To: Chair and Members
      Emergency & Community Services Committee

From: Ron Sharegan, Chair
      Food Shelter and Housing Advisory Committee

Date: May 28, 2009

Re: Advocacy with Ministry of Community and Social Services regarding Ontario Works Eligibility Criteria for Employment Insurance Applicants (FSH 09-001) (City Wide)

Recommendation:

That the Mayor correspond with the Minister of Community and Social Services to advocate for the removal of Ontario Works’ asset eligibility test for laid-off/terminated employees who are awaiting their first Employment Insurance payment.

Background:

The world-wide economic downturn has had a significant impact on Hamilton. The community’s unemployment rate increased from 6.7% in April 2008 to 8.1% in April 2009. Hamilton has also seen a corresponding increase in Employment Insurance (EI) beneficiaries from 7,270 in February 2008 to 13,330 in February 2009.

Accounts in the media have highlighted the backlog of EI applications. In some cases it is taking up to 10 weeks for applications to be processed. To better understand the impact of this delay for newly unemployed workers, the Food, Shelter & Housing Advisory Committee invited the Director of the Employment and Income Support Branch to make a presentation regarding the implications for Ontario Works (OW).

In the presentation, the Committee learned that EI applicants may apply for OW while their application is pending. There is an arrangement with EI to reimburse OW for money paid out while the person is waiting. However, in order to receive OW, applicants must meet the eligibility criteria, which includes the income limits and asset limits measure. For a single person, this means their assets must be slightly less than $572 and their vehicle valued at less the $10,000.00. The value of their home and “locked-in” RRSP’s do not count.
SUBJECT: Advocacy with Ministry of Community and Social Services regarding Ontario Works Eligibility Criteria for Employment Insurance Applicants (FSH 09-001) (City Wide)

Analysis/Rationale:

The criteria noted above, raised concerns for the Committee; given that many recently unemployed people may have higher assets. The necessity of meeting the asset criteria will mean that these people are ineligible for OW and will remain without income until they receive their first EI payment. This will present a considerable burden for EI applicants and may result in their need to access other community services.

Therefore, given that laid-off/terminated employees who are eligible for EI may have to wait up to ten weeks to receive their first EI payment; and, given that laid-off/terminated employees who are eligible for EI cannot receive OW during this waiting period, unless they meet OW asset eligibility criteria; and, given that OW is repaid any money advanced during this delay, the Food, Shelter and Housing Advisory Committee is recommending that the City of Hamilton request that the Province of Ontario to remove the asset eligibility test for laid-off/terminated employees who are awaiting their first EI payment."

Staff Consultation:

Yes X No ☐

Manager, Homelessness, Community Services Department
Manager, Employment and Income Support Branch