

# Ontario Works and Having a Job



**This pamphlet is about how income from work or training can affect your income support from Ontario Works (OW).**

### **If you speak French**

Ask a lawyer or a community legal clinic about your language rights. You may have the right to get your OW-related government services in French.

If you are appealing a decision about your right to social assistance from OW, this could mean that you have the right to a hearing before a French-speaking member of the Social Benefits Tribunal, as well as other French-language services.

## Social assistance in Ontario

If you have a low income or no income and you live in Ontario, you may qualify for help from one of these social assistance programs:

1. **Ontario Works (OW)**, which some people call welfare. This program is delivered by municipal governments. In other words, it is run by the local government of the town, city, county, district, or region you live in.
2. **The Ontario Disability Support Program (ODSP)**, which some people call disability benefits. This program is for people with serious health problems. It is run by the Ontario government's Ministry of Community and Social Services.

OW and ODSP both provide income support and employment support.

When you get **income support**, you get money to help with living expenses, such as food and housing. You also get help to pay for prescription drugs and dental services. You may also be eligible for benefits such as the Community Start Up and Maintenance Benefit. If you own your home, you might be eligible for help with necessary home repairs.

When you get **employment support**, you get help to find a job or upgrade your skills.

To get income support from OW or ODSP, you must qualify financially. This means that you must be in financial need and meet other rules about income and assets.

## What is this pamphlet about?

In this pamphlet we look at what happens to income support from Ontario Works when you or someone else in your household earns money from a job or gets a training allowance.

In most cases, if someone is in a paid training program, OW will treat the training allowance like earnings from a job, and apply the same rules.

## How will earnings from a job affect my income support?

When OW calculates your income support, they subtract money you receive from other sources, depending on the source. Some examples of income from other sources are earnings from a job, self-employment or business income, or Employment Insurance benefits.

OW can subtract money received by your spouse or other members of your household. Your spouse can be someone of the same or opposite sex. You could be married to one another or not.

This pamphlet explains how much money OW will subtract if you, your spouse, or another member of your household earns money from a job or gets a training allowance.

### **Full-time post-secondary students**

In certain situations, OW will not subtract money you receive from other sources when they calculate your income support. For example, if you are a full-time student in an approved post-secondary

program, OW will not subtract the money you earn from your job. For more information about this, ask your OW worker.

## What if my spouse does not live with me?

Generally, OW considers your spouse to be a part of your household only if he or she lives with you. But in some situations, OW may consider your spouse to be part of your household even if you are not living together. For example, your spouse might be away at school, looking for work somewhere else, or in another country waiting for a visa to come to Canada.

If OW considers your spouse to be part of your household even though you are not living together, you should get legal advice. See page 9 to find out where to get legal help.

## How much will OW subtract from my income support?

For the first 3 months in a row that you are on OW, the full amount of your **net monthly earnings** from employment will be subtracted from your income support. Net monthly earnings is the amount you get each month after your employer takes off income tax and other mandatory deductions.

After you have been on OW for more than 3 months in a row, you will qualify for **earnings exemptions**. The 3 months can include time you spent in an institution, such as a shelter, if you got income support from OW during that time. Earnings exemptions means that OW will subtract only half of your net

monthly earnings from your income support. If you have to pay for child care in order to work or take part in a training program, the amount OW subtracts could be less.

Starting on page 10, you will find worksheets to help you figure out how much income support you will get when you qualify for earnings exemptions.

### Going back on OW?

If you were on OW or ODSP in the past but went off, and you are now going back on OW, you will qualify for earnings exemptions right away if

**all** three of these statements apply to you:

- You were on OW or ODSP for at least 3 months in a row before going off.
- You had employment earnings or a training allowance when you went off, or you went off because of a job.
- You apply to go back on OW within 6 months from the date you went off.

## How do I report my earnings to OW?

As long as you are on OW, you must report your earnings to them every month using a form that OW should send you. This form is called an Income Reporting Statement or **income statement**. OW can ask you for proof of your earnings, such as pay stubs.

The income statement asks you to report your income from the 16<sup>th</sup> of one month to the 15<sup>th</sup> of the next month. Complete and return your income statement to the OW office as soon after the 15<sup>th</sup> of the month as possible.

OW uses this information to calculate how much income support you will get in the following month. For example, OW will use your income between August 16 and September 15 to calculate the amount of your income support for October. If you earn a different amount from month to month, your income support may also change from month to month.

