

## **DIRECTIVE 5.1**

### **EMPLOYMENT SUPPORTS FUNDING**

#### **SUMMARY OF DIRECTIVE**

To outline the outcomes-based funding framework used to fund ODSP Employment Supports.

#### **LEGISLATIVE AUTHORITY**

[48 \(1\), 48 \(2\) of the ODSP Act](#)

#### **INTENT OF POLICY**

To ensure that eligible clients have access to the employment supports needed to assist them to become employed and to retain employment by providing funding to service providers for job placement and retention.

To outline how payments to service providers for job placement (including job placement milestones), job retention and advancement, and exceptional work-related disability supports are determined.

#### **APPLICATION OF POLICY**

##### **Contracting with Service Providers**

ODSP Employment Supports is delivered by Ministry staff through local Employment Supports offices. Regional Offices are responsible for contracting with community-based service providers to provide employment supports to eligible Employment Supports clients. Contracts are based on outcomes achieved for job placement (including job placement milestones) and retention.

Regional Offices are responsible for developing and negotiating funding agreements with service providers. In reviewing proposals from both current and new service providers, Regional Offices will consider the following key criteria:

- Projections/expectations for current and future service levels;
- Expertise and/or history in providing employment supports to people with disabilities;

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- Level of accessibility;
- Willingness to work/merge with other agencies or service providers to provide improved service;
- Demonstration of a cost effective delivery model, including cost saving measures such as partnering with other service providers;
- Communications and marketing; and
- Implementation readiness

Service providers' proposals must include the expectation/assurance that they will work with other service providers and organizations in the community that provide training and employment services, and services that may be available to clients through other funders such as the federal government's Opportunity Fund, the Ministry of Training, Colleges and Universities, Employment Ontario, etc. These linkages will help ensure that clients are provided the best possible services from the appropriate source, while eliminating possible duplication of services and/or funding.

Job placement targets are established for each Regional Office. Regional Offices will negotiate with service providers, as appropriate, in order to achieve the overall Regional Office job placement targets.

Service providers will provide reports to Regional Offices, as requested, to demonstrate how successful the service provider has been in achieving job placement targets, including job placement milestones. Where a service provider does not meet the negotiated funding targets, Regional Offices will require an action plan that demonstrates how the service provider will meet the negotiated targets in the following fiscal year.

### **Targets for Job Placement and Retention**

Regional Offices will negotiate job placement, job placement milestones and job retention targets with individual service providers in order to meet the overall Regional Office target. While funding will flow monthly to service providers in advance, the funding is earned when the service provider is successful in meeting the job placement, job placement milestone and retention targets.

To encourage service providers to continue to focus on placing clients in longer-term sustainable employment, there will be a limit on the number of job placement milestone payments a service provider can earn. A service provider can earn up to 2 times their negotiated job placement target. For example, if the service provider's annual job placement target is 50, the maximum number of milestone payments that the service provider can earn in that fiscal year is 100.

Where a service provider does not meet the job placement and retention targets at fiscal year-end, the service provider will develop a plan acceptable to the Regional

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Office to achieve their target in the following year, or the service provider may commit to an adjusted target with appropriately adjusted funding. The Regional Office may accept the plan, renegotiate the service contract for reduced targets and adjust the funding levels accordingly, or end the funding relationship with the service provider.

If the Regional Office has available funding, it may re-negotiate service contracts in-year if the service provider is able to exceed the job placement and retention targets.

In situations where the job placement target is negotiated either up or down within the fiscal year, the annual milestone maximum will be adjusted to reflect the new job placement target. (Note: The adjusted maximum allowable milestone amount cannot be less than the number of milestone payments the service provider has already earned for the fiscal year.)

### **Funding Components**

The following funding components will be used as the basis for negotiating service contracts/funding agreements with service providers:

- Funding for job placement milestones;
- Funding for job placement;
- Funding for job retention and career advancement;
- Funding for exceptional work-related disability supports; and
- Funding for special projects (optional).

Funding for milestones, job placement and job retention will be negotiated based on the service provider targets

Funding for exceptional work-related disability supports will be negotiated based on the expected number of clients to be served by a service provider who may require these types of supports and the nature/ estimated cost of supports.

