

Task Force for Modernizing Income Security for Working-Age Adults (MISWAA)

Frequently Asked Questions

1. What is MISWAA?

MISWAA stands for *Modernizing Income Security for Working-Age Adults*

MISWAA is a multi-stakeholder initiative that represents an attempt to build bridges between groups with shared concerns and different views about how to address flaws in Canada's income security system for adults living in low income.

2. Who is part of MISWAA?

The infrastructure and process for MISWAA consists of three parts:

- A multi-stakeholder Task Force of civic leaders,
- A multi-stakeholder expert Working Group; and
- An extensive community involvement and consultation process.

The Task Force is made up of representatives from major employers, labour unions, policy institutes, academia, community organizations, advocacy groups, foundations, governments (in an ex officio capacity), and individuals with first-hand experience of income security programs. A list of members is included in the report of the MISWAA Task Force: "Time for a Fair Deal."

3. Who is behind MISWAA?

The Task Force for Modernizing Income Security for Working-Age Adults was formed in the fall of 2004 by the Toronto City Summit Alliance, a broad-based coalition of civic leaders in the Toronto region, and by St Christopher House, a multi-service neighbourhood centre that works with low-income people in Toronto.

4. Who funded MISWAA?

The Task Force on Modernizing Income Security for Working-Age Adults is indebted to the Atkinson Charitable Foundation, which provided seed money and is the lead sponsor for the effort, and to our additional funders: KPMG, the Laidlaw Foundation, The Law Foundation of Ontario, the Maytree Foundation, The JW McConnell Family Foundation, TD Bank Financial Group and the United Way of Greater Toronto.

5. Why was MISWAA formed?

The income security system that we have today was put in place in the 1960s. Since that time the labour market, and society more broadly, have changed dramatically but the income security system hasn't been modernized to keep up with those changes.

All of the Task Force members are united in a belief that the current income security system is broken, and that all orders of government must come to the table to secure the needed reforms. Three objectives for MISWAA were established at the outset:

- To provide a clear, soundly supported assessment of Ontario and Canada's income security system and programs, grounded in the experience of those affected.
- To develop pragmatic proposals for policy and program changes for governments to improve the economic security of working age adults living in low income, focusing on Ontario in a national context.
- To design Ontario and pan-Canadian communication campaigns to help ensure that proposals for governments are put into motion, ideally over a two-year time frame.

6. When was MISWAA formed?

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7. Where is MISWAA based?

MISWAA is based in Toronto, Ontario but has members from other cities in Ontario as well as from the Province of Quebec.

MISWAA's issues and recommendations are based on and emanate from concerns that are of greatest interest to urban Canada. However, Task Force members believe that the solutions proposed have wider application across Canada.

8. Does MISWAA have a set of principles?

Yes. They are:

- Everyone should have access to basic necessities through a mix of personal resources, insured services, income security programs, and other supports.
- Individuals working full-time, full-year should not live in poverty. They should have a decent standard of living and should be financially better off working than not working.
- Children should not be an impediment to parents' participation in the labour market and parent's participation in the labour market should not put their children's well-being at risk.
- Everyone should have the means to improve their situation through appropriate training and employment supports, decent job opportunities, or opportunities for community involvement if work is not a viable option.

9. What are the Issues that MISWAA tackled?

The issues are:

- Many working people cannot earn enough to make ends meet even when working full-time and full-year.
- Employment Insurance no longer covers the majority of the temporarily unemployed, particularly in Ontario and Toronto.
- Many people fall onto Ontario Works and get trapped in a punitive system that provides insufficient income to live on and impedes achieving stable employment or meaningful community participation.
- The Ontario Disability Support Program has a complex eligibility process, provides insufficient benefits, and puts barriers in the way of employment.

10. What are MISWAA's goals?

A multi-faceted set of solutions is required to achieve the following goals and address the most urgent problems facing low-income working-age adults. MISWAA's goals include:

- To improve the financial security of all working-age adults living in low income, ideally outside the stigmatizing welfare system.
- To remove impediments and improve supports to assist people in moving from social assistance to paid employment, and
- To ensure that those working full-time full-year are financially better off working and have an adequate standard of living.

11. What is MISWAA recommending?

We recommend the following reforms for Canada and Ontario:

The federal government should:

- Reform Employment Insurance to address the significant decline in coverage of the unemployed and the related decline in access to employment supports and training.
- Create a new refundable tax benefit consisting of a basic tax credit for all low-income working-age adults and a working income supplement for low-income wage earners.
- Provide and administer a national disability income support program for persons whose disabilities are so substantial that they are unlikely to enter the paid labour force.

The Task Force also supports the recommendations made by others to increase the National Child Benefit to an adequate level.

