

Workers' Rights

Poverty wages hurt children and families in Ontario



Recommendations

Paid work can become a path out of poverty if we focus on laws which give workers and their families fair wages, good jobs, and respect at work. **Bill 47** threatens labour rights which belong to all Ontario workers.

\$15 & Fairness

**\$15/hr
minimum
wage**

A higher income means parents can spend on necessities for their children like food and clothing and also afford activities their children enjoy

Part-time or contract workers should not be paid less than full-time workers who do the same job

**Equal pay
for equal
work**



**Ability for
workers
to join and
keep their
unions**

Union density means improved working conditions and better wages

Paid PEL days are essential for families. When children fall ill, parents should be able to stay home without worrying about losing their jobs

**10 paid
emergency
leave days
(PEL)**

**Fair
scheduling**

Work hours must be fair and dependable otherwise families are left scrambling to find childcare and organize other life responsibilities.

Inequality among Workers

Many families who work precarious jobs are from marginalized communities like Indigenous Peoples, immigrants, women, lone-parent families, and racialized people who are more likely to come from low-income households.



Government must enact employment equity legislation which creates equitable employment opportunities for people from marginalized groups

If **Bill 47** passes, it will **repeal** what workers have fought for many years and be a major **setback** for Ontarian families working hard to lift their families out of poverty. Government legislation should instead **protect** workers from poverty wages and create equitable working conditions for all.

Income Security: A Roadmap for Change

**YWCA Toronto submission to The Honourable Helena Jaczek, Minister of Minister of Community and Social Services
January 3, 2018**

YWCA Toronto is the city's largest multi-service women's organization. We help women gain economic security, escape and recover from violence, and access housing that is safe and affordable. We also work with young girls – building their leadership and critical thinking skills. Our Association serves over 13,700 women and families annually in 32 programs across Toronto.

What we have observed across all YWCA Toronto programs, and what statistics show, is that women and girls are disproportionately impacted by poverty, violence and systemic oppression – particularly if they are racialized, Indigenous, living with disabilities, newcomers, seniors, trans or gender non-conforming. Ontario's Poverty Reduction Strategy identified women as a high-risk group for poverty. Toronto's Poverty Reduction Strategy tells us that 37% of single-women-led families in our city live in poverty. Therefore, income security reform is critically important to advancing gender equity in Ontario.

In summer 2016, YWCA Toronto hosted Minister Helena Jaczek for the launch of this review. We recognize the hard work of the three Working Groups in creating this report and its recommendations. We agree with the Working Groups' overall assessment that 'a mere tweaking of the system is not an option.' We welcome the recommendations on transformational change to the culture of social assistance programs and caseworkers, including the focus on a trauma-informed lens. We are also pleased to see the strong recommendations on Indigenous self-governance developed by the First Nations Working Group and the Urban Indigenous Table. Fundamental reform is required to ensure that all Ontarians, including women, girls and their families, can live in dignity and with security.

This submission is informed by the lived experience and expertise of women in YWCA Toronto programs as well as by our staff. Our message is clear: effective income security reform must "count women, girls and their families in."

"Counting Women and Girls In"

Gender equity must be included as a guiding principle for change alongside the other stated principles in the report – adequacy, human rights, reconciliation, access to services, economic and social inclusion. We urge the provincial government to ensure an intersectional gender-based analysis of all income security reform measures. A gender-neutral approach, as described in the report, renders invisible the real structural barriers that many women experience – especially women who are homeless or fleeing violence. It is also out of step with commitments made by the provincial government to advance gender-based analysis of policy and programs, as well as its commitments to promote women's

economic empowerment and end gender-based violence.

At YWCA Toronto, many of the women with whom we work face multiple barriers to income security. This could include gender-based violence, mental health and addictions challenges, lack of affordable child care, lower literacy and language skills, immigration status, isolation, and a lack of essential skills. Recent research from the Canadian Centre for Policy Alternatives found that women – especially racialized, newcomer and First Nations women – are disproportionately impacted by the rise of precarious employment, including part-time, low-wage, temp jobs with few benefits. Further, gender discrimination – whether it is pay inequity, or violence and harassment in the workplace – keeps women in poverty, drives women out of jobs and closes the door to promotions. These are too frequently the real lived experiences of many women in our city and province. We need government action to address these systemic challenges.

Income Security Is Critical to Ending Gender-Based Violence

To quote a participant in one of our programs: “... Women who survive violence must be able to find safety, support and justice. What happened to me is neither my fault nor my shame to carry. The shame rests with a system that creates barriers rather than bridges for women escaping violence.” Nowhere is this need for action more important than when it comes to supporting victims/survivors of violence. Fear of poverty and economic hardship is a driving force that can keep women and children trapped in violent situations.

In our Violence Against Women (VAW) shelter, women receive a personal needs allowance of \$4.20 per day, which is nowhere close to income adequacy – it is not sufficient to meet daily needs, pay down debts or plan for the future. Women in our VAW shelters are also not eligible for the Personal Diet Allowance under Ontario Works, the assumption is that the shelter can accommodate dietary needs but this is difficult for more complex health needs. There must be a better plan to support women living in VAW shelters to move out of poverty.

We also call on the provincial government to undertake careful analyses of current and proposed policies and services related to income security, in consultation with the VAW sector, to ensure that they do not increase women’s vulnerability or undermine the safety of those receiving support. For instance, under the current rules women fleeing violence are unable to apply for social assistance until they have separated from their abusive partner. There must be more flexibility in the rules in order to allow women to have expedited access to financial resources when escaping violence. In addition, we support the recommendations that assets held in all forms of Registered Retirement Savings Plans and in Tax-Free Savings Accounts be fully exempt and we support the call for the current income exemption to be increased. Women who come through our VAW shelter doors have to rebuild their entire lives, and the ability to save money is critically important.

Our partners in the VAW sector, including the Women Abuse Council of Toronto, the Violence Against Women Network and the Transitional and Housing Support Program Network have put forward a submission highlighting particular areas of focus related to supporting VAW survivors. We urge the provincial government to recognize the expertise represented in these coalitions and to heed their call.