Incentive funding is provided to service providers who exceed placement targets. This funding is calculated at year-end and is not part of the funding agreement.

Service providers who contract with ODSP Employment Supports to provide job placement and retention may not charge Employment Supports applicants/clients for services and supports provided.

### **Payment for Job Placement Milestone**

Service providers earn \$1,000 when a client has been placed in a job and has worked for 6 cumulative weeks. The milestone payment is paid in addition to the job placement fee (earned when the client has worked for 13 cumulative weeks).

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Service providers will also earn the milestone payment for clients who achieve the 6 week milestone, but are not able to reach the 13 weeks of cumulative employment.

Service providers helping clients pursue self-employment are eligible to receive the milestone payment. The \$1,000 milestone payment is paid when the self-employed client has generated a cumulative net business income of \$400.

### Payment for Job Placement

Job placement funding is set at \$6,000 per placement. Placement is defined as three months (13 weeks) of cumulative employment. The service provider earns the job placement funding when the client has been placed in employment for a cumulative 13 weeks

Service providers will not receive job placement funding for participants placed in employment through Special Projects as these projects are funded differently. Note: job placements as a result of participation in a special project count towards achievement of job placement targets if they meet the required criteria (See Directive 5.2: Special Project Funding)

### Payment for Job Retention and Career Advancement - ODSP Income Support Recipients

For Employment Supports clients who are also Income Support recipients, the job retention fee is earned for each month that the client is employed during the 33 consecutive months following the three-month (13 cumulative weeks) job placement period. The job retention fee may be earned starting the month after the job placement fee is earned . The total number of job retention payments cannot exceed 33.

For each month that the client is employed during the 33 consecutive months following the three-month (13 cumulative weeks) job placement period, the job retention payment is 60% of the ODSP Income Support recipient's chargeable earnings per month of employment. For the first 15 months, there will be a minimum payment of \$250 per month of employment.

Chargeable earnings refer to the amount of income after all ODSP earnings exemptions and deductions are applied to the recipient's net income (e.g. child care deductions, disability-related work expenses, etc.). Chargeable earnings represent the amount by which the recipient's ODSP Income Support is reduced.

The job retention fee also covers career advancement for clients. Career advancement refers to an increase in earnings, a promotion within the workplace or a move to another job elsewhere that requires a higher skill set or a greater level of responsibility.

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### **Payment for Job Retention and Career Advancement - Recipients Not in Receipt of ODSP Income Support**

For Employment Supports clients who are *not* ODSP Income Support recipients, the job retention payment is \$250 per month that the client is employed during the 15 consecutive months following the three-month (13 cumulative weeks) job placement period.

### **Job Placement and Retention Payments for Clients Pursuing Self-Employment**

Service providers may receive funding to provide supports required by eligible clients whose competitive employment goal is self-employment.

Funding for self-employment placement and retention is calculated in a similar manner to payments for clients who are employed in traditional employment. Regional Offices will negotiate service agreements with service providers who assist clients to become and stay self-employed based on targets for placement and retention.

Service providers receive an interim payment of \$600 for assisting clients to complete a self-employment business plan. The \$1,000 milestone payment will be paid when the client has started their business and generated a cumulative net income of \$400. The remainder of the self-employment placement fee (\$5,400) is earned when the client has generated a cumulative net business income of \$800 or more. Net positive business income refers to the amount of income after allowable business expenses are deducted from the gross business income.

Once the placement fee has been earned, the self-employment retention fee is earned for each month the client is engaged in self-employment activity and generating net positive business income.

As with job retention payments for waged employment, job retention payments for self-employed clients who are receiving ODSP Income Support are equal to 60% of savings due to chargeable income from the business during the 33 months immediately following the initial self-employment placement period. For the first 15 months of the job retention period, the minimum payment is \$250 per month that the client is generating net positive business income.

For self-employed clients that are not ODSP Income Support recipients, the minimum payment of \$250 applies for each of the 15 consecutive months following self-employment placement that the client is generating net positive business income.

