP grants and living allowances without affecting their parents' ODSP benefits.

School Attendance of Dependents

s.2, O.Reg 222/98.

A 'benefit unit' is made up of all individuals in a family, including dependent children or dependent adults as defined in s.2 of the Regulation. However, the definition of 'dependence' relies, in part, on continuous school attendance, as noted above – regardless of whether or not the child remains financially and emotionally dependent on the parent.

If a dependent child is not attending school, therefore, that dependent child can be removed from the parent's benefit unit. This means that the parent's benefits will be reduced by the amount that would normally be provided for that child in both the basic needs and maximum shelter amounts.

The reduction in benefits could potentially have serious implications for the family, such as losing their housing because of a reduced maximum shelter benefit. It can also result in family breakdown and situations where parents become forced to require their still-dependent children to move out of the house. It certainly does not assist the parent with the task of helping the child with the problems they may be facing with school and assisting the family to ensure the child re-enters a school program.

RECOMMENDATION: A family should not be financially punished when a dependent child is having difficulty in school. The definition of dependence in this instance should be changed to remove the requirement for school attendance from the criteria for a family to receive benefits.

Rules Relating to Other Benefits

Special Diet Allowance

s.25, 30(1)4; 33(1)4; 33(2),(3), O.Reg 222/98.

The current Special Diet policy is unfair to many recipients who have special dietary needs not covered by the medical conditions included, and the amounts are inadequate for many of the conditions which are covered. The Ministry has ignored the recommendations of the Expert Advisory Committee which reviewed the schedule in detail and recommended major changes. However, some of the recommendations of

that committee would have been detrimental to some recipients with certain conditions, and to people living in the North, while others would have benefitted people with other medical conditions. Because of the unfairness of helping some recipients while hurting others, we do not recommend that the Report from the Expert Review of Special Diet be fully implemented.

In the longer term transformation of social assistance, we need to see all recipients given adequate income for healthy nutritious diets. And the Special Diet schedule should be revamped to provide for the extra needs of anyone with special nutritional requirements.

In the meantime, all of the publicity related to alleged misuse of Special Diet applications to get people more money for an adequate nutritious diet has led to rumours that the Ministry is planning to completely cut Special Diet altogether. Obviously this would seriously hurt those recipients who currently have the recognized medical conditions that require special nutrition.

In addition, the Ministry has threatened to bring criminal fraud charges against anyone they suspect may not have the conditions checked off on their Special Diet application.

RECOMMENDATION: Retain the Special Diet provisions of the ODSP and OW regulations. Do not criminally charge recipients who had Special Diet applications completed by any accredited physician.

Medically Necessary Transportation Allowance (Mileage Rate)

s.44(1)1.iii., OReg 222/98, ODSP Act 1997; ODSP Income Support Directives 9.12.

The regulation provides for 'the cost of transportation that is reasonably required in any month for medical treatment for members of the benefit unit', but the Directives only provide a Mileage Rate of 18¢ per kilometre for a person using their own vehicle, or 18.5¢ for people living in the north.

The Mileage Rate, which was originally established in 2000 to cover the cost of gas and has not been increased since, is not nearly enough to cover transportation expenses, nor does it come close to being comparable to other transportation reimbursement schemes.

The Canadian Automobile Association ('CAA'), which publishes yearly information on national per kilometre driving costs associated with the use of a personal vehicle, estimates that in 2009 a driver of a new four-door sedan incurs a driving cost between 32.1¢ and 65.0¢ per kilometre (assuming an annual driving distance of 18,000 kilometres). According to CAA, the costs of driving necessarily include both the variable (or operating) costs and the fixed (or ownership) costs.

Other similarly designed government programs that provide benefits to cover the cost of transportation when a private vehicle is used to attend medical treatment offer mileage rates more than two and three times the ODSP Mileage Rate. For example, under the Northern Health Travel Grant Program (the 'NHTG Program'), the provincial government provides grants to northern Ontario residents who require OHIP insured

services and have to travel to a health care facility that is at least 100 kilometres from their home. The provincial government reimburses these individuals at the rate of 41¢ per kilometre. And the same government that oversees the ODSP Act pays its own employees (both non-union and union) a mileage rate that is more than twice that of the Mileage Rate.

RECOMMENDATION: That the Mileage Rate for medical travel be increased to 41¢ per kilometre, the same as for the Northern Health Travel Grant Program.

Discretionary Health Benefits

[provided under OW Act; Sections 55 and 59, Regulation 134/98]

There are a number of health benefits that may be provided for ODSP recipients by municipalities under OW rules. Each municipality decides which benefits they will provide, if any. For instance, in some municipalities funds for an air conditioner may be provided if the recipient's doctor provides verification of a condition like serious asthma. In other municipalities a person with the same condition gets no assistance. Some municipalities will pay for dentures for ODSP recipients; others won't. It is also very difficult for recipients to find out the kinds of benefits that are available.

