

Working and the Ontario Disability Support Program



This pamphlet is about how income from work or training can affect your income support from the Ontario Disability Support Program (ODSP).

If you speak French

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

Si vous parlez français

Communiquez avec un avocat ou une clinique juridique communautaire, et informez-vous de vos droits linguistiques. Vous avez droit à ce que les services gouvernementaux reliés au Programme ontarien de soutien aux personnes handicapées (POSPH) vous soient fournis en français.

Can I work and still get income support from the Ontario Disability Support Program?

Yes, as long as you report your income and you do not make too much money.

This pamphlet explains what happens to the amount of income support you get from the Ontario Disability Support Program (ODSP) when you or someone else in your household earns money from a job or gets a training allowance. In most cases, ODSP will treat a training allowance in the same way as earnings from employment, and apply the same rules.

We begin with some general information about social assistance in Ontario.

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)**

Some people call this program welfare. OW 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)**

Some people call this program disability benefits. ODSP 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 **employment support**, you get help to find a job or upgrade your skills.

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 some dental services. You may be able to get help to pay for health- or disability-related expenses for you and other members of your household. 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.

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 happens to my income support if I have other income?

When ODSP calculates how much income support you get, they may 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.

In certain situations, ODSP 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, ODSP will not subtract the money you earn from your job. For more information about this, ask your ODSP worker.

When calculating your income support, ODSP also considers the income of other members of your household. ODSP may

subtract money received by your spouse or other members of your household, depending on the source. Your spouse can be someone of the same sex as you or the opposite sex. You could be legally married to one another or not.

What if my spouse does not live with me?

Generally, your spouse is considered part of your household only if he or she lives with you. But in some situations, ODSP might 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 ODSP considers your spouse to be part of your household even though you are not living together, you should get legal advice. See [page 16](#) to find out how to get legal help.

How will earnings from a job affect my income support?

In any month that you have earnings, ODSP will reduce your income support, but you will also get \$100 from ODSP as a **Work-Related Benefit**. If other adults in your household, such as your spouse, have earnings, they may also be able to get the Work-Related Benefit. For information about when a self-employed person can get the Work-Related Benefit, see [pages 8 and 9](#).

Besides the \$100 Work-Related Benefit, you may also receive special employment benefits that ODSP provides for people who start work or are working. There is more information about these benefits later on in this pamphlet.

How much will my income support be reduced if I have a job?

ODSP will exempt 50% of your net earnings

This means that if you have a job, ODSP will reduce your monthly income support by subtracting an amount equal to half of your net monthly earnings from employment. **Net monthly earnings** from employment is the amount you get each month after your employer takes off income tax and other mandatory deductions.

If you have to pay for childcare in order to work, or if you have disability-related work expenses, the amount ODSP subtracts could be less.

Starting on [page 10](#), you will find worksheets to help you figure out how much income support you might get if you have earnings from a job.

How do I report my earnings to ODSP?

Each month you are on assistance, ODSP should send you an **Employment/Training Income Report (ETIR)**. The ETIR asks you to report your income from the first day to the last day of a month. This information is used to calculate how much income support you will get at the end of the following month. For example, your income from April 1 to April 30 will be used to calculate the amount of income support you get at the end of May.

You should report your income to the ODSP office as soon after the end of the month as possible—at the latest by the 7th day of the next month. If your report is late, you might not get your income support on time.

Keep sending in your report every month whether the amount you earn changes or not, even if you have no earnings. When you do have earnings to report, include copies of your pay stubs to prove how much you earned.

If it is difficult for you to complete an income report in writing

ODSP should make a different reporting arrangement for you if you are unable to complete the ETIR because of a disability, language or literacy barriers, or other special needs. For example, you might be able to report your earnings over the phone and follow up with proof by mail.

Can ODSP help with costs related to working?

Yes. ODSP offers benefits:

- when you are starting a new job or an activity that will help you to get a job,
- when you have work expenses related to your disability and the expenses are not covered by another program, and
- when you report monthly earnings.

When you are starting out

If you are starting a new job or an employment activity, such as a job search, job preparation, skills training, or a volunteer position that will prepare you for a job, you can apply for an **Employment and Training Start Up Benefit (ESUB)**. The ESUB can cover costs such as clothes for work, tools and equipment, and licensing fees, but the costs must be reasonable. The job or employment activity does not have to be full-time.

The maximum amount of an ESUB is \$500 in any 12-month period. You can get the full amount as a single payment or in smaller payments spread out over a year. You will need to show an employer's letter or other proof of your job or employment activity.

