

November 22, 2006

## IMPROVING THE ONTARIO DISABILITY SUPPORT PROGRAM

The McGuinty government has implemented significant improvements to the Ontario Disability Support Program (ODSP) to help recipients and their families increase their income.

The changes are in direct response to comments and suggestions the government heard during discussions with people with disabilities, social assistance recipients, community organizations and municipalities. These improvements will positively impact more than 20,000 ODSP recipients who are currently working, in addition to supporting thousands more recipients who are able and want to work as they move into the workforce.

### Increased income

One of the most significant changes for recipients is the change to the earnings exemptions rules that will let them keep more of what they earn.

A new, straightforward 50 per cent flat rate exemption now applies to all earnings – meaning that only half of a recipient's earned income will be deducted from their income support cheque. Each recipient and eligible adult family member who is working can now also receive an extra \$100 monthly Work-Related Benefit to help cover some of their work costs such as transportation or work clothing.

In addition, the government has increased the maximum amount recipients can claim for informal child care costs from \$390 to \$600 per month and has more than doubled the amount for disability work-related expenses from \$140 to \$300 per month.

This means that recipients who are working will see an increase in their disposable income. The amount will depend on each recipient's circumstances.

### Example 1 – Single recipient

Jeff earns \$750 per month from work. He spends \$300 per month on specialized disability-related equipment that he needs to do his job. Under the previous rules, he would have a total income of \$1,097 per month. However, with these improvements, he will now have a total monthly income of \$1,416\* – an increase of \$319 per month.

### **Example 2 – Single recipient with one child under the age of 13**

Claudette is a single parent of an eight-year-old daughter. She earns \$1,500 per month at her job, but has expenses of \$600 per month for child care and \$300 for disability-related work expenses. Under the previous rules, she would have a total income each month of \$1,663. Now, with these improvements, she will have a total monthly income of \$2,100\* – an increase of \$437 per month.

### **Example 3 – Family with one child under the age of 13**

Edyta and Glenn are both working parents with combined monthly earnings of \$1,000. They spend \$600 per month on informal child care for their three-year-old son. Previously, they would have had a total monthly income of \$2,084. Because of these improvements, they will now have a total monthly income of \$2,344\* – an increase of \$260 per month.

[\* Note: These numbers provide an accurate comparison of the changes to recipients' income resulting solely from these improvements. They do not take into account the additional increase in income recipients will see, over and above these changes, as a result of a two per cent social assistance rate increase that also takes effect in November 2006.]

### **Additional improvements**

To help more people get into the workforce, the government has doubled the Employment Start Up Benefit from \$253 to \$500 and is providing up to \$600 for upfront informal child care costs while recipients look for a job, participate in training or start a new job.

Other improvements will help those who are working make the transition to a brighter financial future, independent of social assistance, by:

- Providing ongoing prescription drug, dental and vision care benefits to recipients who leave the ODSP for employment until they receive comparable employer health coverage
- Creating an Employment Transition Benefit of \$500 for recipients who leave the ODSP for employment
- Improving rapid reinstatement rules to allow recipients who leave the ODSP for employment to return to the ODSP if their job does not work out.

### **Support for those who cannot work**

The Ontario Disability Support Program provides income support to people with disabilities in financial need and helps them to become as independent as possible.

Though these changes, specifically, will help recipients who can work, the government is committed to treating all people with disabilities with fairness and dignity and will continue to assist those who are not able to work.

In addition to the basic monthly allowance, ODSP recipients who are eligible can access a wide variety of other programs and benefits to help them with costs such as heating, utilities, assistive devices, and dental, drug and vision care benefits.

In 2004, the government invested more than \$100 million to provide a three per cent rate increase for every person on social assistance – the first increase in 12 years. In this year’s budget, social assistance rates were raised an additional two per cent, beginning this month for people on the ODSP. This will provide recipients with another \$33 million in benefits in 2006/07 and \$80 million in 2007/08 and beyond.

This is part of the government’s plan to restore integrity to the social assistance system, make it sustainable and build a more prosperous Ontario by investing in its people.

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