RECOMMENDATION: Provide necessary health benefits to all ODSP recipients equally in the province through the ODSP program rather than leaving these to municipalities' discretion. Provide clear, plain language information in accessible formats about all benefits, both mandatory and discretionary.

Volunteer Allowance

Provided under the OW Act; Sections 49, 55 and 59, Regulation 134/98

Another specific category of discretionary benefits is the 'Participation Allowance' that municipalities may provide to ODSP recipients for voluntarily joining OW's Community Participation Program. A number of municipalities used to provide some form of this allowance but most have cut back in recent years. Volunteering is an important opportunity for people with disabilities to participate in the community. It may or may not lead to future employment depending on the nature of the person's disability, but will certainly promote greater health, well being, and social inclusion. Therefore all ODSP recipients in the province, not just a few, should have access to a volunteer allowance.

RECOMMENDATION: Provide a 'volunteer allowance' that is not exclusively tied to an employment plan, for ODSP recipients everywhere in the province.

Medical Reassessment Rules

O.Reg 222/98 s. 5

Medical reviews are undertaken using the same procedure for initial disability determination. That is, a Disability Determination Package is sent to the person receiving ODSP benefits, and an entire medical assessment is undertaken.

This process is inappropriate for a situation in which the only determination to be made is whether or not a person's 'impairment' has improved, as the person has already been deemed to be a 'person with a disability' under the legislation.

RECOMMENDATION: Medical reviews should be undertaken using a process that identifies whether or not a person's impairment has improved; that process should be much simpler than undertaking an entire disability determination.

Disincentives to Employment

One of the key disincentives to employment has already been addressed by our recommendation to improve the 'clawback rate' by allowing recipients to keep 100% of their first \$500 in earnings (or \$1,000 for couples).

However, there are other disincentives in the ODSP legislation, compounded by rules in other programs that affect ODSP recipients.

Reporting Requirements and Suspensions

O.Reg 222/98, s. 12

People who have earnings or any other income are required to send in an income reporting statement each month. Typically, people who do not have any income are not normally required to send in the statements. As a result, people who have earned a small amount for a month or two and reported it as required sometimes do not send in a statement for a month in which they have had no income. They are then shocked and severely distressed when they receive a letter suspending all of their benefits due to lack of reporting. This is particularly the case for those people with mental health or developmental disabilities.

Although the matter can be quite readily resolved (once the recipient is eventually able to speak to a worker), this experience causes many recipients to decide that it is just not worth working because their mental health suffers too much. Other recipients report that they have sent in reporting statements that have been mislaid at the ODSP office, which has resulted nonetheless in a suspension letter.

RECOMMENDATION: If an income reporting statement is expected to be sent to the ODSP office but is not received, the recipient should be telephoned and given a chance to send it in before a suspension letter is sent.

Employment-related benefits: Employment Insurance (EI); Canada Pension Plan Disability (CPP-D) and Private Pensions

O.Reg 222, s. 37, 41, 42]

People receiving ODSP who work may become entitled to Employment Insurance (regular or sickness benefits), CPP-D, or a private pension. These are payments the person has 'earned' because the appropriate deductions were made to their employment income, entitling them to these benefits.

However, if a person who is receiving ODSP benefits works enough to qualify for EI and then is unable to continue because of sickness, or loses their job for any other reason, they are required to apply for EI. But EI benefits are deducted from ODSP at a rate of 100%, using the *gross* amount of EI rather than the actual amount the person receives.

To illustrate this problem, a person can work and still receive some ODSP support, including health benefits. But if that person becomes sick, he or she is required to apply for EI sickness benefits. The deduction of these benefits at a rate of 100% of gross payments result in categorical ineligibility for ODSP, resulting not only in a drastic loss of income but also in a loss of health and medical benefits, which people with disabilities depend upon.

As another example, a person who received ODSP Employment Supports had to temporarily leave his job due to complications arising from his disability. He applied for EI sickness benefits for a period, and when that finished had to apply for OW. His Employment Services provider was negotiating with the employer for the necessary accommodations to return to work. However, he no longer qualified for ODSP Employment Supports and would have lost the help of his employment service provider, had they not continued provided services though not funded to do so.

RECOMMENDATION: Use net income rather than gross when deducting EI, CPP-D, or private pension income from ODSP benefits. Allow the same level of exemptions for this earnings-replacement income as is allowed for regular earnings. Ensure that health benefits can be provided not only when a person on ODSP leaves for employment, but also when they lose employment and temporarily receive EI or other benefits. Employment Supports should also be continued for persons in these circumstances, if they are planning to return to employment.

Calculation of business income

ODSP Income Support Directives: 5.4 - Self Employment Income.

