

THE END OF LARGE-SCALE PANDEMIC BENEFITS

What it means for
low-income residents
of Ontario
in 2022



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The end of large-scale pandemic benefits and what it means for low-income residents of Ontario: 2022

Prologue

In October 2021, the two largest pandemic income security programs – the Canada Emergency Response Benefit (CERB) and the Canada Recovery Benefit (CRB) ended. These two programs - started in 2020 - became, by far, the two largest income security programs in Canada's history.

The CERB alone spent \$74 billion in 2020. To put this in perspective, the whole of the income security system in Canada composed of old age, child, disability and welfare payments spent close to \$200 billion a year in the immediate pre-pandemic period. In 2020, CERB comprised over one quarter of all income security payments made to individuals and families in Canada.

Although there were a number of refundable tax credits in the pandemic suite of income benefits (e.g. special payments to the Canada Child Benefit CCB and the GST credit), the CERB and CRB were the only two large pandemic payments to individuals that were taxable in their hands.

If there is one thing that the issuance of pandemic benefits has taught us, it is that the 'pedigree' of any benefit is at least as important as its purpose. For low-income people, this has been an all-important observation as the 'line' on the personal tax form (T1) has largely determined how other income security programs will treat the benefit under their own separate rules. For Ontario, this line is generally the net income line 23600: Adjusted Family Net Income (AFNI).

For example, if the 'pedigree' or type of a pandemic benefit is a refundable tax credit (RTC)¹, then it is non-taxable by definition and is **not** recorded on the T1 and has two other important positive attributes:

- **There is 100% eligibility:** Anyone receiving it is eligible for it since there is no application process (except completing your taxes) and it is simply paid to those who qualified for the underlying credit; and
- **Doesn't impact receipt of other benefits:** Almost every other income or housing benefit in Canada 'ignores' the benefit; that is, they do not deduct, offset or lower their own benefit schedules in any way thus allowing the refundable credit to flow in its entirety to the designated recipient.

However, the CERB and CRB were not designed as refundable tax credits and, as a result, other programs – notably EI, income (social) assistance, the federal

¹ An RTC is like a 'gift card' from government paid to tax filers who do and don't owe taxes. A non-refundable tax credit is like a 'coupon' provided by government to lower income taxes paid.

Guaranteed Income Supplement (GIS) and housing charges in rent-geared-to income (RGI) housing – were affected in most jurisdictions.

Put another way, social assistance was reduced in most jurisdictions, the GIS was cut 50 cents for every dollar of the CERB and CRB yet this income often affected rents for RGI tenants resulting in steep increases.

EI, as a parallel taxable income source, was integrated in a complex manner with the taxable CERB and CRB. An entirely different set of measures took place in Canada's Employment Insurance (EI) program. This complexity is discussed in detail below. In addition, EI timeline and what it means in Ontario are also covered below.

For some, the fact that both the federal GIS and provincial and territorial social assistance are non-taxable income benefits for income tax purposes led to the **incorrect** assumption that they would not be reduced by the CERB and CRB.

The assumption that non-taxable status means that they are immune from clawbacks is incorrect, as both GIS and social assistance are reported on the T1 for the purposes of calculating refundable credits, but exempted (backed out) from income taxation much later in the tax form - just before taxable income is calculated. This means they are still part of the net income line 23600.

In subsidized RGI housing in Ontario, refundable tax credits do not affect rent, while taxable benefits can be added to net income for purposes of RGI rental calculations. Social assistance, which is largely subject to set RGI scales – as noted later in this paper – is backed out of the net income but GIS is not.

In Ontario, the general rent freeze that ended on January 1, 2022 delayed, and sometimes eliminated, RGI rent increases based on pandemic benefits, as explained later on in this paper.

As of January 1, 2022, there is only one instance where pandemic benefits clawed back from low-income people will be returned to them. It took a landmark federal decision in December 2021 to exempt the GIS from pandemic benefit clawbacks and to clarify that no pandemic benefit will result in as a loss in GIS. However, payback will not occur until May 2022 creating significant hardship for many GIS recipients. Advocacy regarding an advance payment is in process.

The end of pandemic benefits in Ontario: What happens next?

