



**Ontario's Basic Income Pilot Consultations:
Key issues for people on OW and ODSP
5 January 2017**

The provincial government is consulting with people in Ontario about creating a basic income pilot project. The consultation is based on a report by Hugh Segal, who was appointed as a Special Advisor to make recommendations about how a pilot project would work. The government is hosting consultation meetings across the province and people can comment through an online survey or by mail or email. The consultations are based on questions being asked in the Basic Income Consultation Guide. See page 5 for information about how to participate in the consultations.

Although we have concerns and questions about how the pilot project would work and whether and how much it would benefit people on social assistance in the long run, we believe it is positive that Mr. Segal's paper is generating a lot of discussion about poverty, the costs of poverty and the need to radically change the punitive and intrusive income security system we have now. We also note that many of the issues facing people on social assistance are also being considered by the Income Security Reform Working Group, which is going to make recommendations to government in summer 2017.

A basic income pilot project that replaces social assistance in Ontario will have a number of implications for people on OW and ODSP. The ODSP Action Coalition and the Income Security Advocacy Centre have created this list of responses to some of the questions being asked in the consultations. We hope this will help you when attending consultation meetings or responding to the consultation survey.

This list builds on preliminary responses we created in November 2016. It includes responses that we hope you will use, even if they don't directly answer the questions, because the issues we are raising are important considerations for the pilot project. See page 4 for more resources that may also be helpful.

- Mr. Segal's report is available online here: <https://www.ontario.ca/page/finding-better-way-basic-income-pilot-project-ontario>.
- A summary of his recommendations is here: https://files.ontario.ca/mcss_basic_income_discussion_paper_exec_summary_english.pdf.
- The Basic Income Consultation Guide is here: <https://www.ontario.ca/page/consultation-guide-basic-income-pilot-project>.

- Information about the Income Security Reform Working Group is here: <https://news.ontario.ca/mcss/en/2016/06/ontario-establishing-income-security-reform-working-group.html>.
- **Basic Principles**
- The goal of a basic income pilot should be to lift people out of poverty.
- No one should be worse off on basic income than they are on OW or ODSP.
- A mechanism must be put in place to ensure that anyone who participates in the basic income pilot is not adversely affected after the pilot ends. The government must commit to providing people in this situation with an ongoing level of benefits that ensures that no one faces an abrupt and drastic loss of income at the end of the pilot program.
- Funds for the basic income pilot project should not come out of the base budget of the Ministry of Community and Social Services. The basic income pilot has implications for the work of many ministries and should be considered a cross-governmental initiative. Funds for the pilot project must not compete with or reduce investments that need to be made to support important changes to social assistance programs.

Q1: Who should be eligible for the Pilot and why?

- OW and ODSP currently use total family income to determine eligibility. Concerns have long been raised by the Coalition, ISAC and others about the impact that this has on the ability of single people on social assistance, who make up nearly half of all recipients, to enter into relationships. Concerns have also been raised about the financial dependency that this creates for people who may not have access to any other source of income independent of their family members.

We support testing eligibility based on the individual's income. In this way, people with disabilities will be able to form relationships and still have an income without expecting their partner to fully support them. We also support tracking relationship formation / dissolution to better understand how having an individual source of income impacts on people receiving the basic income.

However, if family income is used rather than individual, we support the Mr. Segal's suggestion of that benefit payments should be divided equally and paid to all adults in the family. This would at least give everyone an independent source of income and financial autonomy. However, it would not resolve the problem of people with disabilities who need independent incomes but are ineligible for benefits due to their family's net income.

In addition, in order to comment specifically on the implications of basic income for families, the tax-back rates would need to be known.

- We agree with Mr. Segal's recommendation that people who are "not yet citizens" should not be excluded from the basic income pilot, but feel this should be expanded to include all those whose immigration status has not yet been regularized but who are currently eligible for OW or ODSP.

- We also support Mr. Segal's recommendations around ensuring that Indigenous peoples are offered the opportunity to take part in a basic income pilot, and that any Indigenous pilot that occurs is designed under the prerogative of Indigenous representatives.
- Mr. Segal recommends that people with disabilities and those who are caregivers of people with disabilities should receive an additional \$500 per month, on top of the base basic income amount. We feel strongly that the test for whether or not a person qualifies as "disabled" in order for them or their caregiver to get the extra money should be the same as the current test for ODSP.

Q2: What are the pros and cons of each approach? (site selection)

- We have not taken a position on where the pilot test sites should be located or whether the government should proceed with all of the different types of groups and sites that Mr. Segal recommends. The amount of data collected would be much greater with so many test groups, but it will also be much more complex and costly to administer than just one site or one randomized trial.

Q3: What should be considered in determining the amount for the Basic Income benefit?

- The goal of a basic income pilot should be to lift people out of poverty. If the government wants clear evidence on how providing "adequate" incomes affects health and educational outcomes, food security, housing, and other issues, then the pilot project must provide a level of benefits that is adequate enough to make a real difference. As well, basic income should provide a sufficient level of benefits to allow people who are not able to work or who can only work sporadically due to disability to live with health and dignity. This means the level of benefits should be **at least** 75% of the Low-Income Measure, not a "modest amount of income floor" as the consultation question asks.
- People with disabilities require a supplement in recognition of the additional costs arising from their disability, the often long-term nature of their need for income support, and the recognition that many will not be able to supplement their income with work. We support Mr. Segal's recommendation of \$500 for this supplement, but feel that the basic income pilot should test whether \$500 per month is adequate to meet the real needs of people with disabilities.
- Currently people on OW and ODSP can receive additional supports for health- and employment-related expenses. These benefits are provided either through financial allowances (e.g., reimbursement or coverage of costs associated with working) or through the "in-kind" provision of goods or services (e.g., drug, dental and vision coverage). As Mr. Segal recommends, all special benefits should be retained during the pilot. These benefits are provided for special purposes, not for ordinary daily living expenses like food and shelter. The basic income cannot be expected to cover these special needs. As Mr. Segal also recommends, eligibility for subsidized housing should remain.