Expanding Public Health Care

We support the recommendation for extended core health benefits for all low-income people, including pharmacare, dental, vision, hearing and medical transportation benefits. We urge the provincial government to build on the OHIP+ announcement of free drug coverage for anyone age 24 years or younger, and act swiftly in implementing this recommendation.

Expanding public health care is an urgent priority for many of the women with whom we work. As previously mentioned, women are more likely to be living in poverty. Women are also over-represented in precarious jobs which often do not offer medical benefits. For women on Ontario Works, many fear leaving the program and the security they feel from having access to the health benefits. It should not be this way. All Ontarians should be able to access the health care and related services they need, regardless of income. Implementing this recommendation is part of the unfinished business of public medicare – we need both to improve and expand our public health care system in Ontario.

In addition, we urge the provincial government to include mental health care as part of the extended health coverage. This is particularly important for women who have experienced violence and trauma. Women tell us they cannot access the supports they need because they simply cannot afford them. There are long waiting lists. Some counsellors are not trauma-informed. Recent reports have identified the gaps women face accessing affordable community-based mental health counselling. There must be leadership by the provincial government to close these significant health gaps.

Portable Housing Benefit

We support the recommendation for a portable housing benefit to support low-income individuals with the high costs of housing. According to the latest GTA Rental Market Survey from the Canada Mortgage and Housing Corporation, the average rental cost in Toronto has risen to \$1,300 monthly – we are facing a serious affordability crisis. For women, the lack of safe, affordable housing could mean that they are forced to remain in violent situations to maintain their housing, live in crowded conditions with family or friends, or stay in shelters for months when they could readily move to permanent or supportive housing if it was available.

There are many benefits that could come from a portable housing benefit— it allows a choice of where to live, it will help reduce overcrowding in women's shelters -freeing up spaces for other women and children in need, and it will help to alleviate Toronto's social housing wait list – currently at over 97,000 households, just to name a few. However, we urge the government to look closely at the learning from its portable housing benefit for women fleeing domestic violence. Notably, in an open letter to the Honorable Chris Ballard, our partners from the VAW sector have outlined important areas of consideration for the Portable Housing Benefit. We encourage you to revisit the recommendations put forward in the submission to Minister Ballard as part of the current consultation process.

As the report makes clear, a portable housing benefit is only one tool that government should use to help with housing affordability. YWCA Toronto has been active at all levels

of government in calling for an intersectional gender lens on housing and for investment in a continuum of housing options for women – emergency shelters, permanent housing, supportive housing – with related supports. The federal government’s national housing strategy included a commitment that 25% of funds will go directly to projects and services targeted at women, girls and their families – we urge the provincial government to follow this lead.

Promoting Women’s Employment

We support the recommendations to redesign benefits to make it easier for people to pursue their employment goals. YWCA Toronto’s Employment and Training programs serve 7,000 women annually, including an Employment Focus program for women on Ontario Works and ODSP. There is a need for more women-specific employment programs. Particularly for women with multiple barriers, employment programs with more intensive supports and a focus on foundational life skills such as confidence and self-esteem are required. To quote one Employment Focus participant, “I gained more confidence to go into the workforce. Knowledge of self. I learned about my strengths, skills and values, personality and style. Increased my computer skills. Energy flows where attention goes!”

A recent environmental scan of women’s employment programs for United Way indicated that stakeholders recognize that women with multiple barriers to employment benefit from a women-only learning approach as it provides opportunity for explicit conversations related to their challenges and issues. The same study also stated that the ‘atmosphere or environmental culture’ is an important factor when working with women – having a safe, environment where women can interact with others, build trust, identify commonalities and have honest and open conversations. Women also tell us that in our programs their voices are heard – whereas in co-ed groups their voices are silenced.

We encourage the provincial government to invest in women-only employment programs as part of income security reforms, including employment programs specifically for newcomer women as well as employment programs for women who have experienced violence.

Helping Those in Deepest Poverty

We support the recommendation for the provincial government to help those in deepest poverty, specifically single people on Ontario Works who receive a monthly benefit of \$721 per month. This is not enough to survive, especially in an expensive city like Toronto. The report recommends a year one rate increase of 10% for a single person on Ontario Works and 5% for a single person on ODSP. This is a good start, but we urge the provincial government to move beyond this modest target. There is a strong moral, social and economic case for taking bold action to bring those in deepest poverty to a level of income adequacy.

Flat-Rate Structure for OW and ODSP

The Roadmap’s proposal for a flat-rate structure for social assistance, combining shelter and basic needs payments, could be an important step forward for many on social assistance. Significantly, it will reduce much of the surveillance and intrusion that is currently built into the system. However, the Roadmap is not clear on how this flat rate will impact women in VAW and homeless shelters. We raise the following questions to the government:

- How does this recommendation apply to women living in VAW shelters who currently receive a Personal Needs Allowance?
- Will this flat rate structure impact shelter funding?
- What type of supports will be available with respect to financial literacy and budgeting? Will this support be available in shelters?
- Will women exiting shelters who receive a flat-rate but have not saved their income still be eligible for additional supports to meet emergency housing needs, including the Housing Stabilization Fund?

In closing, we thank the provincial government for the opportunity to provide feedback on this report. We offer our assistance as civil society partners as the provincial government moves forward on this critical issue of income security reform.

Heather McGregor

Chief Executive Officer

416.961.8100 x 312

mcmgregor@ywcatoronto.org

Etana Cain

Manager of Advocacy and Communications

416.961.8101 x 305

ecain@ywcatoronto.org

Potential Health Equity Impacts of the *Making Ontario Open for Business Act* (Bill 47)

By Malaika Hill & Rebecca Cheff

Wellesley Institute works in research and policy to improve health and health equity in the GTA through action on the social determinants of health.

Report

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By Malaika Hill & Rebecca Cheff

Copies of this report can be downloaded from www.wellesleyinstitute.com.

Statement on Acknowledgement of Traditional Land

We would like to acknowledge this sacred land on which the Wellesley Institute operates. It has been a site of human activity for 15,000 years. This land is the territory of the Huron-Wendat and Petun First Nations, the Seneca, and most recently, the Mississaugas of the Credit River. The territory was the subject of the Dish With One Spoon Wampum Belt Covenant, an agreement between the Iroquois Confederacy and Confederacy of the Ojibwe and allied nations to peaceably share and care for the resources around the Great Lakes.

