

Changes to the Rules about Gifts 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, the information they need about the kinds of changes they can expect to see, and when.

This fact sheet explains the changes to the rules around the amount of gifts or voluntary payments that people on OW are allowed to accept without having them deducted from their cheques. See <http://www.incomesecurity.org> for our other fact sheets.

Increases to Gift Exemptions in Ontario Works

Starting in September 2013, people on OW will be able to receive up to \$6,000 in any 12-month period in “gifts or voluntary payments”, without this amount being deducted from their OW cheque.

This will make the rules the same for both OW and ODSP. In ODSP, the rules already allow up to \$6,000 in any 12-month period. You will still have to report gifts or voluntary payments to your caseworker.

The old rule says that people on OW could receive “casual gifts or casual payments of small value” without deduction. Different interpretations of this rule by different OW offices meant that the rule was not being applied the same way in every situation. An extreme example was the deduction of the value of a bag of groceries from the cheque of a person on OW who received this help from a family member or friend.

Why is this change important?

Now that the rule has been changed, people on OW will have much more certainty about what amounts will be deducted from their cheque. As long as the total amount of gifts or voluntary payments they get is less than \$6,000 over the course of any 12-month period, that money should not be deducted from their cheque.

The new rule also eases the negative impact of the “budget deficit” model that OW uses. In other words, a person on OW will be able to legitimately receive a significant amount of financial help without losing any of their benefits.

Note, however, that any amount of money that people receive under a court order (like child or spousal support) won't count under this new rule. These amounts are not “voluntary payments”, so they will still be deducted in the same way as before – child or spousal support will continue to be deducted at 100%.