



**REPORT TO:** Co-Chairs and Members of  
Public Health and Social Services Committee

**SUBJECT:** Ontario Child Benefit - Implementation Update

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## **RECOMMENDATION**

That this Committee recommend to Regional Council that this report be received for information.

## **EXECUTIVE SUMMARY**

- The 2007 Provincial Budget introduced several investments aimed at helping Ontario's families and children in need. One of these investments was the new provincially funded, non-taxable Ontario Child Benefit (OCB) aimed at low-income families with children under 18 years of age.
- The intent of OCB, detailed in COM 07-2008 and COM 32-2008, is to strengthen families and provide the opportunity for children to achieve their full potential.
- As a result of OCB, social assistance has been restructured and benefits for families have changed.
- Social Assistance and Employment Opportunities (SAEO) staff has worked to ensure that community agencies and social assistance families are aware of these changes.

## **FINANCIAL IMPLICATIONS**

OCB is 100% provincially funded. With the restructuring of social assistance, it is anticipated that social assistance costs may decrease as the Basic Needs, Back to School and Winter Clothing allowances have been incorporated into the OCB payments. As well, social assistance payments will no longer be reduced by the National Child Benefit Supplement (NCBS).

The Ministry of Finance and the Ministry of Municipal Affairs and Housing announced that municipalities are expected to maintain investments, previously made through NCB savings and now with the savings resulting from the OCB implementation, in programs for children in low income families.

COM 07-2008 and COM 32-2008 proposed that these savings be reinvested in the recommendations made toward decreasing poverty and increasing prosperity for all of Niagara's families living in low-income households.

## PURPOSE

This report has been prepared to provide an update regarding the implementation of OCB in Niagara Region.

## BACKGROUND

Social assistance provides financial assistance in two categories: Shelter and Basic Needs. These benefits are calculated based on the family composition including the ages of children. Shelter and Basic Needs is budgeted at \$51,464,900 net \$10,292,980 for 2008.

Families with children under age 18 who attend school full-time are also eligible for Winter Clothing and Back to School allowances. For Ontario Works (OW) in 2007, spending for these two benefits totalled \$1,021,323 net \$204,264. As a result of the implementation of OCB, expenditures for these benefits were not budgeted for 2008.

As of March 2008, the average number of children and families in receipt of OW and ODSP was as follows<sup>1</sup>:

	Children 0-18	Sole Parent Cases	Two Parent Families Cases
OW	4,883	2,376	253
ODSP	2,279	938	610

OCB is an income tested financial benefit that will provide financial support to low income families with children under age 18.

Although OCB is a provincial benefit, it will be administered by Canada Revenue Agency (CRA) and the single cheque will include the NCBS and the Canada Child Tax Benefit (CCTB) in each payment.

A parent/guardian whose previous year's income tax return has been filed and assessed (including spouse/common-law partner) may be eligible for the OCB if he/she:

- Is entitled to the CCTB;
- Is a resident of Ontario; and
- Has a family adjusted net income below established OCB income thresholds

If taxes are filed late, OCB payments will be made retroactively. However, individuals who file their taxes late could have OCB payments suspended. Retroactive payments will be made once the individual's income is assessed by the CRA.

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<sup>1</sup> Social Assistance Statistics Reports – March 2008

OCB payments are issued to the child's primary caregiver. In the case of intact families, the benefit will be addressed to the mother. In the case of non-intact families, for example shared custody, the CRA will pay benefits based on the CCTB rotation schedule.

Monthly payments started in July 2008 and will total a maximum of \$600 per child (\$50/month) this year. Payments will be reduced by eight cents for every dollar of adjusted family net income above \$20,000.

A Transition Child Benefit (TCB), 100% provincially funded, has also been created for OW and ODSP families. The intent of this mandatory benefit is to provide a transitional benefit to families on social assistance who are not receiving the OCB or who may be receiving less than the maximum OCB<sup>2</sup>. TCB covers the difference between social assistance rates prior to OCB implementation (July 2008) and the new rates. For ODSP eligible families, the TCB will be up to a maximum monthly amount of \$148 per eligible child and for OW families, the TCB will be up to a maximum monthly amount of \$172 per eligible child.