Today, the meeting place of Toronto is still the home to many Indigenous people from across Turtle Island and we are grateful to have the opportunity to work in the community, on this territory.

Revised by the Elders Circle (Council of Aboriginal Initiatives) on November 6, 2014

10 Alcorn Ave, Suite 300
Toronto, ON, Canada M4V 3B2
416.972.1010
contact@wellesleyinstitute.com



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Introduction

The nature of work is changing. More workers are working precarious jobs, being paid unfairly, receiving fewer benefits, and are less protected¹. These working conditions were the catalyst that launched the Changing Workplaces Review in 2017. The Changing Workplaces Review was an independent review of Ontario's Employment Standards Act, 2000 (ESA) and the Labour Relations Act, 1995 (LRA)². In response to this review, the previous Government of Ontario, introduced Bill 148, the *Fair Workplaces, Better Jobs Act*. Among the changes included in Bill 148 were:

- Increasing the minimum wage;
- Introducing equal pay for equal work for part-time, casual and temporary workers;
- Adding basic scheduling protections for workers;
- Introducing two paid and eight unpaid personal emergency days; and
- Increasing enforcement provisions.¹

On October 23rd, 2018, the new Government of Ontario introduced Bill 47, the *Making Ontario Open for Business Act* which repeals nearly all the changes made by Bill 148³.

Wellesley Institute draws on the Ministry of Health and Long-Term Care's Health Equity Impact Assessment (HEIA) tool to identify the potential health and health equity impacts that the proposed changes made by the *Making Ontario Open for Business Act* (Bill 47) will make to the *Employment Standards Act*. This report focuses on the potential health and health equity impacts of changes to the minimum wage, equal pay for equal work, scheduling protections, paid and unpaid leaves, and enforcement (see Table 1 for a summary of the proposed changes to the ESA).

Given the significant impact of income and work on health, the protections found in the *Employment Standards Act* have the potential to limit the harms of unsafe and unfair work and contribute to the health of Ontarians.

Table 1: Summarizing (some) Existing ESA Protections vs. Proposed Bill 47 Changes

Category	Existing ESA Protections	Bill 47 Proposed Changes
Minimum Wage	<p>\$14 per hour for most employees</p> <p><i>Effective January 1, 2019</i></p> <p>\$15 per hour for most employees to be adjusted annually for inflation</p>	<p>Halted minimum wage at \$14</p> <p><i>Effective October 1, 2020</i></p> <p>Minimum wage will be adjusted annually for inflation</p>
Equal Pay for Equal Work	<p><i>Effective April 1, 2018</i></p> <p>Employers can no longer pay one employee less than another, based on employment status, if both people perform equal work.</p>	<p>Repealed. Employers are no longer required to provide equal pay to part-time, casual and temporary workers.</p>
Scheduling	<p><i>Effective January 1, 2019:</i></p> <p>Employees can refuse to work with less than 4 days' notice of their schedule⁴</p> <p>Employees can request a change to their schedule without retaliation⁵</p> <p>If an employee is on-call, but aren't called in, they must be paid a minimum three hours⁶</p> <p>If an employee's shift is canceled with less than 48 hours' notice, they must be paid a minimum three hours⁷</p>	<p>Repealed. There will no longer be any regulations that dictate how much notice an employer must give employees of scheduled shifts.</p> <p>Repealed. Employees are not protected from retaliation if they ask for a scheduling change.</p> <p>Repealed. Employers do not have to compensate employees who are on-call.</p> <p>Repealed. Employers do not have to compensate employees if their schedule shift is canceled with less than 2 days' notice.</p>
Personal Illness, Family Responsibilities, and Bereavement Days	<p>Annually, an employee can take up to:</p> <p>10 days = 2 paid + 8 unpaid = Can be used for personal and family illness, injury or emergencies, and bereavement</p> <p>Medical notes prohibited⁸</p>	<p>Reduced. Annually, an employee can take up to:</p> <p>8 days 3 unpaid personal sick days + 2 unpaid bereavement days + 3 unpaid family responsibility days</p> <p>Medical notes allowed</p>

Health and Health Equity Impacts of Minimum Wage

The minimum wage is the lowest amount employers are legally permitted to pay their workers.

It can be an important tool for reducing poverty and income inequality.⁹ Increases in the minimum wage have been associated with higher job stability and lower turnover.¹⁰ Research also tells us that having a good minimum wage will increase the standard of living, reduce poverty and decrease inequities among workers.¹¹

As Ontario's workforce changes, there are a growing number of workers who are working for the minimum wage. For example, between 2003 and 2011, the share of employees working for minimum wage more than doubled from 4.3 to 9 percent.¹² While the number

is growing, evidence also shows that minimum-wage workers do not earn enough to meet their basic needs. Assuming a 40-hour work week, \$14 per hour works out to \$29,120 before tax. However, the after-tax income is not enough to support health. In fact, recent Wellesley research indicates that living a healthy life in the Greater Toronto Area requires a single adult to make about \$46,186 to \$55,432 annual income after-tax.¹³

In January 2018, the *Fair Workplaces, Better Jobs Act* (Bill 148) increased Ontario's minimum wage to \$14 per hour, with a plan to increase to \$15 in January 2019¹⁴. However, the *Making Ontario Open for Business Act* (Bill 47) proposes freezing the minimum wage at \$14 per hour until October 2020 whereby it would be adjusted to inflation. Using a HEIA lens, we have identified potential health and health equity impacts of repealing increases to the minimum wage.

Health Impacts

An adequate income allows us to meet our basic needs for things such as shelter, food, clothing and health care costs. When workers don't earn enough to meet their basic needs, it can significantly compromise their health. For example, a recent Toronto Public Health report found that women in the lowest income groups were 85 percent more likely to have diabetes, men in the lowest income group were 50 percent more likely to die before age 75 and babies in the lowest income groups were 40 percent more likely to be born with a low birth weight¹⁵. In addition to poor physical health, those living on low wages are more likely to experience poor mental health and psychological distress. For example, Canadians in the lowest income group are up to 4 times more likely to report poor to fair mental health¹⁶ and have a 58 percent higher rate of depression than the Canadian average¹⁷. Overall, workers earning low incomes are more likely to report poorer general health than workers in higher income groups¹⁸.