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### Payments for Employed Applicants

Employment Supports can be provided to *new applicants* who are employed but at risk of losing their job and who require job retention supports to keep their job. A new applicant is someone who is not receiving job retention supports from a service provider.

For employed applicants, service providers may provide supports to help the person keep his/her job and are eligible to receive job retention funding only.

If the service provider determines the person is unable to keep his/her current job (for example, the disability precludes staying in the job and the job cannot be modified to meet the person's needs), a new job placement may be necessary. In this situation, the service provider is eligible to receive the job placement fee upon successful placement of the client and job retention fees thereafter.

Note: this situation is distinct from a client who is receiving job retention services from a service provider but is unable to continue working in that job. In that case, the service provider will continue to assist the client to obtain a new placement as part of the job retention/career advancement services being provided.

Employed applicants who are not in a job crisis but who require career advancement service(s) may be connected to a service provider. In this case, the service provider may only earn the Job Retention/ Career Advancement fee.

Before any services are provided, Employment Supports staff will discuss funding for employed applicants with the service provider on a case by case basis to determine the appropriate payments. Given the need to act quickly to help the applicant keep their job, these applications should be expedited as quickly as possible.

### Applicants Requiring One-time Supports to Accept or Keep Their Job

Applicants who require a one-time support (e.g. hearing aid, work equipment/ tools, license fees, etc.) in order to keep their job or accept a firm job offer do *not* select a service provider if no other supports are required.

If the applicant is an ODSP Income Support recipient, Employment Supports staff should assist the applicant to access the Employment Start-Up Benefit (ESUB), if eligible. If the person is not eligible for ESUB or if the person is not an ODSP Income Support recipient, once the person has been deemed eligible for Employment Supports, staff should provide funding directly to the client to purchase the item or assist them to access the support from an approved vendor.

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These costs will be managed within the Regional Office allotment for ODSP Employment Supports. If the client requires additional supports to maintain employment, Employment Supports staff should determine whether the client should select a service provider in order to receive job placement and/or job retention supports.

### Payment for Exceptional Work-Related Disability Supports

To ensure that clients with a wide range of employment barriers and disability needs have access to ODSP Employment Supports, funding is available for exceptional work-related disability supports for clients who have more complex employment barriers.

The Regional Office and the service provider will negotiate, within the service contract, an amount for exceptional work-related disability supports for an estimated number of clients who need these supports. As with funding for job placement and retention, funding for exceptional work-related disability supports will be flowed monthly in advance.

Funding to service providers for exceptional work-related disability supports is expenditure based. Funding provided for exceptional work-related disability supports is not subject to recovery, even if the placement is not successful. However, as per the ministry's usual business processes, any funds that are unspent are subject to recovery each year.

Regional Offices will negotiate the funding amount with individual service providers based on the expected number of clients who may require these types of supports and the average amount of funding required by those clients. Funding will be provided as an "envelope" to the service provider rather than on a client by client basis. This provides additional flexibility to service providers to meet the needs of their clients.

Service providers are required to maintain records of goods and services provided as exceptional work-related disability supports and submit reports to Employment Supports staff and, as requested, proof of expenditures.

### Incentive Payment for Exceeding Targets

A portion of the ODSP Income Support savings achieved as a result of placing and retaining clients in jobs will be paid to service providers as a bonus where the service provider exceeds the negotiated targets for job placement.

The payment will be paid at year-end based on the performance of the service provider and is not included in the funding agreement.

The actual payment will be determined at year-end and will equal *the lesser of*:

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- 50% of actual ODSP Income Support savings as a result of chargeable earnings achieved from all of the ODSP Income Support clients the service provider has placed, retained and/or advanced in employment; or,
- \$2,500 per client placed above the negotiated placement target.

### **RELATED DIRECTIVES**

[2.2 Employed Applicants and Applicants with Job Offers](#)

[3.2 Employment Information Session, Employment Supports Funding Agreement, and Selection of Service Providers](#)

[4.1 Job Placement](#)

[4.2 Job Retention and Career Advancement](#)

[4.3 Exceptional Work-Related Disability Supports](#)

[4.4 Self-Employment Supports](#)

[5.2 Special Project Funding](#)

[6.4 Performance Measures and Information Reporting](#)