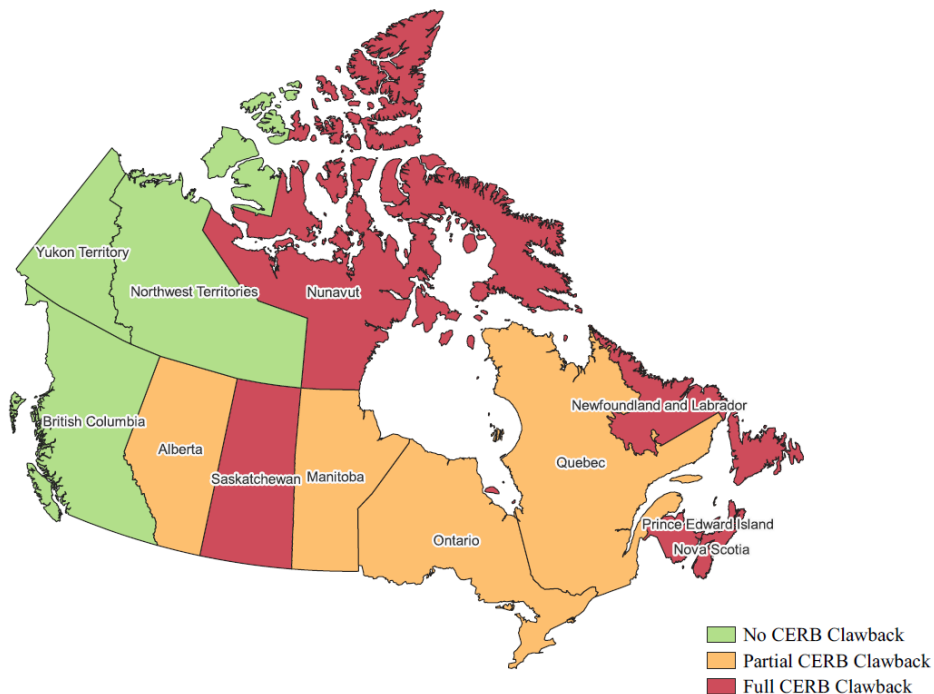
This section addresses the following program areas:

- Social assistance – Ontario Works (OW) and the Ontario Disability Support Plan (ODSP)
- Employment Insurance (EI)
- The Guaranteed Income Supplement (GIS)
- Other refundable tax credits (RTC)
- Private housing following the end of the rent freeze; and
- Community housing and rent-geared-to-income (RGI).

1. Social assistance: OW and ODSP

Across Canada, social assistance regimes took different approaches to CERB and CRB, with only BC completely exempting both the CERB and CRB from calculations of income for the purpose of determining social assistance eligibility ad payments.