When your disability-related work expenses are not paid for by another program

ODSP can approve up to \$300 a month to cover expenses for items or services that are necessary for employment because of your disability. Some examples are special computer technology, sign language interpreters, specialized transit services, and attendant care services.

ODSP will cover these expenses only if no other program will pay for them. You will need to show proof of your expenses, such as receipts. You will also need to show an employer's letter, pay stubs, or other proof of your job or employment activity.

When you report monthly earnings

ODSP will give you a Work-Related Benefit of \$100 for each month that you report income from earnings and provide proof, such as pay-stubs. You get \$100 no matter how many days you worked in the month, and you do not need to show that you had work-related expenses.

What about childcare costs?

You might be able to deduct your ongoing childcare expenses. The amount you are allowed to claim depends on several things, including how many children you have, how old they are, and whether you use licensed or unlicensed childcare.

To get this deduction you will need to show a receipt for your childcare expenses and proof of your employment activity.

If your childcare is licensed, like a daycare centre, the full amount you pay can be deducted. However, if you get this money back or could get this money back from another source, you will not be able to deduct this cost.

If you pay for unlicensed childcare, like a babysitter, the maximum amount you can deduct is \$600 a month for each child who is under 18 years old.

If you are starting a new job, you may be able to get the **Upfront Child Care Benefit**. The rules about how much you can claim are the same as those given above for ongoing childcare expenses. You can get the full amount as a single payment or in smaller amounts spread out over a year. You will need to show proof of your childcare costs.

What if I want to run my own business?

You might be able to get some money from ODSP Employment Supports to develop your business idea. You should speak to your ODSP worker because your business plan might have to be approved.

If you already had a business before you went on assistance, you do not have to discuss your business plan with ODSP. But you must report your business income and assets, and your business expenses.

How will income from self-employment affect my income support from ODSP?

If you have income from self-employment, ODSP will allow you to claim a **Standard Expense Deduction** of \$100 each month. To claim this amount, you do not need to let ODSP know what your expenses were for and you do not have to show receipts.

But if you want to claim more than \$100 of expenses in a month, you do need to report what the expenses were for and provide receipts. Here are some examples of business expenses that ODSP can approve:

- office supplies,
- telephone and Internet,
- buying, renting, or repairing equipment and tools,
- advertising and business cards, and
- rent.

ODSP calculates your net business income by starting with your gross business income and subtracting your approved business expenses.

In months that you have net business income—in other words, when your gross business income is more than your approved business expenses—ODSP will reduce your income support by an amount equal to half of your net business income. You will also get a Work-Related Benefit of \$100.

But in months that your net business income is zero or less—in other words, when your gross business income is less than or equal to your approved business expenses—ODSP will not reduce your income support and you will not get the Work-Related Benefit. This can happen when your gross

business income is less than \$100 because ODSP may apply the Standard Expense Deduction of \$100 to you. If this is your situation, get legal advice. See [page 16](#) to find out how to get legal help.

ODSP will review your business income and expenses annually. When they do this review, ODSP could decide that you have an overpayment if you received the Work-Related Benefit for a month when you had no net business income. If ODSP says you have an overpayment, you should get legal help. You can ask ODSP to review your income and expenses monthly instead of annually so that your ODSP cheque can be adjusted month by month. You may find a monthly review helpful if you have a big change in income or if your income goes up and down a lot from one month to the next.

What if I do odd jobs or casual work?

If you provide other people with services, such as babysitting or shovelling snow, and you do not get pay stubs or have income tax or other deductions taken off what you earn, ODSP is likely to consider you a self-employed person. If they do, the rules about business income and expenses will apply to you. In that case, in months that you earn less than \$100, ODSP will not reduce your income support and you will not get the Work-Related Benefit.

For more information about self-employment and ODSP, talk to a community legal clinic. See [page 16](#) for information about finding a legal clinic.



The worksheets in this booklet are meant to give you the most accurate calculation possible, but every case is different. A lot depends on your personal situation. For example, special rules apply to the earnings of dependent children who live with you.

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 ODSP office or community legal clinic for more information. To find out how to contact a community legal clinic, see [page 16](#).

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 first day to the last day of a month (for example, April 1 to April 30) to find your gross earnings and your total allowable 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 allowable 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

-

=

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: Eligible expenses

Add your monthly childcare expenses and your disability-related work expenses to your earnings exemption to get your total allowable earnings deductions.

