

## INVESTING IN CHILDREN AND FAMILIES

March 26, 2009

The current global economic crisis should not prevent society from helping its most vulnerable members. In fact, there is now an even more compelling need for immediate measures to support vulnerable Ontarians and families affected by the current economic downturn. Reducing poverty gives people opportunities to achieve their potential and strengthens the economy.

### HELPING FAMILIES BETTER PROVIDE FOR THEIR CHILDREN

#### Accelerating Ontario Child Benefit Payments

The government is committed to improving the quality of life for all Ontarians. This will ensure that families and their children can weather the current economic storm and build for the future.

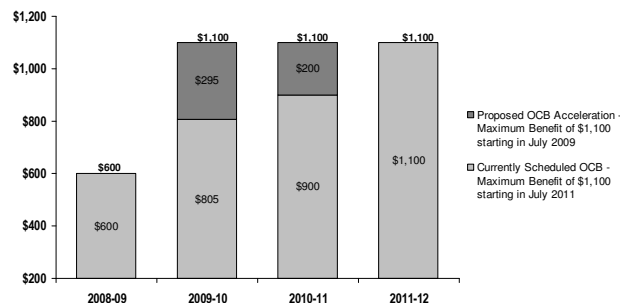
As part of its Poverty Reduction Strategy, this Budget proposes to:

- Accelerate the phase-in of the Ontario Child Benefit (OCB) two years ahead of schedule, providing low- and middle-income families with up to \$1,100 annually per child starting this July. This represents an 83 per cent increase in the maximum monthly benefit compared to the 2008 benefit level. About 115,000 more families would become eligible for the OCB in 2009 than in 2008.
- Continue to provide funding equivalent to the maximum OCB level for children and youth in the care of children's aid societies and Crown wards.

The proposed OCB acceleration would provide over \$400 million more in children's benefits over the next three years.

#### Accelerating the Ontario Child Benefit to \$1,100 Annually

Maximum Annual \$ per Child per Benefit Year<sup>1</sup>



<sup>1</sup> The OCB benefit year is from July 1 to June 30.  
Source: Ontario Ministry of Finance.

## Establishing Community Hubs

As part of the Poverty Reduction Strategy, the government will invest \$3 million in 2009-10 to establish community hubs in selected low-income neighbourhoods, which will bring together a range of partners and resources to identify and provide social, community and educational supports.

## Supporting Ontarians Receiving Social Assistance

To complement the Poverty Reduction Strategy, this Budget proposes to increase the Ontario Works (OW) and Ontario Disability Support Program benefits by two per cent this fall.

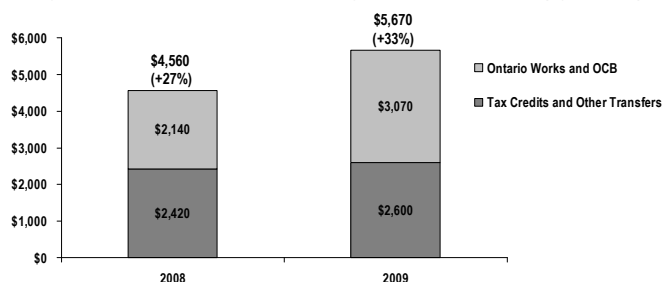
*A single-parent family with two children aged five and seven receiving OW benefits and the OCB would have an annualized income in 2009 that is \$5,670, or 33 per cent more, than in 2003.*

With this proposed social assistance increase, the government would also help:

- Families receiving Temporary Care Assistance and Assistance for Children with Severe Disabilities
- People living in long-term care homes receiving the comfort allowance.

### Supporting Families Through the OCB and Social Assistance

Change in Annualized Income Since 2003 for a Single Parent with Two Children (Aged 5 and 7)



Notes: 1) Tax credits and other transfers include the Canada Child Tax Benefit base benefit, National Child Benefit Supplement, Universal Child Care Benefit, Goods and Services Tax Credit, and Ontario Property and Sales Tax Credits. 2) Incomes are stylized and annualized as of the end of the calendar year shown. 3) The family's annualized income would increase from \$17,060 in 2003 to \$22,730 in 2009. 4) Inflation between October 2003 and December 2009 is projected to be 11 per cent.  
Source: Ontario Ministry of Finance.