Keep sending in your income statement every month whether the amount you earn changes or not, even if you have no earnings. You might not get any income support after a month when your earnings are high, but you could get income support after a month when your earnings drop.

If your income statement is late, your income support will probably be late. And if you do not send in your income statement, OW will cut off your income support.

### **Health benefits when you go off OW**

If you go off income support because you are earning too much to qualify, you might still be eligible for health benefits from OW. This could happen if you have high medication costs, for example.

To find out more about OW's extended health benefits, ask your OW worker or contact a community legal clinic. On page 9 we explain how to find a community legal clinic. The CLEO booklet called **Health benefits when you go off Ontario Works** has more information on this topic. To find out how to order it, turn to the back cover of this pamphlet. It is also available on CLEO's web site at <[www.cleo.on.ca](http://www.cleo.on.ca)>.

## Can OW help with the costs of starting or changing a job or training program?

Yes. OW can help you or a member of your household to pay for necessary job-related expenses up to a maximum amount. This money can be used to pay for work clothes, tools and equipment, transportation costs, licensing fees, and other costs of starting or changing a job or training program. You can ask for money to help you buy clothes or get a haircut for a job interview or a new job. You may also be able to get an advance to help pay for child care.

Contact your OW office to request approval for your job-related expenses before you spend the money.

### **Full-Time Employment Benefit**

If you have been on social assistance for at least 3 months in a row, and you are starting to work full-time, you might be able to get a Full-Time Employment Benefit. With this benefit, you can get up to \$500 in a 12-month period to help with job-related expenses.

**Full-time employment** means at least 30 hours a week of paid work at one or more jobs.

### **Other Employment and Employment Assistance Activities Benefit**

If you do not qualify for the Full-Time Employment Benefit, but you need help to pay for costs related to part-time employment, job searches, or volunteer work, you may be able to get an Other Employment and Employment Assistance Activities Benefit. With this benefit, you can get up to \$253 in a 12-month period.

If you are working less than 30 hours a week, and your working hours increase to 30 or more, you may be able to get the Full-Time Employment Benefit.

### **Up-Front Child Care Payment**

If you have to pay for child care in advance, you may be able to get an Up-Front Child Care Payment. This help is available to you when you are starting a job or training program. It is also available if you need it to change or keep a job or training program. The amount you get depends on whether you use licensed or unlicensed child care. There is more information about this in the next section.

## **Can OW help with my ongoing child care expenses?**

If having child care makes it possible for you to work or participate in a training program, you should be able to deduct your ongoing child care expenses when you fill out your monthly income statement. You will need a receipt for your child care expenses to get this deduction.

How much you are allowed to deduct depends on many things, including how many children you have, how old they are, and what kind of child care you use.

If you use **licensed child care**, such as a child care centre or nursery school, you can deduct the actual amount you pay.

If you use **unlicensed child care**, like a babysitter, the most you can deduct is \$600 a month for each child who is younger than 18 years. Unlicensed child care includes after-school programs, parks and recreation programs, and summer camps.

Some child care costs cannot be deducted. You cannot deduct:

- anything you pay another member of your household to babysit,
- any child care costs that you get back or could get back from another source, and
- any money you received for an Up-Front Child Care Payment.

## I cannot live on what my job pays.

### Can I get on OW?

Maybe. To qualify for OW while you are working, your net monthly earnings, minus allowable child care expenses, must be less than what your OW entitlement would be if you were not working.

Your **entitlement** is the amount of income support you could get each month from OW before any income from other sources is subtracted. Your entitlement is made up of a basic needs allowance, a shelter allowance, and certain other amounts, such as an allowance for a special diet if one is prescribed for you or a member of your household because of a particular medical condition. To find out more about special diets, contact your community legal clinic.

## What if I am self-employed but do not earn enough to live on?

If you are self-employed, you can qualify for assistance only if OW approves. And if you are self-employed only part-time, you will still have to follow the rules that require people on OW to look for a job.

There are rules about what OW considers self-employment and rules about what self-employed people can deduct as employment expenses. If you have concerns about your situation, contact your community legal clinic for advice.

## Getting legal help

For advice or help with OW problems, contact a community legal clinic, the local Legal Aid office, or a lawyer.