Earnings exemption

Monthly childcare expenses

Disability-related work expenses

| | | |
|--|---|--|
| | | _____ |
| | + | _____ |
| | + | _____ |
| | = | <input type="text"/> |
| | | 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

| | | |
|--|---|----------------------------|
| | | _____ |
| | - | _____ |
| | = | <input type="text"/> |
| | | Chargeable earnings |

Step 5: Amount of monthly ODSP income support

Subtract your chargeable earnings from your entitlement and **add** the Work-Related Benefit to get the estimated amount of your ODSP income support for the next month.

Entitlement

Chargeable earnings

Work-Related Benefit

| | | |
|--|---|--|
| | | _____ |
| | - | _____ |
| | + | \$100. |
| | = | <input type="text"/> |
| | | Estimated amount of monthly ODSP income support |

Note: Your ODSP income support may also be reduced for other reasons. For example, if you get child support payments, these amounts are subtracted dollar-for-dollar from your entitlement.

Step 3: Eligible expenses

Your monthly childcare expenses up to a maximum, and your disability-related work expenses up to \$300 a month, together make up your eligible expenses.

When you add your eligible expenses to your earnings exemptions, you get your total allowable earnings deductions.

Step 4: Chargeable earnings

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

Step 5: Amount of monthly ODSP income support

Your **entitlement** is the amount of income support you could get each month from ODSP before any income from other sources is subtracted. To calculate the amount of your income support, subtract your chargeable earnings from your entitlement. Now add an extra \$100 for the monthly Work-Related Benefit.

What if I go off ODSP because of a job?

You may be able to get an **Employment Transition Benefit** of \$500. A household can get this benefit only once in any 12-month period.

If I go off ODSP because of a job, will I lose my drug card?

Not necessarily. You might still qualify for health benefits from ODSP.

Extended Health Benefit (EHB)

If you have a lot of medical expenses, you may qualify for the EHB. The EHB can cover medical expenses such as the cost of drugs, dental treatment, vision care, medical supplies or devices, and transportation to medical appointments. Contact your community legal clinic for more information about the EHB. See [page 16](#) for information about finding a legal clinic.

Transitional Health Benefit (THB)

If you do not qualify for the EHB, you may be able to get the THB. The THB covers drug, dental, and vision care costs. You can get the THB if your job does not provide you with health benefits that are comparable to the THB.

You can keep getting the THB until you have comparable health benefits through employment, but you must apply for the THB once every year.

If I go off ODSP, can I get back on?

The rules about getting back on ODSP are not the same in every case.

Some people are eligible for **rapid reinstatement** which allows them to go back on assistance without doing a whole new application.

If you were transferred to ODSP from Family Benefits in 1998, you will qualify for rapid reinstatement only if you went off ODSP because your income from a job or business was above the maximum allowed while you were on assistance.

If you started getting ODSP after May 1998, you will qualify for rapid reinstatement. The reason you went off ODSP does not matter. But if you had a **review date**, ODSP can review your eligibility later. A review date means you have to send in new medical information to show that you still qualify for ODSP. This is true even if the review date passed while you were not on ODSP.

If you did not have a review date, you are eligible for rapid reinstatement. ODSP does not give you a review date if they think your condition is not likely to improve.

How do I get legal help?

For advice or help with ODSP problems, contact a community legal clinic, Legal Aid Ontario, or a lawyer.

To find your nearest community legal clinic, go to Legal Aid Ontario's website at <www.legalaid.on.ca>. Click on "Contact LAO" then "Community legal clinics".

You can also look in the CLEO booklet called **Getting Legal Help: A Directory of Community Legal Clinics in Ontario**. To view it online, go to <www.cleo.on.ca> and click on "View materials" then "Legal Services". To find out how to order it, check the [back cover](#) of this pamphlet.

For more information about Legal Aid Ontario, visit their website listed above or call them:

Toll-free **1-800-668-8258**

Toll-free TTY **1-866-641-8867**

Toronto area **416-979-1446**

Toronto area TTY **416-598-8867**

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.

Written, edited, and produced by:

CLEO (Community Legal Education Ontario/
Éducation juridique communautaire Ontario)

With funding from:

Legal Aid Ontario
Department of Justice Canada

This pamphlet is part of CLEO's series on Social Assistance. Thanks to the Steering Committee on Social Assistance for their collaboration on this series. CLEO has free publications on other legal topics as well.

We revise our publications regularly to reflect changes in the law. Our Discard List tells you which publications are out of date and should be thrown away.

For a copy of our current Order Form, Discard List, or to view our publications online, please visit <www.cleo.on.ca> or call **416-408-4420**.