Canada Emergency Response Benefit (CERB) Claw Back Map of Canada

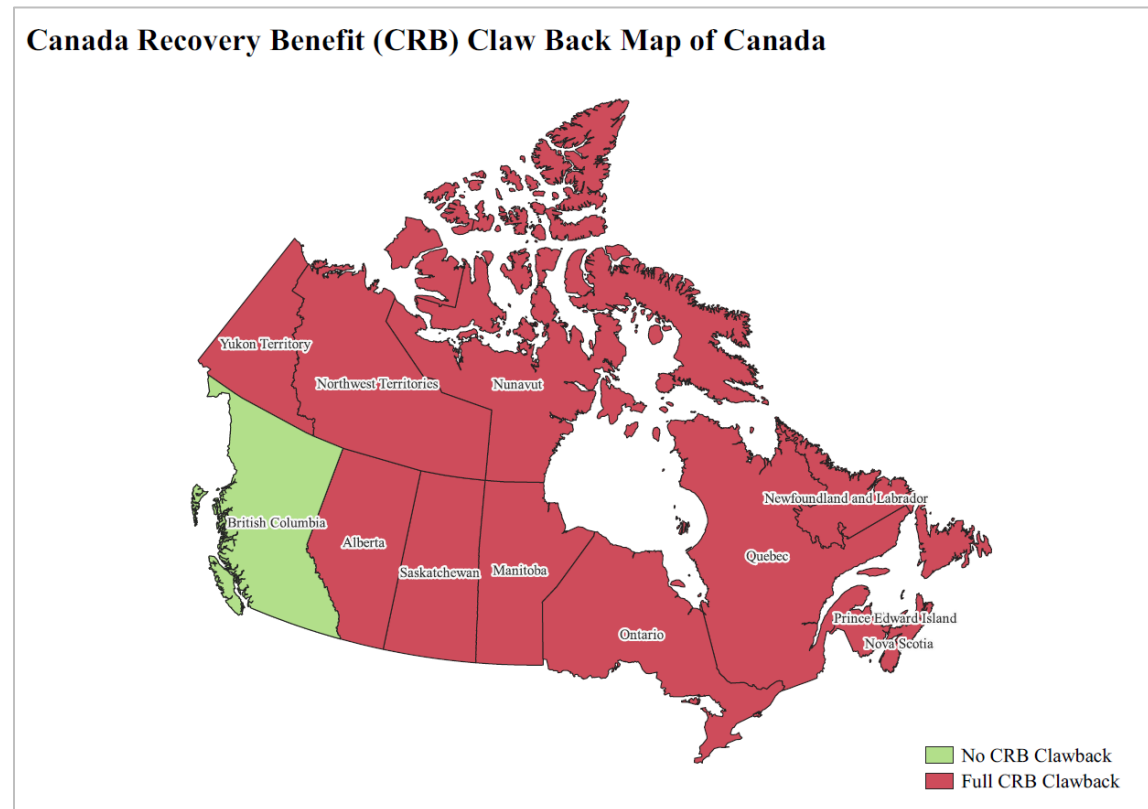


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² Note that Nova Scotia, PEI, and other provinces and territories (noted in red) offset the CERB in different ways. Some extended pharma care and other benefits to recipients made ineligible. For more information, see <https://maytree.com/publications/cerb-interactions/>

In the simplest possible terms, Ontario applied its social assistance earnings exemptions rules to the CERB, which meant that for every \$2,000 in CERB that a social assistance client received, a flat \$900 was clawed back from the client's subsequent social assistance cheque.

For the CRB, all of the payments (up to \$2,000 a month) were deducted from social assistance payments in Ontario.



1.1 Negative entitlement

Again, in very basic terms, CERB-induced 'negative entitlements' occur when the clawback from one's social assistance cheque exceeds the amount of that cheque, resulting in the client becoming *financially* ineligible for social assistance.

At the same time, the Ontario Ministry of Children, Community and Social Services decided that if the \$900 clawback exceeded the amount of the client's cheque, rather than cut them off completely, the client would go into 'negative entitlement', allowing the client to maintain ancillary social assistance benefits such as drug and/or dental benefits. The Ministry achieved this by paying clients a token monthly dollar amount of \$2.50, regardless of their financial ineligibility on paper.

These ancillary benefits paid in addition to the allowance of \$2.50 are authorized under s55 of the OW regulations and s44 of the ODSP regulations and include:

- Prescription drugs under the Ontario Drug Benefit (ODB) plan,
- Dental benefits as prescribed,
- Diabetic supplies,
- The client contribution under the Assistive Devices Program (ADP),
- Medical transportation,
- Batteries and repairs for mobility devices ,
- Eye exams,
- Dog guides,
- Employment start-up,
- Up front childcare, and
- Other specified benefits under OW and ODSP (e.g., Mandatory Special Necessities).

There are other ancillary benefits that are calculated as part of the allowance structure, which means they are not available when the client goes into negative entitlement. These include:

- Special diet allowances,
- Northern allowances for First Nations and remote communities
- Pregnancy diets,
- Special boarder allowances, and
- Emergency assistance.

Only certain clients entered into negative entitlement, including:

- Single OW clients,
- ODSP single boarders,
- ODSP and OW clients in subsidized housing,
- Others with low shelter costs, and
- Others with high income charges already on their file.³

1.2 Social Assistance Clients in Community (RGI) housing

Normally, Ontario Works and ODSP clients living in subsidized RGI housing see an increase in RGI when their income goes up. This results in a corresponding increase in their social assistance shelter allowance, meaning they may retain their positive entitlement.

RGI tenants whose income increased due to the CERB in 2020 would have been catapulted back into positive entitlement when they lost their CERB income, but

³ Note that negative entitlement does not apply to the new Canada Worker Lockdown Benefit (CWLDB) announced in late 2021, meaning that clients whose income exceeds their entitlement due to receipt the CWLDB may be disqualified from ODSP and OW, triggering the loss of a range of important ancillary supports.

those whose incomes increased due to CRB in 2021 might have remained at negative entitlement because the rent freeze postponed rent increases until January 1, 2022.

