



## **Ontario ACORN members are demanding an increase to allowable employment income before deductions and increases to allowable asset limits for ODSP and OW recipients**

The government of Ontario could raise thousands of people out of poverty if they would only change the rules around what recipients are allowed to keep without even raising the budget!

**1 - ACORN members are demanding that the Provincial government increase the employment income before clawbacks. The limit before any deductions should be increased from \$200/month to \$800/month for both ODSP and OW recipients.**

In Ontario, recipients of ODSP<sup>1</sup> and OW<sup>2</sup> are eligible to work for income, however, only the first \$200 earned a month can be kept before the province claws back 50% of further earnings. The Canadian Centre for Policy Alternatives states that “the poverty gap—the distance between total benefit income and the poverty line—for people who qualify for social assistance has worsened over time, especially so for single people receiving Ontario Works. People receiving benefits from Ontario’s social assistance programs are living in a greater depth of poverty now than a generation ago.”<sup>3</sup> If recipients who are able to work to supplement meagre social assistance rates were allowed to keep more of their hard earned money, many recipients and their families and would be lifted out of poverty.

### **2 - Increase Asset Limit thresholds for ODSP and OW recipients**

- A. The Government needs to increase the asset limit for couples and families on ODSP from \$7500 to \$10,000**
- B. The Government needs to increase asset limits for OW recipients to match limits of ODSP recipients**
- C. The government should make all assets exempt for the first 6 months of receiving social assistance for both ODSP and OW recipients**
- D. The government should consider all RRSPs as exempt assets, regardless of whether they are locked in or not**

These forms of low asset limits almost guarantee that those on social assistance will remain in and age in poverty. Assets and asset limits vary between ODSP and OW. Some examples of assets considered toward asset limits for applicants and recipients can include:

- cash
- money you have in bank accounts
- Registered Retirement Savings Plans (RRSP)
- vehicles
- property (for example, land or a house)

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<sup>1</sup> [http://www.mcass.gov.on.ca/en/mcass/programs/social/odsp/income\\_support/odsp\\_workearn.aspx](http://www.mcass.gov.on.ca/en/mcass/programs/social/odsp/income_support/odsp_workearn.aspx)

<sup>2</sup> [http://www.mcass.gov.on.ca/en/mcass/programs/social/ow/client/earning\\_Money.aspx](http://www.mcass.gov.on.ca/en/mcass/programs/social/ow/client/earning_Money.aspx)

<sup>3</sup> <https://www.policyalternatives.ca/publications/reports/ontarios-social-assistance-poverty-gap>

- any other assets that you or your family own

Some assets are "exempt" meaning ODSP and OW do not consider these when assessing assets and asset limits. Some examples include:

- the home you own and live in
- your primary vehicle (the one you use the most, if you have more than one)
- trust funds derived from an inheritance or life insurance policy, up to allowable limits
- pre-paid funerals
- Registered Disability Savings Plans (RDSP)
- necessary household and personal items, such as furniture and clothing <sup>4 5</sup>

<b>Applicant</b>	<b>Maximum Asset Limit (2016)</b>
Single OW applicant	\$2,500
OW applicant with spouse	\$5,000
OW applicant with spouse and dependants	\$5,500 + \$500 for additional dependants
OW applicant with dependant and no spouse	\$3,000 + \$500 for additional dependants <sup>6</sup>
Single ODSP applicant	\$5,000
ODSP applicant with spouse	\$7,500
ODSP applicant with spouse and a dependant	\$8,000 + \$500 for additional dependants
ODSP applicant with dependant and no spouse	\$5,500 + \$500 for additional dependants <sup>7</sup>

In Alberta, recipients are exempt a further \$5,000 per adult in Tax-Free Savings Accounts and RRSPs. In Quebec, a blanket exemption in registered instruments of \$60,000 is granted. And in Newfoundland and Labrador, RRSPs are exempt for the first 3 months of receipt of assistance.<sup>8</sup>

<sup>4</sup> [http://www.mcass.gov.on.ca/en/mcass/programs/social/odsp/income\\_support/assets.aspx](http://www.mcass.gov.on.ca/en/mcass/programs/social/odsp/income_support/assets.aspx)

<sup>5</sup> <http://www.mcass.gov.on.ca/en/mcass/programs/social/questions/assets.aspx>

<sup>6</sup> <http://www.mcass.gov.on.ca/documents/en/mcass/social/directives/ow/0402.pdf>

<sup>7</sup> [http://www.mcass.gov.on.ca/en/mcass/programs/social/odsp/info\\_sheets/assets.aspx](http://www.mcass.gov.on.ca/en/mcass/programs/social/odsp/info_sheets/assets.aspx)

<sup>8</sup> <http://metcalfoundation.com/wp-content/uploads/2011/05/why-dont-we-want-to-poor-to-own-anything.pdf>