Beginning with the August social assistance cheques, the implementation of OCB resulted in the restructuring of social assistance benefits. Basic Needs for children, as well as the Back to School and Winter Clothing allowances, were consolidated within the OCB. Families also kept their NCBS.

At full implementation, families in receipt of social assistance will receive more annual income as a result of the OCB.

	<b>2007 Annual income Aug 2007 - July 2008</b>	<b>2011 Annual income Aug 2011 - July 2012</b>
<b>Basic needs</b>	\$6,276.00	\$4,464.00
<b>shelter</b>	\$6,588.00	\$6,588.00
<b>less NCBS</b>	<u>-\$1,462.92</u>	
<b>Monthly financial assistance</b>	<b>\$11,401.08</b>	<b>\$11,052.00</b>
<b>Back to school (August)</b>	\$134.00	
<b>Winter Clothing (November)</b>	\$111.00	
<b>Child tax benefits</b>		
<b>CCTB basic benefit</b>	\$1,283.04	\$1,283.04
<b>NCBS</b>	\$1,987.92	\$1,987.92
<b>OCB</b>	<u>\$250.00</u>	<u>\$1,100.04</u>
<b>Monthly payments from CRA</b>	<b>\$3,520.96</b>	<b>\$4,371.00</b>
<b>Total income</b>	<b>\$15,167.04</b>	<b>\$15,423.00</b>

<sup>2</sup> Temporary Care Assistance, Assistance for Children with Severe Disabilities and ODSP recipients participating in OW employment assistance are ineligible to receive the TCB.

In July 2011, families may receive annual payments of up to \$1,100 per child, providing nearly 1.3 million children throughout the Province of Ontario with an additional \$765 million in annual support.

The OCB is based on adjusted family net income with a payment reduction of eight cents for every dollar of adjusted family net income above \$20,000. Maximum benefit per child is as follows:

Year	2007	2008	2009	2010	2011
Annual Benefit Level	\$250	\$600	\$805	\$900	\$1,100
Monthly Benefit Level		\$50.00	\$67.03	\$75.00	\$91.67

## REPORT

At full implementation, all eligible low-income families, including social assistance families will see an increase in the amount of income available to support their family. Families with children will receive less income from social assistance; however the OCB and the full NCBS will make up the difference over the year.

The transition began in August 2008 as the first month during which social assistance cheques were adjusted as follows:

- The Basic Needs portion for children under 18 was no longer included. Basic Needs is now provided for adults including the primary recipient, spouse and any dependent adults in the household.
- The National Child Benefit Supplement is no longer being deducted.
- The Back to School and Winter Clothing Allowances is no longer issued as part of social assistance benefits.

Historically, the Back to School allowance was issued in August. SAEO took a very proactive approach in trying to relay as much information to our families prior to the implementation of the OCB. SAEO has:

- held two community stakeholder sessions
- created a video containing key messages related to the OCB and playing the video in all SAEO lobbies
- contacted all participants<sup>3</sup> with children by phone to inform them they would not be receiving Back to School allowance and provided additional information related to the OCB.
- forwarded a community partner resource list to our families containing information on where they may obtain back to school supplies within their communities

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<sup>3</sup> 2,140 families were contacted by phone

As a result of the efforts by SAEO staff, 80% of our families with children received either full or partial OCB effective August 1, 2008. We will continue to support the remaining families with the Transition Child Benefit until they have secured OCB.

Although participants have been advised of this change and may have access to community resources to prepare for Back to School needs, the transition will be difficult for some families in receipt of social assistance. Consequently, families were also advised that if community resources were unavailable, OW Discretionary Benefits may be issued. SAEO may issue discretionary benefits, which are cost-shared 80/20% with MCSS for health or non-health related purposes on a case by case basis.

Through education and communication, SAEO staff has worked with community partners to ensure that the beneficial intent of OCB is realized and that low-income families living in Niagara are financially supported during the implementation of this benefit.

Submitted by:

Approved by:

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Commissioner, Community Services

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Chief Administrative Officer

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