1.3 Overpayment Recovery

Some clients have been charged overpayments on collection of the CRB because they received the CRB before negative entitlement kicked in and their report of the money did not result in a lower payment. Clients will have to work this out with their local office and caseworker if they received CRB that was not immediately clawed back.

1.4 Confusion with Honouraria

All honoraria, along with other earned income and EI, count towards the \$5,000 earned income threshold for the CERB and CRB. Most Canadians did not know this at the time.

CRA only has a record of honouraria over \$500, the threshold at which a T4A is issued. Many clients have a combination of honouraria, earnings, and/or EI. Any combination totalling \$5,000 or more would meet the earned income threshold for CERB/CRB eligibility.

Many clients did not receive T4As for honouraria because the amounts from individual sources were frequently below \$500. These individuals will consequently have to prove to CRA that they received the honouraria income they are claiming for CERB/CRB eligibility purposes. In other words, those who were asked by social services administrators to apply for the CRB would have to retrieve honouraria and other eligible income receipts to prove eligibility.

It is not clear what happens in cases where the payer did not keep records and receipts are consequently not available. This gap in CRA's data may prove problematic for many people with low incomes, for whom obtaining and retaining documentation for tax purposes is often more challenging than for higher-income Canadians.

1.5 New social assistance clients

With the end of large-scale pandemic benefits, there is an expectation that many previous clients will begin to return to social assistance. There are likely to be many more OW than ODSP clients as beneficiary counts were down by 28% since the beginning of the pandemic for OW but only 3% for ODSP.

It is worth noting that clients in “negative entitlement” due to CERB/CRB who now go back on financial assistance were already included in beneficiary counts, so will not be newly added to social assistance rolls.

1.6 OW clients with earnings

It is important to note, though, that many OW clients who left social assistance during the pandemic and also have ongoing earnings may not be eligible for social assistance for some time, as the earnings exemptions do not apply until clients are on OW for at least three months.

For example, the breakeven earnings point for an OW single person is \$1,666 a month when the earnings exemptions are applied. This means that single OW recipients could have had ongoing entitlements (plus benefits) with a job paying \$1,500 a month in the pre-pandemic period, but would not be ineligible as their income exceeds the single rate of \$733 a month. In another word, individuals earning the same total amount are not eligible to return to social assistance as their income exceeds the \$733 a month eligibility threshold for single SA applicants. This provision does not apply to ODSP.

Ministry published caseloads will be under some scrutiny in the post-pandemic benefit period and, if OW counts remain low, the earnings exemptions and how they apply may be an issue.

2. GIS (see advocacy section on page 27)

The Government of Canada recently passed legislation to reverse all pandemic-related clawbacks of GIS payments to recipients and restore lost GIS amounts to them.

Minister Khara’s mandate letter from the Prime Minister, however, while reinforcing this decision, stipulates those payments to restore lost GIS amounts will not be made until May 2022:

- *Ensure seniors’ eligibility for the Guaranteed Income Supplement is not negatively impacted by receipt of the Canada Emergency Response Benefit (CERB) and the Canada Recovery Benefit (CRB).*
- *Payments to GIS recipients, however, will not take place until May 2022*

3. EI

Employment Insurance also underwent considerable change. By September 2020, there was optimism that Canada could avoid further waves of COVID-19. Recovery plans began with new Transition Stage measures:

- Enhanced EI rules so large numbers of CERB claimants could qualify and transfer over to EI
- The Canada Recovery Benefit was provided to eligible workers who didn't qualify for EI – but with stricter rules than CERB.

The new temporary EI measures included:

- Reducing qualifying hours to as low as 120 (normally 420 to 700 hours)
- Establishing common qualifying hours across Canada (not by region)
- Waiving of the one-week EI waiting period
- Extension of benefits duration to 50 weeks across Canada
- Setting a minimum benefit rate of \$500 weekly
- No allocation of separation or vacation pay against EI benefits.

In early 2021 as COVID entered a second wave, the federal government responded to public concerns by:

- Extending the Transition measures until Spring 2021
- Adding 2 more weeks to Recovery Sickness Benefits.