Health Equity Impacts

In Ontario, some populations are disproportionately impacted by the minimum wage. Recent research tells us that racialized people, women, people with disabilities, Indigenous people, youth, seniors and newcomers are all more likely to be in precarious employment, including working for the minimum wage¹⁹. For example, an Ontario study²⁰ found that women accounted for 57.4 per cent of minimum wage workers while they were 49.3 per cent of all employees. Racialized workers accounted for 34.9 per cent of minimum wage workers while they were 23.9 per cent of all employees. Recent immigrants were also over-represented in the minimum-wage group (15 per cent while they only accounted for 7.1 per cent of all employees). The over-representation of certain groups of workers in minimum wage work is contributing to increasing health disparities across the province.

The Government's plan under *Bill 47* to freeze the minimum wage will result in real income cuts for Ontario workers. According to the \$15 and Fairness Campaign²¹, raising the minimum wage from \$14 to \$15 per hour results in almost \$2,000 annually in the hands of workers. For low income families, an extra \$2,000 a year means more purchasing power for things like food, health care, education and housing which have real impacts on health.

Increasing the minimum wage to \$15 will raise the floor for all Ontario employees and is an important step government can take to show they support all workers.

Health and Health Equity Impacts of Equal Pay for Equal Work

A lack of equal pay for equal work impacts health in two distinct ways:

1. The psychological impacts of unfairness and perceived discrimination; and
2. The health impacts of inadequate pay.

In Ontario, equal pay for equal work laws require that employees are paid the same rate when they are doing “substantially the same kind of work in the same establishment” that requires “substantially the same, skill, effort and responsibility, performed under similar working conditions”²². Establishing standards where individuals performing the same work are compensated equally creates decent and fair working conditions and will support more equitable health outcomes for workers across Ontario.

In 2017, an estimated 1 in 5 workers worked part-time in Ontario, representing 19 per cent of the employed population.²³ However, prior to *Bill 148*, part-time, casual and temporary workers were not legally entitled to the same rate of pay as their full-time counterparts. As of April 1st, 2018, *Bill 148* introduced legislation that requires employers to implement equal pay for part-time, casual and temporary workers. These changes validate that the value of a job is based on an employee's skill, responsibility and working conditions²⁴. However, *Bill 47* proposes repealing equal pay for equal work based on employment status from the *Employment Standards Act*, and as a result, employers will no longer be obligated to compensate employees fairly, which could have significant implications for health and health equity. Applying a HEIA lens, we point to possible health and health equity impacts of retracting equal pay for equal work.

Health Impacts

The health impacts of pay discrimination are significant. Research indicates that the impacts of discrimination can create an increase in multiple forms of stress, cardiovascular diseases and significantly reduce participation in healthy behaviors such as healthy eating and exercise.²⁵ Specifically, one study in the U.S. shows how the gender wage gap has contributed

to disparities between women and men in mental illnesses such as depression and anxiety²⁶. These findings are consistent with a growing body of literature that demonstrates the mental and physical harms caused by workplace discrimination across several different socio-demographic factors including, race, gender, immigration status and age.

Income also plays a significant role in determining health outcomes. In Ontario, part-time, casual and temporary workers are more likely to earn low wages and receive less protections at work²⁷. For instance, the Workers Action Centre indicates that these workers are often paid between 30 and 40 per cent less than full-time/secure workers²⁸. Research consistently shows that those who earn low wages are more likely to experience lower quality of life²⁹, greater risks of mortality³⁰, poorer mental and physical health and social isolation³¹. In addition to low wages, one-third of those who are in precarious work do not have employer-provided health and dental plans, which creates additional barriers to prescription medication and oral health³².

Health Equity Impacts

Increasingly in Ontario, women, racialized and Indigenous groups, seniors, youth and immigrants are overrepresented in precarious work³³. For example, of part-time workers in Ontario, 65 per cent are women and 35 per cent are youth aged 15-24³⁴. Furthermore, most seniors 65 and older who are employed are working part-time³⁵. This overrepresentation has contributed to increasing poor mental and physical health outcomes including experiences of social isolation³⁶. A recent study indicated over 40 per cent of persons in low-income work express that anxiety about employment “often” interferes with their family and personal life and 15 per cent did not have a close friend to talk to³⁷.

Paying workers who have the same qualifications and are doing the same work equal rates of pay is a matter of fairness. Marginalized groups are more likely to be casually employed or work part-time and basing one’s income solely on employment status can create significant inequities.

Every step up the economic ladder matters for health³⁸. In 2015, the pay gap between full-time and part-time workers was \$9.40 per hour³⁹. Closing this gap will increase the income earning potential for part-time workers and boost population health.

Health and Health Equity Impacts of Scheduling Control

Having some notice, predictability and control over work hours allow workers to spend time with their families, schedule medical appointments and child care, and have enough income to meet their basic needs. However, the 2017 Poverty and Employment Precarity in Southern

Ontario (PEPSO) survey of GTHA workers found that 1 in 5 workers did not know their schedule within 24 hours of their shift.⁴⁰ In 2014, a third of Ontario workers had hours that varied from week to week.⁴¹

The new scheduling protections brought in by Bill 148 were intended to reduce scheduling uncertainty for workers.⁴² Effective January 1, 2019, the changes would: allow employees to refuse to work shifts scheduled with less than 4 days' notice; provide employees with 3 hours minimum pay for being on-call; provide employees with 3 hours pay if their scheduled shift is cancelled with less than 48 hours' notice; and give employees the right to ask for different work hours or locations without retaliation (although employer would be able to refuse). These new scheduling protections under Bill 148 would not apply to all workers. The right to refuse work with less than 4 days' notice would not apply to those dealing with emergencies and threats to public safety and those providing continued delivery of essential public services. As well, employees who are on call to ensure delivery of essential public services would not exempt from minimum on call pay requirements. The *Employment Standards Act* does not define essential public services.

The proposed Bill 47 would eliminate these new scheduling protections. This would mean that employers would not be required to give employees any advanced notice of when they must work or if a shift is cancelled. If an employee's shift is cancelled with little notice or they are required to be available to work (i.e. are on-call) but are not called in, employers would not be required to provide any pay. Employees who ask for scheduling changes would not be protected from retaliation from their employers. Employing a HEIA lens, we have highlighted the following health and health equity impacts revoking scheduling control could have.

