

**The Corporation of the City of Kawartha Lakes**  
**Council Report**

**Report Number HS2017-003**

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**Date:** August 22, 2017  
**Time:** 2:00 p.m.  
**Place:** Council Chambers

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**Ward Community Identifier:** All

**Subject:** Basic Income Pilot Update

**Author Name and Title:** Rod Sutherland, Director of Human Services

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**Recommendation(s):**

**RESOLVED THAT** Report HS2017-003, **Basic Income Pilot Update**, be received.

**Department Head:**\_\_\_\_\_

**Financial/Legal/HR/Other:**\_\_\_\_\_

**Chief Administrative Officer:**\_\_\_\_\_

## **Background:**

On April 24, 2017 Ontario Premier Kathleen Wynne announced the details of a three-year Basic Income pilot program. Lindsay was identified as one of three locations for the pilot, along with Thunder Bay and Hamilton (including Brantford and Brant County). The Thunder Bay and Hamilton pilots commenced implementation in June while the Lindsay pilot is expected to start this fall. The provincial background report is attached for information (Appendix A).

This report provides Council an update on the pilot.

## **Rationale:**

Participants in the pilots being conducted in each of the Thunder Bay and Hamilton areas will be split between those receiving the Basic Income and a control group. The evaluation will focus on the impacts of the Basic Income to the individual or family, compared to participants in the control group.

The local pilot will only encompass the Town of Lindsay and is expected to include up to 2,000 residents. Under the Lindsay pilot, all participants will receive the Basic Income (no control group) and it will incorporate a broader community impact evaluation. Outcomes that will be evaluated include the following areas:

- food security
- stress and anxiety
- mental health
- health and healthcare usage
- housing stability
- education and training
- employment and labour market participation

All of the pilot sites will be evaluated by a third-party research group.

The Pilot is a research study. The primary interest of the provincial government is in understanding the impacts of delivering financial assistance to low income Ontario families through this mechanism.

From the experience to date in Thunder Bay and Hamilton/Brant, the Province is making some adjustments to streamline the application process. While there may be some changes prior to the start of the Lindsay pilot, under the current process participants must be invited to apply for the Basic Income. Application forms will be mailed out, likely starting by September, to randomly selected households within Lindsay. Those who receive an application may choose to apply if they believe they may be eligible. Applications will be assessed based on the eligibility criteria and additional information that the Province may require.

The application process and the administration of the Basic Income will be fully managed by the Province, with payments made directly by the Ministry of Finance. City staff, including Ontario Works (OW), will have no role in the administration of the program. Individuals or families eligible for the pilot will begin to receive the Basic Income in the fall of 2017.

The amount of the Basic Income payment is based on 75% cent of the Low Income Measure (LIM), plus other broadly available tax credits and benefits, would provide an income that will meet household costs and average health-related spending.

The Basic Income Pilot amounts are:

- Up to \$16,989 per year for a single person, less 50 per cent of any earned income.
- Up to \$24,027 per year for a couple, less 50 per cent of any earned income.
- Up to an additional \$6,000 per year for a person with a disability.

Participants in the pilot will be able to increase their total income by combining a basic income with employment earnings. The basic income amount will decrease by \$0.50 for every dollar an individual earns by working. Statistically, it is anticipated that approximately 70% of low income individuals who could be eligible for the Basic Income will be employed and not receiving social assistance. The balance, 30%, is expected to currently be receiving social assistance, either OW or Ontario Disability Support Program (ODSP).

Recipients of OW or ODSP who receive the Basic Income will no longer be eligible for ongoing social assistance benefits, with the exception of Ontario Drug Benefit coverage, or case management support through OW. The provincial Basic Income pilot office will provide information and support to pilot participants directly.

Pilot participants may choose to cancel their Basic Income at any time throughout the pilot and can return to social assistance if they so choose, however, they will not be able to return to the Pilot once they leave. At the conclusion of the pilot there will be a simplified transition process back to social assistance for those who may require it at that time.

The impact on the overall Ontario Works caseload is unknown. Based on the scope of the pilot, the impact is anticipated to be minimal. The longer term impacts will depend on the results of the pilot and a provincial decision regarding broader implementation.

A network of local representatives has met with provincial staff to provide information and advice regarding the implementation of the local pilot and will continue to provide input as requested. In addition, Human Services staff are in

regular contact with the Pilot office regarding local implementation and the connection to the local Service Manager role.

### **Financial/Operation Impacts:**

There are no direct financial impacts to the City's Operating Budget relating to the administration of the pilot.

The local pilot evaluation will include a community impact analysis. Positive financial impacts for the community may be expected but there is no current estimate.

### **Attachments:**

Appendix A: Provincial Basic Income Backgrounder



HS2017-03 Appendix  
A Basic Income Backg

**Department Head E-Mail: [rsutherland@kawarthalakes.ca](mailto:rsutherland@kawarthalakes.ca)**

**Department Head: Rod Sutherland**