

July 2024

Community Living Ontario Policy Statement:

No Clawbacks on the Canada Disability Benefit

COMMUNITY LIVING
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www.communitylivingontario.ca

IN BRIEF

People who have an intellectual disability are at very high risk of living in poverty, particularly if they don't have family members to rely on for income, housing and support. The majority of those who live on their own rely on the Ontario Disability Support Program, which does not provide enough income for a healthy life. When the Canada Disability Benefit (CDB) is implemented in 2025, it is crucially important that the Government of Ontario not claw back ODSP benefits from people who receive the CDB.

IN DETAIL

Recent positive changes to ODSP

The Ford Government has increased Ontario Disability Employment Program (ODSP) rates by [16%](#) since September 2022. ODSP rates will go up according to inflation moving forward.

In 2022, the provincial government also increased the amount of employment income people can earn before their ODSP benefits are reduced.

Both of these steps have increased the amount of money in many people's pockets.

However – ODSP purchasing power has declined

Unfortunately, even with the 16% rate increase, people on ODSP can now afford to buy less than they could twenty years ago:

- In 2004, the ODSP rate for a single person with a disability was about 20% below Canada's official poverty line (which is called the 'Market Basket Measure' of poverty).
- Right now, the maximum ODSP rate for a single person with a disability is \$1,368 per month. This is about 40% below the official poverty line. In other words, the buying power of ODSP is worse than it was 20 years ago, even with the recent increases.
- Other ODSP amounts, including the Special Diet Allowance and Personal Needs Allowance (for people who live in certain residential settings), have not and will not increase with inflation.

And while the changes to the treatment of employment income were helpful, they are limited in their impact:

- People on ODSP are now able to keep up to \$1000 in employment earnings every month without having their ODSP amount reduced. Above \$1000, they will keep twenty-five cents of every dollar earned.
- Before this change, people were able to keep \$200 per month without ODSP being reduced, and fifty cents of every dollar after that.
- It is important to understand both the amount before clawbacks (growing from \$200 to \$1,000 per month) and the clawback rate (growing from \$0.50 to \$0.75 of every dollar above the threshold).
- This change has the most benefit for people who earn around \$1,000 in a given month, as shown in the chart below. For others, the change will make a smaller difference.

ODSP treatment of employment earnings – Before and after the change

	Before the change		After the change		
Work income	ODSP amount	Total income	ODSP amount	Total income	Difference
\$0	\$1,368	\$1,368	\$1,368	\$1,368	\$0
\$100	\$1,368	\$1,468	\$1,368	\$1,468	\$0
\$250	\$1,343	\$1,593	\$1,368	\$1,618	\$25
\$500	\$1,218	\$1,718	\$1,368	\$1,868	\$150
\$1,000	\$968	\$1,968	\$1,368	\$2,368	\$400
\$1,500	\$718	\$2,218	\$993	\$2,493	\$275
\$2,000	\$468	\$2,468	\$618	\$2,618	\$150
\$2,500	\$218	\$2,718	\$243	\$2,743	\$25
\$3,000	\$0	\$3,000	\$0	\$3,000	\$0

ODSP IN CONTEXT

For a single person with a disability in rural Ontario, the Market Basket Measure of poverty is just over \$24,000 per year (or \$2,000 per month). For someone in Toronto, it's about \$29,000 per year (or \$2,417 per month). If you are on ODSP and have employment earnings of \$1,500, you can just reach the poverty line ([about 10%](#) of people on ODSP have employment income).

The Market Basket Measure of Poverty is useful because it tells you how much money people need to meet their basic needs and achieve a modest standard of living. If your income is below this level, you can't afford even basic needs like decent housing and enough food. For context: it costs [more than \\$1100](#) just to live in a room in a basic rooming house in Toronto – that would eat up 81% of ODSP for a single person.

If your income is 40% below the Market Basket Measure (as it is for a single person on ODSP) you are in a situation where you're asking family and friends for help, going to the food bank on a regular basis, living in substandard housing, and constantly worried about having enough money. Sudden and unexpected expenses are impossible.

Many people who do not access ODSP are unaware that government case workers provide referrals to local food banks, because it is broadly understood that many people would not survive without extra food assistance. In 2023, more than 800,000 people made almost [six million visits](#) to Ontario food banks; ODSP was the main source of income for 30% of them.

Some people who access ODSP are able to take advantage of additional amounts, including the Special Diet Allowance (max \$250 per month), the Assistive Devices Program, and amounts for dental services, drug benefits, and medical supplies, among other things. However, from a basic needs perspective, there is a cash benefit hard cap of \$1,368 per month, plus Special Diet Allowance for those who are eligible.

ODSP doesn't account for things like period products, or reinforced/tailored garments for people with physical disabilities. It doesn't account for differences in the cost or availability of transportation in different parts of the province. It doesn't really account for differences in the need for heating or cooling. The ODSP maximum of \$1,368 is just a number that isn't logically connected to anything.

As anyone on ODSP will tell you, it is simply impossible to get away from the fact that \$16,416 per year is just not much money. In today's Ontario, it is a pittance.

For all of these reasons and more, the Government of Ontario needs to allow the Canada Disability Benefit to flow to people who are eligible for it, without reducing provincial benefits. It is the right thing to do, and in many ways it is the least our government can do for people with disabilities. It would be unconscionable for any government to claw back a single dollar of the \$200 monthly maximum that some will receive. This would be seen by most as the government trying to balance its budget on the backs of people with disabilities living in poverty.

For more information:

Shawn Pegg

Director, Social Policy & Strategic Initiatives
Community Living Ontario
shawn@communitylivingontario.ca



Community Living Ontario is a non-profit provincial association that has been advocating for people who have an intellectual disability and their families for 70+ years. We proudly work alongside 122 local agencies and advocate on behalf of more than 100,000 people across Ontario.

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 www.communitylivingontario.ca

 info@communitylivingontario.ca

 (416) 447-4348

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