




Hamilton

# INFORMATION REPORT

<b>TO:</b>	Chair and Members Emergency and Community Services Committee
<b>COMMITTEE DATE:</b>	September 5, 2019
<b>SUBJECT/REPORT NO:</b>	Elimination of the Transition Child Benefit (HSC19050) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
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<b>SUBMITTED BY:</b>	Bonnie Elder Director, Ontario Works Division Healthy and Safe Communities Department
<b>SIGNATURE:</b>	

## COUNCIL DIRECTION

Not applicable.

## INFORMATION

On April 11, 2019, the Provincial Government introduced their first budget. The budget provided further information on the government's plans to reform social assistance initially announced in November 2018 and announced that changes would be coming to the Transition Child Benefit (TCB).

On July 25, 2019, Ministry of Children, Community and Social Services (MCCSS) advised that the government has approved regulations to amend the Ontario Works (OW) and Ontario Disability Support Program (ODSP) regulations that will end the TCB effective November 1, 2019.

### Ontario Child Benefit

In July 2008, the Province of Ontario removed benefits for children from the basic needs component of the financial assistance provided by OW and ODSP and created a new tax-

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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

based benefit, the Ontario Child Benefit (OCB)<sup>1</sup>. The OCB is a provincially funded monthly benefit administered by the Federal government in conjunction with the Canada Child Benefit (CCB) that provides financial supports for dependent children under the age of 18 to low-income families whether they are working or on social assistance.

The following are circumstances that may cause a family not to be in receipt of CCB and/or OCB:

- Not filing an income tax return for the previous taxation year;
- Administrative delays by the Canada Revenue Agency (CRA) in assessing and issuing the CCB and OCB due to changes in life events (e.g. recently moving to Ontario, having a new-born child, etc.);
- Having income that was too high the previous tax year;
- Immigration status of refugee claimants; and/or
- Asylum seekers.

Concurrently, the Government of Ontario implemented the Transition Child Benefit (TCB) for families receiving social assistance to mitigate the impact of not receiving the CCB and OCB in these situations.

#### Transitional Child Benefit

Ontario Works administers the TCB under provincial legislative authority.

The TCB provides up to \$230 per month/per eligible child to a parent on social assistance (Ontario Works/Ontario Disability Support Program) who is not receiving, or is receiving less than, the maximum entitlement of the CCB and/or the OCB, to assist with the costs of basic necessities (e.g. food, clothing) for children.

Generally, the TCB is issued for a period of four months pending CRA processing and assessment of the family's income tax return. The four-month limitation may be extended for families eligible for less than the maximum CCB/OCB or for families ineligible for the CCB/OCB due to their lack of status in Canada (i.e. refugee claimants, asylum seekers).

Upon retroactive issuance of CCB/OCB, the family's social assistance is reduced for a maximum of three consecutive months or until the TCB has been repaid in full.

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<sup>1</sup> Effective July 2016, the National Child Benefit Supplement (NCBS) was consolidated into the Canada Child Benefit, however, notional NCBS amounts are provided by the Canada Revenue Agency to enable the calculation of the TCB.

**SUBJECT: Elimination of the Transition Child Benefit (HSC19050) (City Wide) -**  
**Page 3 of 4**

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Demographics for Hamilton

In 2018, the City of Hamilton's Ontario Works Division issued approximately \$1.9 M in TCB benefits to residents of the City receiving financial assistance from Ontario Works, or approximately \$157,000 per month. These funds are 100% Provincial dollars. There has been a 40.3% increase in the amount of TCB dollars issued in 2019 from 2018 for the months of January to April inclusive<sup>2</sup>.

There were 806 families receiving TCB between January 2019 and April 2019. There were 1,805 children under the age of 18 years for whom TCB was issued, with 86.8% of the children being three years of age or younger. Of these families, 57.6% have status in Canada, while 42.2% (340 cases) were refugee claimants with the majority of families residing in market rental accommodations<sup>3</sup>.

Impacts

The following chart compares three income support scenarios for three different family compositions:

<b>Family Size and Composition</b>	<b>Maximum Ontario Works Entitlement* and Maximum CCB/OCB**</b>	<b>Maximum Ontario Works Entitlement* and Maximum TCB</b>	<b>Maximum Ontario Works Entitlement* and Not in Receipt of CCB/OCB or TCB</b>
2 adults and 1 child < 6 years of age	\$1,849.24	\$1,421.00	\$1,191.00
2 adults and 2 children < 6 years of age	\$2,566.49	\$1,710.00	\$1,250.00
2 adults and 3 children < 6 years of age	\$3,283.73	\$1,999.00	\$1,309.00

\*Based on Ontario Works rates effective October 2018

\*\*Based on CCB and OCB rates for June 2018 to July 2019 for families with an Adjusted Family Net Income of <\$21,416

Elimination of the TCB may mean that families on social assistance and not in receipt of CCB/OCB will need to use the shelter portion of their monthly financial assistance from Ontario Works/Ontario Disability Support Program to provide the necessities for their children (food, clothing, etc.) and will have the greatest impact for the longest duration on refugee claimants.

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<sup>2</sup> Based on data from the CRS880 Subsidy Claim Expenditure Reports for January 2018 through April 2019 inclusive.

<sup>3</sup> Based on data extracted from the Social Assistance Management System on June 4, 2019.

**SUBJECT: Elimination of the Transition Child Benefit (HSC19050) (City Wide) -  
Page 4 of 4**

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Currently, refugee claimants receiving social assistance are eligible to receive TCB while they are pending a decision on their claim for refugee status in Canada. In consultation with the Immigration and Refugee Board of Canada, it was disclosed that presently, there is over a two year wait time for a claim to be heard.

Refugee claimants are ineligible for the children's benefit available through the Canadian tax system until status in Canada is conferred. As financial assistance provided by Ontario Works/Ontario Disability Support Program no longer includes children's benefits, the children of refugee claimants are economically disadvantaged when compared to children born to those with status in Canada.

The loss of monthly financial support provided by the TCB has the potential to cause impacts within other areas of the human services system (community wide) and within the Healthy and Safe Communities Department, such as:

- Increase in requests for Housing Stability Benefits;
- Increase in requests for utility arrears;
- Increased utilization of the shelter system, particularly the family shelter and hotel stay;
- Increase in utilization of food banks;
- Increase in applications for subsidized housing;
- Increase in the length of time to secure stabilized housing (currently an average length of three to five years); and/or,
- Increase in requests for child-related items such as car seats, cribs and formula.

**APPENDICES AND SCHEDULES ATTACHED**

None.