



## Ontario's Basic Income Pilot

April 24, 2017 9:00 A.M.

### **Finding a Better Way: A Basic Income Pilot for Ontario**

Ontario is launching a pilot project to assess whether a basic income can better support vulnerable workers, improve health and education outcomes for people on low incomes, and help ensure that everyone shares in Ontario's economic growth.

**Ontario's March 2016 Budget** was the beginning of the process toward designing the Basic Income pilot. That Budget announced a commitment to create a Basic Income pilot project to test the model in Ontario.

**In June 2016, the government asked** long-time basic income advocate the Hon. Hugh Segal to provide advice on how to best design a made-in-Ontario pilot. His report, [Finding a Better Way: A Basic Income Pilot for Ontario](#), was released in November 2016. It included a number of key considerations and recommendations on how the Government of Ontario should design a basic income pilot. The discussion paper provided advice and recommendations in the areas of pilot design, site selection, basic income amount, delivery, outcomes and measures, and governance and administration.

### **Speaking to People Across Ontario**

The Government of Ontario used Mr. Segal's report to launch the consultation phase of the Ontario Basic Income Pilot (OBIP) in November 2016. Consultations were held across the province, giving people a voice in determining what the pilot could look like. Consultations were broad and inclusive, gathering input from a cross-section of people in Ontario. These consultations included in-person public meetings, online surveys and written submissions to ensure that everyone had an opportunity to express their opinions on how the pilot should work.

Between Nov. 3, 2016 and Jan. 31, 2017:

- 32,870 people responded to the public survey
- 1,213 people responded to the expert survey
- 1,193 people attended the in-person meetings

537 written submissions were received from private citizens and community groups.

In March 2017, Ontario released the Basic Income Consultations: What We Heard report summarizing the feedback gathered from the consultations. The feedback received during this consultation phase was critical in designing the OBIP.

### **Pilot Objective**

Ontario's economy is in a relatively strong position, however many people in the province are not feeling that growth in their everyday lives. People are struggling to keep up with the rising cost of living and facing "precarious employment" with little job security or benefits. The three-year OBIP, which will begin in late spring 2017, will study whether a basic income can better support vulnerable workers and give people the security and opportunity they need to achieve their potential. It will also study whether giving people a basic income can be a simpler and more economically effective way to provide income security support to people living on low incomes.

The pilot will measure outcomes in areas such as:

- Food security
- Stress and anxiety
- Mental health
- Health and healthcare usage
- Housing stability
- Education and training
- Employment and labour market participation.

### **Locations**

The pilot will take place in the following locations:

- Hamilton, Brantford and Brant County - Launching late spring 2017
- Thunder Bay and the surrounding area - Launching late spring 2017
- Lindsay - Launching by fall 2017.

The locations were selected so that the pilot can study outcomes in urban, rural and mixed urban/rural areas. The regions were also assessed for their economic need, demographics and access to local resources and services.

### **First Nations**

The government is working with First Nations communities and partners on an approach that reflects the advice and unique perspectives of First Nations communities, organizations and peoples. In a separate but parallel process, a basic income pilot for First Nations is being co-created and designed in collaboration with First Nations partners.

### **Evaluation**

The study will be evaluated by a third-party research consortium to be announced shortly. The province will also form an advisory group with research and evaluation experts to ensure the OBIP is conducted with the utmost integrity, rigour and ethical standards.

## **Participants**

Study participants will be:

- Randomly selected
- 18 to 64 years old
- Living in one of the selected test locations for the past 12 months or longer
- Living on a lower income.

Individuals will be informed and provide consent to participate in the pilot. Participation in the pilot will be voluntary, and participants can opt out at any time.

## **How the Ontario Basic Income Pilot Works**

The payment will ensure a minimum level of income is provided to participants. Aligning with the advice of Hugh Segal, payments based on 75 per 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.

Following a tax credit model, the Ontario Basic Income Pilot will ensure that participants receive:

- 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 earnings by combining a basic income with income they earn through work. The basic income amount will decrease by \$0.50 for every dollar an individual earns by working.

The basic income will be responsive to changes in a participant's circumstances, such as a significant decrease in earnings, change in family composition, or change in disability status.

Ontario will invest \$50 million per year in the OBIP for each of the three years of the pilot.

## **Impact on existing benefits**

### **Child tax benefits**

Participants currently receiving child benefits, such as the Canada Child Benefit (CCB) and the Ontario Child Benefit (OCB), will continue to be eligible to receive them during the pilot.

### **CPP and EI benefits**

Participants on Employment Insurance (EI) or on the Canada Pension Plan (CPP) will have their monthly basic income payment reduced dollar for dollar.

### **Drug and dental benefits**

People receiving support through Ontario Works who enter the pilot will continue to receive the

Ontario Drug Benefit, and people on the Ontario Disability Support Program will continue to receive the Ontario Drug Benefit and dental benefits.

### Basic income examples

1. Single individual with two children on Ontario Works who has no employment earnings.

	<b>Current</b>	<b>Pilot</b>
Basic Income		\$16,989
Ontario Works - Maximum Basic Needs and Shelter	\$12,228	
Other Tax Benefits (e.g. OCB/CCB)	\$16,668	\$16,668
<b>Net Total</b>	<b>\$28,896</b>	<b>\$33,657</b>

2. Single individual with two children who works a full-time minimum wage job.

	<b>Current</b>	<b>Pilot</b>
Basic Income		\$6,245
Net Employment Earnings	\$20,106	\$20,106
Other Tax Benefits (e.g. OCB/CCB)	\$17,668	\$16,232
<b>Net Total</b>	<b>\$37,774</b>	<b>\$42,583</b>

3. Couple with two children, with both parents working full time in a minimum wage job.

	<b>Current</b>	<b>Pilot</b>
Basic Income		\$2,538
Net Employment Earnings	\$39,199	\$39,199
Other Tax Benefits (e.g. OCB/CCB)	\$12,186	\$10,321
<b>Net Total</b>	<b>\$51,385</b>	<b>\$53,098</b>

### **Next Steps**

Later this spring, randomly selected individuals from the Hamilton, Brantford, Brant County and Thunder Bay locations will receive information in the mail inviting them to apply to be part of the OBIP.

Eligible individuals will then be selected to either receive the basic income or be part of a control group made up of people who will not receive payments. Individuals receiving the basic income will be compared to the selected control group. Supports will be available to assist potential participants in completing their applications both centrally (via phone or email) and locally (in-person). Payments are expected to begin in the summer 2017.

Individuals living in Lindsay will receive information in the fall of 2017.

Up to 4,000 participants receiving payments through the OBIP will be included in the pilot at full implementation.

For information on OBIP visit [ontario.ca/basicincome](http://ontario.ca/basicincome).

- [YCombinator](#) is also studying the idea of a basic income in Oakland, California.
- [Read about the impact](#) of the Dauphin, Manitoba basic income experiment in the 1970s.
- The OBIP was also informed by a number of expert reports from across the political spectrum, including feedback from the [Mowat Centre](#), the [Canadian Centre for Policy Alternatives](#), and the [Fraser Institute](#).

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