JUL 08 2008

His Worship Fred Eisenberger
Mayor
City of Hamilton
230–77 James Street North
Hamilton, Ontario
L8R 2K3

Dear Mayor Eisenberger:

Thank you for your letter, on behalf of the City of Hamilton, concerning social assistance restructuring and the Ontario Child Benefit (OCB). I appreciate the time you have taken to write and share your concerns.

Our government wants all Ontarians to have the opportunities and the tools they need to reach their full potential. We recognize that it’s difficult to live on a low income. That is why, for the fourth consecutive year, we are increasing social assistance rates.

Last fall, social assistance recipients received a two per cent increase to their benefits, and they will receive another two per cent increase later this year. In a full year, the 2008 increase will provide social assistance recipients with an additional $36 million in income support in 2008–09 and an additional $87 million in 2009–10.

Our government has also committed to developing a comprehensive poverty reduction strategy that will make a difference. I am proud to be a member of the first-ever Cabinet Committee on Poverty Reduction. Our plan includes developing indicators and targets to measure and address poverty so we can track our progress and target areas needing improvement.

As you know, the 2007 Budget announced the creation of a new provincially-funded non-taxable OCB. This historic investment is intended to strengthen families and provide the opportunity for children to achieve their full potential. The OCB provides a simple, income-tested financial benefit to low- and moderate-income families with children under age 18, regardless of whether or not they receive social assistance.

The OCB, which will be phased-in over five years, began with a one-time down payment of up to $250 per child in July 2007. Monthly OCB payments will start in July 2008, providing up to $600 per child annually. This amount will grow each year reaching a maximum of $1,100 per child annually by July 2011. At maturity, the OCB will provide benefits to more than 600,000 families with nearly 1.3 million children.

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Once monthly OCB payments begin in July 2008, the National Child Benefit Supplement (NCBS) will no longer be deducted from social assistance payments and social assistance rates will change for recipients with children under age 18. While the basic needs amount for children and the back-to-school and winter clothing allowances will be removed from social assistance, the new monthly OCB payment plus the full NCBS will make up the difference over the year.

Social assistance rates will have additional supplements for single parents and teenage children. Families will also continue to receive shelter allowances, health and dental benefits and child care supports for their children through social assistance. I would encourage families receiving social assistance who feel that they are experiencing significant financial challenges to speak with their local Ontario Works office about help that may be available to them.

We recognize that poverty is a multifaceted issue, and we realize that social assistance is only one part of the solution. That is why we are also taking action on child care, minimum wage, rental costs and affordable housing.

We appreciate the input we receive from municipalities, and we are committed to restoring fairness, hope and dignity to the individuals and families who rely on Ontario’s social assistance programs.

Once again, thank you for writing.

Sincerely,

Madeleine Meilleur
Minister