

Changes to Asset Rules for People on Ontario Works

The 2013 Ontario budget included a number of changes to social assistance.

ISAC has prepared several fact sheets on these changes to give people receiving support from Ontario Works (OW) and the Ontario Disability Support Program (ODSP), and the people who work with them, information about the kinds of changes they can expect to see, and when.

This fact sheet explains the changes to the rules around asset levels that people on OW are allowed to have. There are no changes being made to asset levels for people on ODSP. See <http://www.incomesecurity.org> for our other fact sheets.

1. Liquid asset limit increases

For the first time since Ontario Works was created in 1997, the amount of money that a person can have as a “liquid asset” (e.g., cash or money in the bank) has increased significantly.

The old OW rules limited the amount of assets you can have to the amount of income benefits that you are eligible to receive. For example, a single adult is currently eligible for a maximum monthly cheque from OW of \$626 (basic needs + shelter), so they could only have \$626 or less to be eligible for OW.

Single adults on OW are now able to have \$2,500 in liquid assets instead of \$626.

Couples are able to have \$5,000, instead of the previous \$1,054. For each dependent, the asset level increases by \$500. The table below shows the changes.

Family Type on OW	Old Amount of Assets Allowed	Amount of Assets Allowed Starting Sept 2013 *	Increase
Single	\$626	\$2,500	\$1,874
Single parent with one child (under 18)	\$940	\$3,000	\$2,060
Single parent with two children (under 18)	\$992	\$3,500	\$2,508
Couple	\$1,054	\$5,000	\$3,946
Couple with one child (under 18)	\$1,106	\$5,500	\$4,394
Couple with two children (under 18)	\$1,160	\$6,000	\$4,840

* These changes take effect starting September 2013. Caseworkers have started using these new asset levels to determine eligibility for September.

2. Increases in allowable value of vehicles

i. Cap on value of primary vehicle: A “primary vehicle” is the car or other motor vehicle that you use most often. The old OW rules said that if you have a primary vehicle, it couldn't be worth more than \$10,000. If it was worth more, you had to sell it and get a cheaper one in order to stay eligible for OW. The \$10,000 cap has been removed.

ii. Secondary vehicle value increased: The old rules said that you could have a second car or other vehicle, as long as someone in your family (benefit unit) uses it for work or training and as long as its value wasn't higher than \$10,000. This rule has been changed to increase the allowable value of the second vehicle to \$15,000. You still have to show that the second vehicle is being used for work or training.

These changes mean that the rules around vehicle value are now the same for everyone on social assistance, whether they are on OW or ODSP.

The rule changes took effect in September 2013. This means that caseworkers have already started applying this rule as they determine eligibility for September benefits.

3. Asset flexibility for First Nations and Northern Ontario communities

OW rules have been changed to give more flexibility to people living in First Nations and Northern communities around the assets that they're allowed to have in order to be and remain eligible for income support. This flexibility started in September.

If the assets can be shown to be useful for people in these communities to either participate in cultural activities or to work, the value of the assets may not be counted in determining their eligibility for OW.

Examples of these kinds of assets are equipment needed for hunting, fishing and farming, a motor vehicle like an ATV or snowmobile, or a snowplough attachment for a truck.

Why are these changes important?

People on OW and advocates have been calling for increases to asset exemptions for many years, so that people don't have to be completely destitute before they are eligible for OW benefits.

The increase to liquid asset levels is especially important because people who need income support from OW will now be able to hold on to a small financial cushion and still receive income support. As well, people who are already receiving benefits from OW will not have their benefits cancelled if they are able to put together a small amount of savings.

The budget said these new asset limits will be reviewed to see what impact they have on the number of people receiving social assistance, and on how many people are able to leave assistance in an improved position because of the financial cushion they can now have. Asset limits may be increased further after this review.

Increasing the vehicle value is important as it means people won't have to sell their car and buy a new, less valuable one just to satisfy this rule.

Asset flexibility for people living in First Nations and Northern communities is important because it better recognizes their culture and way of life.