Health Impacts

Unpredictable scheduling may impact the health of workers and families in two ways:

3. negative health impacts due to scheduling unpredictability, and
4. negative health impacts due to income instability.

Eliminating the modest increases to scheduling control and predictability for workers raises concerns about workers' abilities to balance family responsibilities, care for children and elderly parents, juggle second or third jobs, or go to school.

Having some control over your work schedule (e.g. when and how much you work) is associated with lower levels of conflict between work and family responsibilities, which is associated with lower levels of psychological distress and better general well-being.⁴³

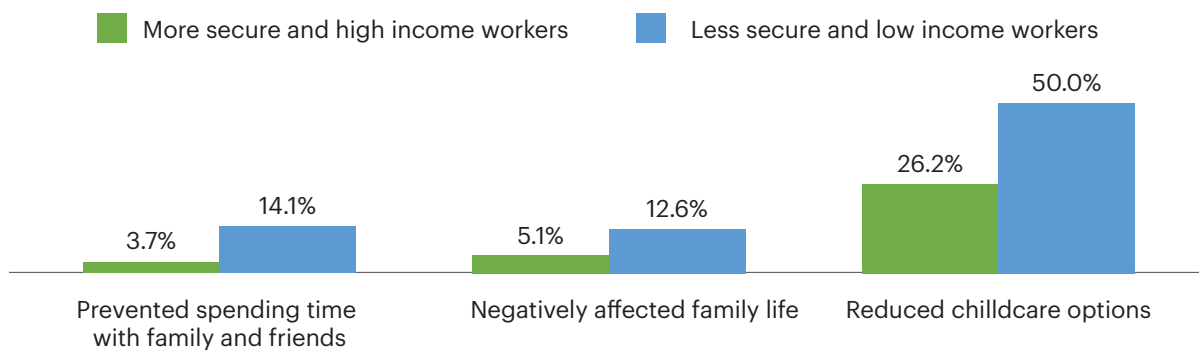
In addition to the potential health harms of scheduling unpredictability, varying hours can contribute to poor income security, which is an important determinant of health. Bill 47 eliminates protections that would have guaranteed workers a minimum 3 hours pay when

they are on-call or if a shift is cancelled last minute. This change could allow for continued income insecurity for workers with varying hours.

Health Equity Impacts

While a third of all Ontario workers experience varying hours, low wage workers are much more likely to experience this variation. In 2014, 62.9 per cent of low wage workers in Ontario had hours that varied from week to week, compared with only 23.4 per cent of higher wage workers.⁴⁴ In addition to low wage workers being more exposed to schedule variation, workers in less secure work appear to be more negatively impacted by this scheduling uncertainty. The 2014 PEPSON survey of 4000 GTHA residents found that those in less secure, lower income work are 2-4 times more likely than more secure, higher income workers to report that schedule uncertainty has a negative effect on family life, limits childcare options, and prevents them from doing things with family and friends (see Figure 1).⁴⁵

Figure 1: Impacts of Scheduling Uncertainty on GTHA Workers and Families, PEPSON 2014



These statistics suggest that the reduction of scheduling protections will likely have a greater negative impact on low wage and precarious workers and families because a) they experience more scheduling uncertainty, and b) scheduling uncertainty appears to impact their families more negatively.

Precarious, low income workers experience 2-4 times the negative impacts of scheduling uncertainty compared with higher income workers. Scheduling that allows for some employee control and provides more predictable hours and therefore more stable income is likely to contribute positively to the health of workers and their families by allowing for more work-life balance and secure income.

Health and Health Equity Impacts of Access to Personal Illness, Family Responsibilities, and Bereavement Days

Ontario workers currently have access to up to 10 personal emergency leave (PEL) days per year, two of which are paid. These are days workers can take off without risking their job for personal or family illness, injury or medical emergency, or bereavement. Employers cannot ask workers who use these days to submit a medical note.

Bill 47 will replace these 10 PEL days with three unpaid personal sick days, two unpaid bereavement days, and three unpaid family responsibility days. Employers will no longer be prohibited from requiring a medical note from an employee who uses these unpaid days. Using a HEIA approach, we look at the possible health and health equity impacts of three parts of this policy change: 1) eliminating paid sick days, 2) reducing the number of overall unpaid, job-protected days off, and 3) allowing employers to require employees who use unpaid sick days to provide medical notes.

Eliminating Paid Days Off

Health Impacts

It is important that workers can take time off without risking their job or income when they are sick, injured, have an emergency or are grieving.

The negative impacts of going to work sick (i.e. presenteeism) on workers' and public health are well documented. When workers go to work sick, they are unable to rest and recover and are more likely to expose coworkers to contagious illnesses. For example, during the 2009 H1N1 pandemic, it is estimated that the lack of paid sick day policies in the U.S. resulted in 5 million additional people getting sick.⁴⁶

Beyond limiting the spread of colds and flu, paid days off allow workers to schedule preventative medical tests and appointments that they might otherwise miss. Through a national survey of U.S. workers, researchers found that workers without paid sick leave were less likely to have been regularly screened for breast, cervical and colorectal cancer.⁴⁷

Health Equity Impacts

Without paid sick days, Ontario workers will be forced to choose between caring for their (and their family's) health, and a smaller pay cheque. This choice is likely to place more burden on low-income workers and families who cannot afford to lose a day's pay and are more likely to not have sick day policies through their employer.

Many employers provide more generous sick day policies than the basic entitlements workers have through the *Employment Standards Act*. However, research from 2014 highlights that only 16.8 per cent of low-wage workers in Ontario, who are disproportionately women and newcomers, had access to paid leave through their workplace, compared with 56.8 per cent of higher wage workers.⁴⁸ The removal of two paid PEL days will likely have a more negative impact on the estimated 83 per cent of low-wage workers and families whose employers do not provide paid leave and who cannot afford to take unpaid days off work.