- Many advocates have long called on the province to ensure that drug, dental, vision and other health benefits are extended to all low-income people in Ontario, with no loss of benefits for those on OW and ODSP. In 2014, the Ontario government committed to creating a Low-Income Health Benefit for both children and adults. No progress has yet been made. The province should pursue the creation of this benefit independently of a basic income program.
- An important part of how the basic income amount will be determined is what the “taxback” rate is going to be if people who get the basic income have earnings from work. It is difficult to comment further on this issue without more information from either Mr. Segal or the Ministry on what the taxback rate might be. The taxback rate needs to be reasonable enough so that people aren’t punished for working.

Q4: How should we get payments to the people who need them?

- The Negative Income Tax appears to be a reasonable way to provide a basic income, given that other provincial benefits like the Ontario Child Benefit are provided in this way. However, certain considerations must be taken into account:
 - As noted in the consultation guide, there will need to be a way to adjust benefits if income drops or family size increases during the year. Determining how to resolve this issue is quite complex, given that it might require providing a top-up of some sort and determining income reporting and reconciliation requirements. We have not yet done a full analysis to make a specific recommendation on this issue.
 - As Mr. Segal recommends, appeals should go to the Social Benefits Tribunal (SBT) rather than the Federal Tax Court, as the SBT is more accessible and has expertise in the issues affecting low income people.
- There is a lack of clarity in Mr. Segal’s report about how the tax-back provisions would work, which would determine how the basic income would interact with income from employment. For example, there is no specific recommendation about the levels of the two proposed tax-back rates. This is a crucial question that will impact on the benefit levels and labour market participation of those who may be able to work or where one family member works.

Q5: What does success look like for a basic income?

- The pilot project should include testing whether the basic income amount provides enough income to cover the actual costs of decent housing, nutritious food, transportation, communication and other basic needs. Evaluation must include evidence on how well the amount of benefits provided meets the real needs of low income people.
- Privacy and ethical concerns with the amount of data collection being recommended are significant and government must ensure that these concerns are adequately met. There may be great value in the future of having all of this research to support the ongoing fight for adequate incomes for all.

Nonetheless, ODSP Action Coalition members have serious concerns about having a Control Group consisting of OW and ODSP recipients who get only their current benefits but still share all the information that the government can collect on them. They feel strongly that there is already much information that can be collected about the costs of poverty without the additional burden being placed on a group of recipients with no immediate return. Some sort of honorarium should be paid to those recipients who are sharing information in the course of participation in surveys or focus groups, for the time and effort they will be contributing.

Additional Resources

- Webinar: *Basic Income: What is it and what could it mean for social assistance?* - Jennefer Laidley, Income Security Advocacy Centre - <http://incomesecurity.org/public-education/basic-income-what-is-it-and-what-could-it-mean-for-social-assistance/>
- *Basic Income: The Devil's in the Details* - Jennefer Laidley, Income Security Advocacy Centre - <http://incomesecurity.org/publications/other/ISAC-Laidley-Basic-Income-The-Devils-in-the-Details-Oct-2016.pdf>
- *Basic Income: Rethinking Social Policy* - Eds. Alex Himelfarb and Trish Hennessy, Canadian Centre for Policy Alternatives, Ontario - <https://www.policyalternatives.ca/publications/reports/basic-income>
- *A Policymaker's Guide to Basic Income* - David MacDonald, Canadian Centre for Policy Alternatives - <https://www.policyalternatives.ca/basic-income>
- *Policy Brief: Would a universal basic income reduce poverty?* - Noah Zon, Maytree Foundation - http://maytree.com/policy-and-insights/publications/policy-brief-basic-income.html?doing_wp_cron=1476478493.0893380641937255859375
- *Pilot Lessons: How to design a basic income pilot project for Ontario* - E.L. Forget, D. Marando, T. Surman & M. Crawford Urban, Mowat Centre - <https://mowatcentre.ca/pilot-lessons/>

How to Participate in the Consultations

The provincial government is consulting with Ontarians about the basic income pilot in three ways. **The deadline for sharing feedback is January 31, 2017.** It is important to first read the Consultation Guide, which is available here: <https://www.ontario.ca/page/consultation-guide-basic-income-pilot-project>.

1. Attend an in-person session:
 - The list of meeting dates and locations for the sessions being held across the province before the end of January is here: <https://www.ontario.ca/page/basic-income-pilot-consultation#section-3>
 - Register here to attend a session: <https://www.ontario.ca/form/register-attend-session-basic-income-pilot-consultation>
2. Complete an online survey:
 - There is one survey if you are a member of the public: <https://www.ontario.ca/form/basic-income-pilot-public-survey>
 - There is another survey if you work in or are interested in this subject: <https://www.ontario.ca/form/basic-income-pilot-expert-survey>

3. By email

- Send your ideas by email to: basicincome@ontario.ca

If you are you interested in hosting your own consultation meeting, you can request a consultation kit by emailing basicincome@ontario.ca. You can also use the ODSP Action Coalition's Community Facilitator's Guide, which is available at www.odspaction.ca.