## ASSISTING SOCIAL HOUSING AND RENT BANKS

### Support for Housing

The government is proposing new housing infrastructure initiatives that will support its Poverty Reduction Strategy.

Together with the federal government, this Budget proposes to commit:

- More than \$700 million over the next two years for social housing rehabilitation and energy retrofits of 50,000 social housing units
- More than \$360 million to help create 4,500 new affordable housing units for low-income seniors and persons with disabilities
- \$175 million over the next two years to extend the Canada-Ontario Affordable Housing Program, which is creating new homes for low-income families, senior citizens, persons living with mental illness and victims of domestic abuse.

## **Stable Funding for Rent Banks**

To help low-income tenants remain in their homes, the government has invested nearly \$24 million since 2004 to assist municipal rent banks. Rent banks are short-term funding mechanisms through which low-income tenants may apply for assistance to address overdue rent. Provincial rent-bank funding has prevented more than 15,500 evictions to date.

The government is proposing to support the Poverty Reduction Strategy by providing more than \$5 million annually, beginning in 2009-10, to ensure stable funding for municipal rent banks across Ontario.

## **ASSISTING LOW-INCOME WORKERS**

### **Raising the Minimum Wage**

On March 31, 2009, the minimum wage will rise to \$9.50 from \$8.75. In 2007, the government announced the minimum wage would rise to \$10.25 per hour by March 31, 2010, an increase of almost 50 per cent since 2003.

Since taking office in 2003, the McGuinty government has increased the minimum wage annually for six consecutive years, to help Ontario's low-income workers. These increases follow a nine-year period in which the minimum wage in Ontario was frozen.

<b>Minimum Wage Rates</b>	
1995 to 2003	\$6.85
February 1, 2004	\$7.15
February 1, 2005	\$7.45
February 1, 2006	\$7.75
February 1, 2007	\$8.00
March 31, 2008	\$8.75
March 31, 2009	\$9.50
March 31, 2010	\$10.25

## **SUPPORT FOR SENIORS**

### **Doubling the Senior Homeowners' Property Tax Grant in 2010**

The Ontario Senior Homeowners' Property Tax Grant provides up to \$250 to help low- to middle-income senior homeowners pay their 2009 property tax.

As announced in the 2008 Ontario Budget, the maximum grant will be doubled to \$500 in 2010, helping more seniors remain in their own homes. Over the next five years, the grant will provide about \$1 billion in property tax relief to more than 600,000 seniors.

### **Enhancing Ontario Property and Sales Tax Credits for Senior Couples**

Since 2003, the government has made several improvements to Ontario Property and Sales Tax Credits to ensure they better reflect circumstances facing low-income seniors. The government proposes additional measures that would help senior couples. This includes further enhancing the program to ensure that senior couples receiving the guaranteed minimum level of income from governments would receive the full benefit from these credits.

## **Increasing Access to Locked-In Accounts**

The government will continue to give seniors and other Ontarians more flexibility in accessing the funds in these accounts by proposing to:

- Increase unlocking permitted from Ontario life income funds from 25 per cent to 50 per cent
- Provide a two-year waiver of fees for financial-hardship unlocking applications.

## **TAX RELIEF FOR PEOPLE**

The McGuinty government's proposed tax reform package would position the province for greater economic growth and job creation, which in turn would preserve and enhance the public services that matter most to Ontario families.

- Every eligible family with an income below \$160,000 would receive three payments from the provincial government totalling \$1,000
- Eligible individuals with an income of less than \$80,000 would receive three payments totalling \$300
- The first payment would arrive in June 2010, the second in December 2010 and the third in June 2011
- The provincial government would also provide:
  - Permanent tax relief for people with low and middle incomes through one of the most generous refundable sales tax credits in Canada. This new credit would provide up to \$260 per year for each adult and child
  - A 16.5 per cent cut in the tax rate on the first \$36,848 of taxable income earned by all Ontarians.

*93 per cent of Ontario taxpayers would pay less personal income tax.*

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