Reducing Overall Number of Job-Protected Days Off

Health Impacts

In addition to paid days off, job-protected days, while unpaid, allow workers to care for their health and families without risking losing their jobs. Since 2001, most Ontario workers have had access to up to 10 PEL days off per year. The PEL policy provides some flexibility to workers with varying needs to use the days as sick days, to care for family, or to grieve. Bill 47 would substantially reduce the number of unpaid days off workers have access to for personal and family illness and restrict workers' flexibility by introducing separate leaves.

Table 2: Average Work Absences for Ontario Workers (2017)⁴⁹

6.9 days off for illness or disability	1.7 days off for personal and family responsibility	8.6 days off in total
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With Bill 47, workers will be restricted to three personal sick days and three family responsibility days (as well as two days for bereavement). The proposed 6 days will likely not be enough to cover the days needed for personal and family illness and injury. For example, even a healthy person is likely to be sick for at least 3-7 days if they catch the flu, which could max out a worker's annual 3 personal sick days.⁵⁰ While it is unclear how many days are ideal, Ontario workers were absent 8.6 days due to personal and family illness in 2017 (see Table 2). This suggests that the proposed changes will not be enough.

Health Equity Impacts

Separate personal sick days and family responsibility days will likely have a larger impact on Ontario workers with children, elderly parents and dependents, who have greater caregiving responsibilities.

Low-wage workers whose employers do not provide sick leaves will be more reliant on these minimum entitlements provided from the ESA, and therefore more impacted by this change.

Mandatory Medical Notes

Health Impacts

Requiring employees to obtain sick notes can take time away from their own recovery and increase the risk of making other people sick. In 2014, Dr. Scott Wooder, the president of the Ontario Medical Association (OMA), publicly discouraged employers from requiring sick notes and encouraged workers to instead stay home when sick to rest and reduce the spread of germs.⁵¹

Medical notes can also reduce health care providers' available time to see people who truly need care. Doctors have pointed to the strain that requesting medical notes for sick days can put on health care providers. The Canadian Medical Association (CMA), which represents 85,000 physicians across the country, has highlighted the significant increasing administrative burden on physicians of completing medical forms that can take away time from direct patient care. In 2016, 67 per cent of survey physicians received more than 5 sick note requests per week. CMA's policy states that employers should not require a physician's confirmation when employees take off days due to short-term illnesses that they would not otherwise require medical attention for. The policy specifically highlights the negative impacts these requests have on the health care system:

“Confirmation of a short-term absence from work because of minor illness is a matter to be addressed between an employer and an employee directly. Such an absence does not require physician confirmation of illness and represents an inefficient use of scarce health care resources.”⁵²

While health care providers play an important role in assessing workers' eligibility for longer-term illness and disability leaves, allowing employers to require medical note for employees to take off *at most three unpaid days* per year is likely to place an unnecessary burden on Ontario's health care system and on workers.

Health Equity Impacts

Workers who do not have a regular care provider or who face additional barriers to health care services may face additional challenges obtaining a medical note. More recent immigrants, for example, have less access to a family doctor – only 78 per cent of recent immigrants reported having a family doctor or other primary care provider compared to 88.1 per cent of Canadian-born Ontarians.⁵³

The six proposed unpaid personal and family sick days fall 2.5 days short of what the average Ontario worker needs in a year. Allowing employers to require medical notes from employees for short-term illness is an inefficient use of health care resources that reduces time available for

direct patient care. Ultimately the elimination of paid days off could contribute to the spread of infectious disease and prevent workers from taking time to care for their health and the health of their family.

Compliance and Enforcement of the *Employment Standards Act*

Enforcement of the *Employment Standards Act* (ESA) is an important aspect of protecting workers' rights. When the ESA is enforced, work sites are proactively investigated, wages are paid and those who break the laws are punished. Changes made by the past Government of Ontario introduced new rules to strengthen enforcement such as hiring 175 additional employment standards officers, launching an education program to support business owners and employees, increasing penalties for non-compliance and publishing the names of those who do not meet employment standards⁵⁴. These changes helped secure better working conditions and are especially important for vulnerable workers who are more likely to be in precarious work or work under poor working conditions⁵⁵.

However, Bill 47 will repeal these new enforcement strategies and also reduce non-compliance fines from \$5,000 to \$2,000 for individuals and from \$100,000 to \$25,000 for organizations. Reducing enforcement decreases protections for vulnerable workers and sends the message that government is not serious about workers' rights.

Conclusion

The changes proposed under Bill 47 could have unintended negative health impacts for Ontario workers and families, while exacerbating existing, avoidable health inequities within the population.

It is difficult to quantify the impacts of these policy changes. However, in this report, we draw on the existing international and local evidence to point to the potential health and health equity impacts of five proposed changes to the *Employment Standards Act*:

- Freezing the minimum wage,
- Eliminating equal pay for equal work for part-time, temporary and casual workers,
- Eliminating scheduling protections,
- Reducing paid and unpaid personal and family emergency days off, and
- Reducing enforcement provisions.

Freezing the minimum wage at \$14 until October 2020 with no increase to account for rising costs of living, will make it more challenging for workers and families to meet their basic needs, and is likely to result in negative health impacts. These potential harms to health are

likely to particularly impact women, racialized workers, and newcomers who are more likely to earn the minimum wage.

Repealing equal pay for equal work will impact vulnerable workers who are more likely to be in part-time, casual and temporary jobs. Workplace discrimination has serious implications for health and is directly linked to equal pay for equal work. Repealing these changes could have harmful health consequences, especially for Ontario's most vulnerable.

Eliminating the new basic scheduling protections raises concerns about the impacts of scheduling uncertainty and resulting income insecurity in particular on the health of low-wage workers and their families.

Revoking two paid leave of absence days will most impact the low-wage workers and families who are less likely to have sickness day policies in their workplaces, and who cannot afford to take unpaid time off. Paid leave days allow workers to recover from sickness, schedule preventative cancer screenings, and limit spread of contagious diseases.

Basic employment rights help protect workers from health harms and move toward more decent jobs in Ontario. While we are not able to determine the scale, we believe that by repealing basic workers' protections related to the minimum wage, equal pay for equal work, leaves of absence, and scheduling, Bill 47 could have negative unintended health consequences for Ontario workers and families.

Given the fundamental importance of working conditions on health, we recommend ongoing monitoring of the impacts of Bill 47 on the health and wellbeing of diverse Ontarians.

