

Time for a Fair Deal

Task Force on Modernizing Income Security for Working-Age Adults (MISWAA)

Briefing Note, Summary of Task Force Recommendations and Lists of Task Force and Working Group Members

May 2006

Briefing Note: Task Force on Modernizing Income Security for Working-Age Adults

The Toronto City Summit Alliance (TCSA) and St. Christopher House (St. Chris) launched the Task Force on Modernizing Income Security for Working-Age Adults (MISWAA) to address the urgent need to reform income security policies. There is overwhelming evidence that current policies and programs do little to realize and sometimes run contrary to their objective of supporting adults in gaining economic independence and a stable attachment to the labour market. The Task Force has created a report with specific recommendations and a roadmap for reform of the income security system for adults.

Lack of coordination between programs and levels of government has resulted in a web of rules, eligibility restrictions and disincentives that often penalize adults on social assistance for finding entry level employment, increasing their work hours, or accepting raises. For example, a lone parent may decline a better job because the income would be too high to qualify for a prescription drug program for his or her asthmatic child. In the current environment, many adults are unable to successfully transition out of social assistance or cycle repeatedly between weak labour market attachment and welfare.

Changes to income security policy in Ontario are difficult to achieve because support programs are each designed to minimize costs without regard for the effects each program has on the others. The overall system is not well designed to ensure that programs are complementary or to encourage increased government investment that could produce savings in the long run.

There is both a social and an economic urgency to tackling these issues. Our economy needs the participation of all working age adults and this need will grow significantly with an aging population. Moreover, changes in the last decade in income security funding levels and delivery responsibilities mean that municipal governments are hugely at risk when we have the next economic recession. It is imperative that we address these income security issues now while the economy is still healthy. It is also important that the linkages between income security programs and Canada's urban agenda be made clear. If we do not fix our income security programs, it will be our large cities that most suffer the consequences.

The TCSA and St. Chris assembled a group of experts and leaders from the non profit, academic, business, labour and government sectors of civil society, including people with first-hand experience of income security programs, to tackle the issues. An expert Working Group supported the Task Force by reviewing the existing research, identifying and filling knowledge gaps, and developing potential solutions and recommendations.

The Task Force has developed a set of policy recommendations that will transform our income security system into an effective one for working age adults. Recommendations are aimed at the federal government, the Ontario government, municipal governments, and other parts of civil society that can contribute to the solutions.

The Task Force on Modernizing Income Security for Working-Age Adults is indebted to the Atkinson Charitable Foundation, which provided seed money and is the lead sponsor for this project, and to their additional funders: KPMG, the Laidlaw Foundation, The Law Foundation of Ontario, the Maytree Foundation, The JW McConnell Family Foundation, TD Bank Financial Group and the United Way of Greater Toronto.

Summary of MISWAA's Recommendations

The Task Force's proposals for reform start from the perspective that multiple levers are required for a robust social safety net. Our proposals constitute a multi-faceted set of solutions designed to address the most urgent problems facing low-income working-age adults by: increasing their incomes, lowering their costs to live and work, and protecting and building their personal and financial assets.

We recommend the following reforms for Canada and Ontario:

Canada

The federal government should:

- Reform Employment Insurance to address the significant decline in coverage of the unemployed and the related decline in access to employment supports and training.
- Create a new refundable tax benefit consisting of a basic tax credit for all low-income working-age adults and a working income supplement for low-income wage earners.
- Provide and administer a national disability income support program for persons whose disabilities are so substantial that they are unlikely to enter the paid labour force.

The Task Force also supports the recommendations made by others to increase the National Child Benefit to an adequate level.

Ontario

The provincial government should:

- Establish an independent body, with representation from labour and employers, to recommend periodic increases to the minimum wage and monitor the employment and economic effects. It should be put in place before February 2007 when currently planned minimum wage increases will have been completed.
- Implement an integrated child benefit platform for all low-income parents with children that pays benefits outside the social assistance system.

- Provide basic health (prescription drugs and vision care) and dental coverage (including basic restoration) to low-income workers.
- Strengthen enforcement of employment standards to protect the rights of workers under the law with a focus on employers that are high risk to offend. Update and expand current employment standards to cover new forms of work.
- Raise social assistance asset limits to \$5,500 for a single person and \$9,000 for a family, along with other improvements in asset treatment.
- Revamp the disability determination process for the Ontario Disability Support Program to streamline decision-making and provide support services to applicants earlier.
- Reinstate earlier provincial policies to set disability benefits at the same levels received by senior citizens who have no other source of income.
- Improve and expand employment supports, training and upgrading for social assistance recipients, as well as low-income workers, with an emphasis on building individual skills and capacities.
- Provide Ontario Works recipients who have multiple barriers to work with special supports to encourage participation in community activities and longer-term capacity building.
- Allow persons receiving Ontario Disability Support Program benefits who can work despite their disability to participate in the labour market without jeopardizing their health and dental coverage.
- Upload social assistance benefits costs for the municipally delivered Ontario Works program, and all social assistance costs (benefits and administrative) for the provincially delivered Ontario Disability Support Program, from municipalities to the province.

Implementation of these important recommendations will go far to providing a fair deal that ensures that working-age adults have the supports they need to live in dignity and to participate fully in our economic and community life.

MISWAA Task Force and Working Group

While the views expressed in the report of the MISWAA Task Force are not necessarily identical with those of each member or organization listed, all signatories have a common determination to address the challenges the report describes.

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