In April, the 2021 Budget announced further extensions but the government also began a transition to wind down COVID benefits. For example, over the summer it reduced the \$500 minimum CRB and EI benefit to \$300.

It also established new qualifying rules for new claims from Sept 26, 2021, to Sept 25, 2022:

- 420 insured hours for Regular EI in all regions (not variable 420 to 700)
- 420 insured hours for Special EI benefits (not 600 hours)
- Multiple job holders can use all insured hours if last separation is valid
- No longer available: the 120-hour qualifying rule.

Over this same period:

- Regular EI duration will revert to a calculation based on a worker's insured hours and regional unemployment rates (minimum 14, maximum 45 weeks).
- For new claims starting Nov. 7 to Dec 4 (changes monthly), the duration is:
 - Sudbury: 14 to 38 weeks, depending on worker's insured hours
 - Kingston: 14 to 40 weeks, depending on worker's insured hours

- Toronto: 16 to 42 weeks, depending on worker's insured hours
- Windsor: 18 to 44 weeks, depending on worker's insured hours.

All temporary measures will cease after Sept 25, 2022. The current EI Premium freeze will also end in December 2022.

EI will revert to pre-COVID rules unless the federal government makes amendments to the Act and Regulations long before then. New laws require many months of preparation and time for passage through the legislative process.

The only permanent change to date? – EI Sick Benefits increase to a 26- week maximum (currently 15 weeks), effective summer 2022.

3.1 EI and CRB

- Ended October 23, 2021, affecting about 955,560 workers with approved CRB claims in mid-October.
- CRB was for workers who didn't qualify for EI in any given period and who were not employed/self-employed due to COVID or who had a 50% reduction in income due to COVID.
- It was also available for those who had recently exhausted EI benefits.
- The maximum was 54 weeks.
- Retroactive applications are allowed until Dec. 22nd, but only in the 60-day window after a benefit period ends.
- Bill C-2 did not extend CRB.

3.2 Bill C-2 – Passed in December 2021

- Extended the **Recovery Caregiving Benefit (RCB)** until May 7, 2022.
- Increased the 42-week maximum per household to 44 weeks.
- RCB remains \$500 per week before taxes.
- Extended the **Recovery Sickness Benefit (RSB)** until May 7, 2022
- Increased the 4 week maximum to 6 weeks
- RSB remains \$500 per week (before taxes)
- New **Canada Worker Lockdown Benefit (CWLb)** established as part of “more narrowly targeted supports”
- NOT restricted to full lockdowns -- also applies to workers who lose 50% or more of their income due to COVID restrictions (until February 12, 2022, subject to extension by Parliament)
- All provinces except Saskatchewan currently qualify as lockdown regions

- Workers can apply retroactively for pay periods starting December 19, 2021
- CWLB rate is a flat \$300 per week (\$270 after taxes)
- EI-eligible workers can apply as long as they don't apply for EI in the same week (for example, if saving their EI weeks for future use).

4. Clawbacks of other refundable credits

With the decision to make the CERB and CRB taxable, it automatically meant that CERB/CRB would reduce other refundable credits and entitlements. The T1 personal income tax return is set up to reduce income-tested refundable tax credits (RTC) based on Adjusted Family Net Income (line 23600 of the T1 tax form).

Accordingly, depending on the income of the tax filing individual or family, the following major federal RTC's can be reduced by CERB/CRB:

- The Canada Child Benefit (CCB)
- The Canada Worker Benefit (CWB); and
- The Goods and Services Tax Credit (GSTC), including the linked Ontario Trillium Credit.

The major consideration for clawbacks is the design of the RTC.

No RTC's are recorded on the personal income tax form. They are paid out based on the individual income test that applies to each credit.

RTC's are an outcome of what we put down in the tax form. This is what makes RTC's different from either:

- taxable forms of income like employment, CERB/CRB and EI; and
- non-taxed but reportable types of income such as GIS, Workers' Compensation and social (income) assistance

Two important concepts in RTC benefit design are:

- **the turning point** – the threshold in dollar terms at which refundable credits begin to be reduced; and
- **tax back rates on benefits** – the percentage of income reduced.

Why the GIS clawback was worse

It is important to understand that the GIS was clawed back from the first dollar of net CERB/CRB income (the turning point is \$0.00) and many GIS recipients with GIS entitlements under \$6,000 lost their entire entitlement. This occurred because the GIS clawback rate is 50% on the dollar and some recipients received \$12,000 in CERB/CRB.