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ONTARIO 360 – INCOME SUPPORT FOR LOW-INCOME WORKERS – TRANSITION BRIEFING

A holistic approach to supporting Ontario's working poor

Issue

Ontario's three major political parties have made election commitments to help the working poor.¹ This is a positive development – especially since low-income households have experienced minimal income (average adjusted market income) growth in recent years.²

There are two primary policies that can help the working poor: the minimum wage and targeted tax credits. Much of the policy discussion at the provincial level has centered on the minimum wage. Each party has indicated support for raising the minimum wage though they disagree on the timing, the magnitude, and certainty to future increases. What has received much less public discussion is the role for targeted tax credits, typically only mentioned as a substitute for minimum wage policies. Rather than these two policies being either/or propositions, they should be considered complementary policies and any incoming government should ensure that targeted tax credits are aligned with minimum wage changes and the broad-based goal of supporting the working poor.

Overview

Ontario's median income growth lagged behind the other provinces between 2005 and 2015. The province's median household income grew by 3.8 percent

¹ For more on the "working poor" including definitions and profiles, see Dominique Fleury and Myriam Fortin, Research Briefs - Canada's Working Poor, Policy Horizons (Government of Canada), September 29, 2017. Available at: www.horizons.gc.ca/en/content/research-briefs-canada's-working-poor.

² See Exhibit #6 in Institute for Competitiveness and Prosperity, Ontario Economic Update October 2017: Lowest median income growth in Canada - what gives?, October 4, 2017. Available at: <https://www.competeprosper.ca/blog/ontario-economic-update-lowest-median-income-growth-in-canada-what-gives>.

PROJECT PRINCIPALS

Sean Speer
Project Director,
Ontario 360

Peter Loewen
Director,
School of Public Policy
& Governance

Rudyard Griffiths
Project Chair,
Ontario 360

BOARD OF ADVISORS

Mel Cappe
Professor,
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Clean Prosperity

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Canada

over this period versus 12.7 percent for Canada as a whole.³ Low-income households were particularly susceptible to modest growth.

It is understandable that the various political parties have committed to policies that will target this population group. The truth is that there is an under-recognized political consensus on the role of government and public policy to support low-income households. Just one example: the Working Income Tax Benefit (now called the Canada Workers Benefit) has been the subject of a political consensus at the federal level for several years.⁴

In Ontario, the current government has increased the minimum wage from \$11.60 to \$14 per hour effective January 1, 2018 and has legislated it to increase to \$15 in 2019. There has since been political debate about following through on the second scheduled increase or whether it is preferable to extend tax relief to minimum wage earners.

This focus on supporting the province's working poor is positive. There are no easy or right answers. While it has been shown that tax credits would have to be significantly enriched and modified to achieve the same after-tax income as an increase in the minimum wage⁵, it is also true that increases in the minimum wage erode purchasing power through increase inflation, reduce future labour market growth, and, as I will explain, risks reducing one's eligibility for current targeted tax benefits. If, instead, these two policies are used in a complementary fashion, it can help mitigate these negative effects and deliver much-needed support to the working poor.

³ Statistics Canada, Household income in Canada: Key results from the 2016 Census, September 13, 2017. Available at: <https://www.statcan.gc.ca/daily-quotidien/170913/dq170913a-eng.htm>.

⁴ Sean Speer and Rob Gillezeau, "The cross-party case for the Working Income Tax Benefit," Policy Options (IRPP), December 7, 2016. Available at: policyoptions.irpp.org/magazines/december-2016/the-cross-party-case-for-the-working-income-tax-benefit/.

⁵ Lindsay M. Tedds, "The Great Ontario Minimum Wage Debate of 2018," Dead For Tax Reasons, April 18, 2018. Available at: <https://deadfortaxreasons.wordpress.com/2018/04/18/the-great-ontario-minimum-wage-tax-debate-of-2018/>

It is important to remember that any policies to increase market- and after-tax incomes for low-income Ontarians will build upon the existing panoply of federal, provincial, and municipal transfers and benefits. There is insufficient room to cover the full range of programs here, but it is worth highlighting a couple – especially since they will necessarily interact with other provincial policies such as minimum wage increases.

Ontario Tax Reduction (OTR)

While the basic personal amount is often touted as a way to deliver tax relief to lower income workers, it is not well targeted. Every tax filer, regardless of income, benefits from raising the basic exemption so it is an expensive way to provide targeted tax relief. Think of it this way: someone who earns \$10,500 benefits the same as someone who earns \$1 million.

The Ontario tax system does already have another, more targeted feature designed to help low-income individuals called the Ontario Tax Reduction (OTR). The OTR is a non-refundable tax credit that acts to extend the Basic Personal Amount for lower income individuals. It has long been part of Ontario's personal income tax system. The historical record is difficult to fully discern but the earliest reference that can be easily found is the 1977 provincial budget.⁶ It has been adjusted or enriched several times over the years by governments led by the different political parties.⁷

The intent of the OTR is to reduce or eliminate provincial taxes for those with low to moderate income. A design feature that helps its effectiveness is that the OTR is factored into tax withholding. This means that an individual is not required to file a tax return⁸ to obtain the benefits of the OTR and the benefits

⁶ Ministry of Finance, Ontario Budget 1977. Available at: http://www.archives.gov.on.ca/en/historical_documents_project/77-81/ONTARIO_1977_BUDGET.pdf.

⁷ Jason Clemens, Amela Karabegović, and Niels Veldhuis, Ontario Prosperity Is Best of Second Best Good Enough?, Fraser Institute, April 2003. Available at: https://www.fraserinstitute.org/sites/default/files/OntarioProsperityExecSummary_0.pdf.

⁸ Generally, you are only required to file a tax return if you have to pay tax over and above what has already been withheld from your pay cheque.

are delivered regularly, through a higher regular paycheck.⁹ The Ontario government estimates that it presently costs about \$410 million per year in foregone revenues.¹⁰

The OTR, however, has several features that reduce its effectiveness. First, the OTR is household based and only the spouse with the higher net income can claim the OTR. This means that secondary earners in the household cannot benefit from this tax measure and thus reduces the economic autonomy for the lower income taxpayer. Second, it currently only reduces one's provincial income taxes up to an income threshold that is rather low. For single earners with no children the OTR currently only eliminates taxes owed by those with incomes between \$10,354 and about \$14,840 and is fully phased out at an income level of \$19,500. These are both well below the Low-Income Measure for Ontario, which is around \$21,000. In addition, a full-time worker earning the minimum wage would derive no benefit from the tax credit.