Here are a few ways to find the nearest community legal clinic or local Legal Aid office:

- Look in CLEO's booklet called **Getting legal help: Community Legal Clinics in Ontario**. Turn to the back cover of this pamphlet to find out how to order it. It is also available on CLEO's web site at <[www.cleo.on.ca](http://www.cleo.on.ca)>.
- Check Legal Aid Ontario's web site at <[www.legalaid.on.ca](http://www.legalaid.on.ca)>.
- Phone Legal Aid Ontario at:
  - Toll-free ..... **1-800-668-8258**
  - Toll-free TTY ..... **1-866-641-8867**
  - In Toronto ..... **416-979-1446**
  - TTY in Toronto..... **416-598-8867**
- Try looking in your phone book under "Legal Aid" or "Lawyers".



**The worksheets** in this pamphlet are meant to give you the most accurate calculation possible, but every case is different. A lot depends on your personal situation.

You should **not** use these worksheets if, for example:

- you are self-employed, or
- you are not receiving your usual pay because you are on strike.

Contact an OW office or community legal clinic for more information. On page 9 we explain how to find a community legal clinic.

### **Step 1: Earnings from employment or training**

Your earnings must be calculated as a monthly amount. Use the figures from your pay stubs for the period from the 16<sup>th</sup> of one month to the 15<sup>th</sup> of the next month (for example, August 16 to September 15) to find your gross earnings and your total allowable deductions.

**Gross earnings** is the amount you earn **before** your employer takes off income tax and other mandatory deductions.

**Net earnings** is the amount you get **after** these deductions.

### **Step 2: Earnings exemption**

The earnings exemption rate is 50%. In other words, your exemption is half of your net monthly earnings.

# Worksheet – Side 1

## Step 1: Earnings from employment or training

**Gross monthly earnings**

To get your total deductions, **add**:

Income tax

---

Canada Pension Plan (CPP)

+

---

Employment Insurance (EI)

+

---

Union dues

+

---

Mandatory pension contributions

+

---

=

**Total deductions**

**Subtract** your total deductions from your gross earnings to get your net earnings for the same monthly period.

Gross monthly earnings

---

Total deductions

-

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=

**Net monthly earnings**

## Step 2: Earnings exemption

**Divide** your net monthly earnings by 2 to get your earnings exemption.

Net monthly earnings

÷ 2

=

**Earnings exemption**



# Worksheet – Side 2

## Step 3: Child care expenses

**Add** your monthly child care expenses, up to the maximum allowed, to your earnings exemption to get your total allowable earnings deductions.

Earnings exemption

Monthly child care expenses

+

=

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**Total allowable  
earnings deductions**

## Step 4: Chargeable earnings

**Subtract** your total allowable earnings deductions from your net monthly earnings to get your chargeable earnings.

Net monthly earnings

Total allowable earnings deductions

-

=

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**Chargeable earnings**

## Step 5: Amount of monthly OW income support

**Subtract** your chargeable earnings from your entitlement to get the estimated amount of your OW income support for the next month.

Entitlement

Chargeable earnings

-

=

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**Estimated amount of  
monthly  
OW income support**

**Note:** Your OW income support may also be reduced for other reasons. For example, if you get child support payments, OW will subtract this amount dollar-for-dollar from your entitlement. However, money you get from certain government programs, such as Canada Child Tax Benefits and Ontario Child Benefits, will not be subtracted from your entitlement.

### Step 3: Child care expenses

You will need a receipt for your child care expenses to get this deduction.

If you use **licensed child care**, such as a child care centre or nursery school, you can deduct the actual amount you pay. If you use **unlicensed child care**, like a babysitter, the most you can deduct is \$600 a month for each child who is younger than 18 years. Unlicensed child care includes after-school programs, parks and recreation programs, and summer camps.

Some child care costs cannot be deducted. You cannot deduct:

- anything you pay to another member of your household to babysit,
- any child care costs that you get back or could get back from another source, and
- any money you received for an Up-Front Child Care Payment.

### Step 4: Chargeable earnings

This is the amount OW will subtract when they calculate your income support.

### Step 5: Amount of monthly OW income support

To estimate how much income support you will get from OW, subtract your chargeable earnings from your **entitlement**. Your entitlement is the amount of income support you could get each month from OW before any income from other sources is subtracted. Your entitlement is made up of a basic needs allowance, a shelter allowance, and certain other amounts, such as an allowance for a special diet if one is prescribed for you or a member of your household because of a particular medical condition. These amounts are listed in the left column of your OW cheque stub.

The law can change, and policies and practices can also change or vary. This pamphlet contains general information. It is not a substitute for getting legal advice about your particular situation.

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