Self-employment is an important option for many people with disabilities so that they can vary their hours and conditions of work to accommodate their disability. But the way that ODSP treats business income means that many of the expenses that people incur are not allowed as deductions. For example, a self-employed person is not allowed to hire someone else to help with tasks that they do not have the time or skills to do themselves. Transportation costs are only deducted at the rate of \$.18 per kilometre. Repayment of business debts are not allowed as deductions from income.

All income is required to be reported monthly, but self-employment income and expenses are reviewed once per year. This does not always work well for clients with fluctuating income. In some situations people would have more of an incentive to take on temporary contracts if they were able to have their income adjusted each month; in other cases it would be beneficial to average income over twelve months.

RECOMMENDATION: Use the same definition of allowable business deductions as used by Revenue Canada. Allow ODSP recipients operating a business to

pay an employee if the need for the employee is demonstrated as part of an approved business plan. Provide a flexible income reporting and review scheme, with income adjustments made monthly or yearly (after averaging net business income), whichever is most beneficial to the client.

Funding for Employment Supports

ODSP Employment Supports Directive 5.1 - Employment Supports Funding.

The providers of ODSP Employment Supports services have a major concern with the current model as they are required to take on all of the financial risks in delivering the service to those individuals with a disability who have been authorized by the ministry to receive these services. ODSP Employment Support Staff set the following expectations for these service providers:

- provide job placement assistance, job coaching and job retention supports;
- work with the client and the employer to make sure the job is a good fit;
- help resolve any problems the client may have with the employer or co-workers;
- help clients to become self-employed; and
- help with disability accommodations.

However, the service provider receives no remuneration for these services until a person has worked for six weeks (at which point they receive \$1,000) and thirteen weeks (when they receive \$6,000). For retention the Service Provider is only paid if the client reports earnings; the amounts paid do not cover all of the Service Provider's costs. These concerns are causing some Employment Service Providers to serve fewer ODSP recipients or to leave the ODSP Employment Supports program altogether.

Also individuals who have different abilities and disabilities are not equally successful when provided with employment supports structured in a generic service delivery model. There is a need for funding for those individuals who require additional support in order to be successful. The people who are easiest to serve are the ones who receive support, and those who require longer or more intensive assistance fall through the cracks in the system or end up on a wait list.

RECOMMENDATION: The Ministry of Community and Social Services should commit to covering a portion of the Service Providers operating costs regardless of outcomes at the end of the year, and the Service Provider should be compensated if they overachieve on the contracted outcome numbers. For example, if a service provider consistently has delivered 25 placements a year then they should receive that level of funding guaranteed for the current year regardless of outcome.

RECOMMENDATION: Funding must be provided for those individuals who require more support than that provided through the generic service delivery model in order to be successful.

Subsidized Housing Rules

Social Housing Reform Act, reg.298/0, s. 60 Table 5

People receiving ODSP benefits who live in rent-geared-to-income housing are doubly hit if they work. Not only does ODSP claw back 50% of their net earnings, but their housing provider calculates their rent using 100% of their earnings. People therefore end up with less 'after-shelter' income (i.e., the amount they earn/receive to pay for everything other than shelter) when they work, unless they limit themselves to very few hours and low earnings per month. This problem has recently been illustrated by several articles in the *Toronto Star* and on the CBC News Network program, *Connect with Mark Kelley*.

The Social Housing Reform Act includes a 'rent scale' which sets a very low level of rent for someone on ODSP (\$109 for a single person) and allows for a small amount of income from earnings before the rent goes up. This amount, however, is only \$440 per month. If a person earns more than this small amount, their rent is drastically increased to 30% of their total income, including both ODSP and earnings. This 'stupid rule' can thus drive that person's rent up much higher than ODSP Maximum Shelter allows, resulting in more hardship.

RECOMMENDATION: The provincial government should also make changes to the Social Housing Reform Act governing the calculation of rent to ensure that social assistance recipients are not worse off when they obtain employment.

CONCLUSION

These recommendations deal with many but by no means all of the issues the ODSP Action Coalition's members and supporters have brought to our attention. Making these changes would go a long way toward improving the lives of many recipients. However, we must stress that we expect the government to act on the greatest impediment to self-reliance that exists in the social assistance legislation: the grossly inadequate amount of income provided.

When a person cannot feed herself or her family a decent diet; when a person cannot afford transportation to volunteer or participate in the community, or even to shop at a grocery store with a sale on; when a person's physical and mental health deteriorates due to the stress of trying to survive in these conditions for years, how can they ever lift themselves out of poverty into independence?

The government should therefore demonstrate that it is serious about beginning real transformation of the social assistance system by immediately adding a minimum of \$100 'Healthy Food Supplement' to the basic needs allowance for each adult, and by committing to raise social assistance rates to the level where they cover the average cost of shelter, a nutritious diet, transportation, clothing, all other personal needs, including the additional costs of having a disability.

We thank the Social Assistance Review Advisory Council and the Minister for considering our recommendations for short term rule changes. We look forward to

further input into the review of how the system can be transformed in a more substantial way later this year.