The provincial government should:

- Establish an independent body, with representation from labour and employers, to recommend periodic increases to the minimum wage and monitor the employment and economic effects. It should be put in place before February 2007 when currently planned minimum wage increases will have been completed.
- Implement an integrated child benefit platform for all low-income parents that pays benefits outside the social assistance system.
- Provide basic health (prescription drugs and vision care) and dental coverage (including basic restoration) to low-income workers.
- Strengthen enforcement of employment standards to protect the rights of workers under the law with a focus on employers that are high risk to offend. Update and expand current employment standards to cover new forms of work.
- Raise social assistance asset limits to \$5,500 for a single person and \$9,000 for a family, along with other improvements in asset treatment.

- Revamp the disability determination process for the Ontario Disability Support Program to streamline decision-making and provide support services to applicants earlier.
- Reinstate earlier provincial policies to set disability benefits at the same levels received by senior citizens who have no other source of income.
- Improve and expand employment supports, training and upgrading for social assistance recipients, as well as low-income workers, with an emphasis on building individual skills and capacities.
- Provide Ontario Works recipients who have multiple barriers to work with special supports to encourage participation in community activities and longer-term capacity building.
- Allow persons receiving Ontario Disability Support Program benefits who can work despite their disability to participate in the labour market without jeopardizing their health and dental coverage.
- Upload social assistance benefits costs for the municipally delivered Ontario Works program, and all social assistance costs (benefits and administration) for the provincially delivered Ontario Disability Support Program, from municipalities to the province.

12. Did the Task Force reach consensus on all of the recommendations?

The Task Force did not obtain agreement on everything, nor did we think we could get full agreement given the diversity of our group. Where we have not achieved consensus, we noted our differences in our report: “Time for a Fair Deal.”

Perhaps the most profound area of difference concerned the question of what constitutes an adequate income to meet the reality of the cost of living in 2006. All Task Force members agree that what we have today is inadequate. For some Task Force members, the recommendations fall short of what they believe is adequate. For others, the recommendations represent a significant improvement over what we have today.

13. How many people will MISWAA’s recommendations help?

- Almost 11% of Ontario’s working-age adult population (approx. 890,000 of 8.2 million) would receive direct help from our recommendations.
- The working poor (over 200,000 people) would receive the most from refundable credits, extended benefits and a working income supplement.

- Social assistance recipients and other adults living in low income (e.g. 60-64 year old single people on CPP and the homeless) would also see increased incomes.

14. How much will MISWAA's recommendations cost? Are they affordable?

The estimated cost of the MISWAA proposal for a new refundable tax benefit for working-age adults is \$8.5 billion annually for all of Canada, including \$3.1 billion annually for Ontario.¹

Federal Costing

Costs Per Year (\$billions)	Jurisdiction		
	Ontario	Rest of Canada	Canada Total
Basic credit	\$2.50	\$4.50	\$7.00
GST credit repurposed	(\$0.50)	(\$1.20)	(\$1.70)
Working credit	\$1.10	\$2.10	\$3.20
Total Cost	\$3.10	\$5.40	\$8.50

There is also an incremental cost for MISWAA proposals to the Ontario government. That cost is estimated to be \$1.45 billion annually.

Provincial Costing

Incremental Cost Per Year (\$billions)

Child benefits restructuring	\$0.85
ODSP rates	\$0.20
Dental	\$0.10
Drug	\$0.20
Social fund	\$0.10
Total Cost	\$1.45

¹ No assumptions have been made regarding division of costs between federal and provincial governments.

Some of the recommendations were not costed because the programs are already in place or the Task Force is endorsing positions taken by others. An example would be the Task Force's support for the proposed increase in the National Child Benefit Supplement. For some other programs, such as EI, we lacked the necessary data to do a costing. The Task Force greatly appreciated the assistance of the Governments of Canada and Ontario in helping to verify the cost estimates that have been included in MISWAA's report.

The Task Force wrestled with the issue of affordability. Members had different perspectives on what they judged to be affordable actions to improve the economic security of low-income adults. Some viewed the costs as a fundamental investment in fairness while others, understandably, were concerned with the implications for federal and provincial fiscal capacities, deficits, and debt loads. All recognized that billions of dollars have been taken out of the income security system for adults with the cuts in EI and social assistance in the 1990s. Our income security system overall currently costs \$100 billion, a little more than a third of that in Ontario. The Task Force's recommendations amount to roughly an eight percent increase and that can be phased in over time.

15. Where does MISWAA go from here and how will you go about securing change?

We hope to broaden the consensus, refine and extend ideas for practical solutions, and develop more detailed plans for implementation.

We will meet with governments, and Task Force members will call on their constituencies to champion MISWAA's recommendations.