Ontario Tax Benefits

The Ontario government currently delivers a number of targeted tax benefits, including the Ontario Child Benefit and the Trillium Benefit, to support low-income families and their children.

The Ontario Child Benefit (OCB) is a refundable tax benefit that is delivered in conjunction with the Canada Child Benefit. It provides a maximum benefit of \$1,378 per child per year. Currently the maximum payment is received by those with incomes up to \$21,037 and then is phased out as incomes rise. As the OCB is indexed to inflation, increases in the minimum wage above inflation, as experienced this year, result in low-income families losing a significant portion of their Ontario child benefits. The outcome is the net benefit of a minimum wage hike is lower than advertised.

⁹ Ministry of Finance, Ontario Tax Reduction: Information Bulletin, April 2001. Available at: <http://www.ontla.on.ca/library/repository/mon/2000/10295403.pdf>.

¹⁰ Ministry of Finance, Transparency in Taxation, 2017. Available at: <https://www.fin.gov.on.ca/en/budget/fallstatement/2017/transparency.html>.

The Ontario Trillium Benefit (OTB) is a refundable tax benefit that combines payment of the Ontario energy and property tax credit, the Northern energy credit, and the Ontario sales tax credit. It was created in 2011 to simplify the range of benefits available to low-income households to provide relief for rent, property taxes, and electricity costs, depending on a tax filer's living situation. The annual OTB entitlement is usually divided by 12 and the payments are issued on the 10th of each month.¹¹

The various components of the Ontario Trillium Benefit are subjected to means-testing. The income thresholds and maximum benefits differ depending on one's circumstances including marriage status, age, and children.¹² But the key point is that a significant increase in the minimum wage without other policy adjustments will risk diminishing some of the benefits.

The need for reform

What does this mean for Ontario policymakers? This is not a criticism of increasing the minimum wage. Policy debates about the benefits and costs of raising the minimum wage are outside the scope of this transition briefing – especially since all major parties have essentially adopted it. But it does mean that the next government must consider the interaction between the minimum wage increase and existing transfers and benefits.

The goal of increasing the minimum wage is to raise the net income of low-income Ontarians. But this cannot be done in isolation. Sometimes individuals with lower incomes may experience situations where a small increase in income generates a steep reduction in one's transfers and benefits. There is a concern that some minimum-wage earners in Ontario may face that situation as their wage rate increases. In addition, increases to the minimum wage that are above inflation can itself contribute to inflation, thereby contributing to a

¹¹ Ministry of Finance, "The Ontario Trillium Benefit: More choice for people," Budget 2013, May 2, 2013. Available at:

<https://www.fin.gov.on.ca/en/budget/ontariobudgets/2013/bk4.pdf>.

¹² Government of Canada, 2018 Ontario energy and property tax credit (OEPTC) calculation sheets. Available at: <https://www.canada.ca/en/revenue-agency/services/child-family-benefits/provincial-territorial-programs/2018-ontario-energy-property-tax-credit-oepctc-calculation-sheets.html>.

loss of purchasing power that is acutely experienced by these minimum wage workers.

These concerns, however, can be addressed by thinking holistically about the tax and transfer system. There are several ways in which Ontario's policy framework could be modified to ensure that the tax system better supports both minimum wage and low-income workers.

How to move forward

As the minimum wage in Ontario is not currently indexed to inflation it means that wages will, again, decline in real value year to year, regardless of whether the minimum wage stays at \$14 or rises to \$15 in 2019. In addition, the design of the tax and transfer system means that low wage workers whose earnings fail to keep pace with inflation may see their tax benefits also fall, in cases where benefits increase as income rises. Indexing the minimum wage to inflation is needed policy to offset these effects and to provide a direct route for helping many low-wage workers.

Similarly, changes to tax credits are also needed to increase the effectiveness of minimum wage policies. If the OTR was changed into an individual-based tax credit, similar to a comparable credit in BC, adjusted automatically to increases in the minimum wage, and the threshold increased to accord with the LIM or the income of a full time, full year minimum wage earner, this would effectively eliminate taxes owed for many if not all minimum wage earners. In fact, doing so would be a simple and effective way for the Ontario Progressive Conservative Party to deliver on its election promise. In addition, this change would ensure that any fiscal gains from higher revenue and lower benefits from the minimum wage increase are essentially returned to these workers.

In addition, not all low-income Ontarians necessarily benefit from boosts to the minimum wage, either because they already earn more than the minimum wage, they are not covered by the minimum wage boosts (e.g., those in the gig economy), or they experience a reduction in hours that offsets the wage increase. They also face a rise in prices due to the inflationary effects of increases to the minimum wage.

Making the OTR refundable would help this cohort. It could be bundled with the Ontario Trillium Benefit or the new federal Canada Worker's Benefit to reduce administrative costs and ensure that beneficiaries receive regular payments which increases the effectiveness of the tax credit. Making the tax credit refundable brings the proposal closer to a Guaranteed Annual Income for the working poor, a commitment made by some of the parties in the Ontario election, though also increases the costs of the proposal.

While the personal income tax system provides a useful platform for delivering benefits to lower income individuals because it integrates the income testing of those benefits with the taxation system and is an administratively efficient mechanism, not all low-income individuals file tax returns as there is no requirement to do so if there is no tax owing. Further, many tax credits require the individual to claim them rather than being automatically considered for them. Filing itself and filing to optimize your tax position can be a significant barrier that prevents many people who qualify for and need benefits from actually receiving those benefits. Both the provincial and federal governments already provide some assistance to encourage tax filing among those who would benefit from refundable tax credits, but the enhancement of the refundable benefit program tied to minimum wage policies would justify a significant increase to that assistance.

Taken together these policy changes would go a long way towards achieving the broad-based goal of supporting the working poor.

Lindsay Tedds, Associate Professor & Scientific Director, Fiscal and Economic Policy, University of Calgary's School of Public Policy