4.1 The Canada Child Benefit

There have been numerous reports of the CERB and CRB resulting in lowered **Canada Child Benefit (CCB)** amounts. These reports are true in substance, but not necessarily in the amounts reported.

The design of the CCB prevented **most** recipient families who live in poverty and collected CERB/CRB from losing benefits as no one loses any CCB until their AFNI (line 23600) on the T1 is above \$32,000 a year (the clawback “turning point”). See Table 1 below.

The “clawback rates” for CCB recipients are variable, based on number of eligible children they have and the recipient’s income. Tax-back rates are modest and do not approach the 50% tax-back rates for GIS.

The following tables taken from PlanEasy⁴ show that there are no recoveries on income up to \$30,000 (now \$32,000) but illustrate the recovery rates on families with income above this level.

In the example from PlanEasy, a family with children with \$30,000 in AFNI income from other sources could add as much as \$12,000 in CERB/CRB in 2020 and 2021.

The tax-back rates as shown show a clawback of 7% for a family with one child up to a clawback of 23% on a family with four children.

Accordingly, the CERB/CRB CCB clawback could be as little as \$840 for one child up to \$2,760 for a family with 4 children.

Given that the MBM for a family of four is about \$48,000 and that a family in this position would have:

- \$13,000 in RTC
- \$32,000 in earnings; and
- \$12,000 in CERB/CRB = \$57,000

They are not living in poverty but remain a family living in modest means below the \$65,000 median income in Canada.

⁴ <https://www.planeasy.ca/canada-child-benefit-hidden-tax-rate/>

2017 Taxable Income	CCB "Tax Rate"			
	1 Child	2 Children	3 Children	4+ Children
first \$30,000	0.00%	0.00%	0.00%	0.00%
over \$30,000 up to \$65,000	7.00%	13.50%	19.00%	23.00%
over \$65,000	3.20%	5.70%	8.00%	9.50%

Tax back rates on the CCB accelerate at higher incomes meaning that CERB/CRB income added to other income could result in tax back rates of up to 53+% for well to do families.

2017 Taxable Income	Marginal Tax Rates	Marginal Tax Rates + CCB "Tax Rate"			
	No Children	1 Child	2 Children	3 Children	4+ Children
first \$30,000	20.05%	20.05%	20.05%	20.05%	20.05%
over \$30,000 up to \$42,201	20.05%	27.05%	33.55%	39.05%	43.05%
over \$42,201 up to \$45,916	24.15%	31.15%	37.65%	43.15%	47.15%
over \$45,916 up to \$65,000	29.65%	36.65%	43.15%	48.65%	52.65%
over \$65,000 up to \$74,313	29.65%	32.85%	35.35%	37.65%	39.15%
over \$74,313 up to \$84,404	31.48%	34.68%	37.18%	39.48%	40.98%
over \$84,404 up to \$87,559	33.89%	37.09%	39.59%	41.89%	43.39%
over \$87,559 up to \$91,831	37.91%	41.11%	43.61%	45.91%	47.41%
over \$91,831 up to \$142,353	43.41%	46.61%	49.11%	51.41%	52.91%
over \$142,353 up to \$150,000	46.41%	49.61%	52.11%	54.41%	55.91%
over \$150,000 up to \$202,800	47.97%	47.97%	47.97%	47.97%	57.47%
over \$202,800 up to \$220,000	51.97%	51.97%	51.97%	51.97%	51.97%
over \$220,000	53.53%	53.53%	53.53%	53.53%	53.53%

Benefit begins to phase out, depending on ages of children

TABLE 1 Effect of CERB/CRB pandemic benefits on refundable tax credits in Ontario			
CCB + other RTC	Without CERB/CRB counted	With CERB/CRB counted	Difference
Low-income single mother with one child			
Earnings	\$8,000	\$8,000	0
Total refundable credits	\$9,513	\$9,513	0
CERB/CRB income	\$12,000	\$12,000	0
Total income	\$29,513	\$29,513	0
Low-income single mother with two children			
Earnings	\$8,000	\$8,000	0
Total refundable credits	\$17,066	\$17,066	0
CERB/CRB income	\$12,000	\$12,000	0
Total income	\$37,066	\$37,066	0
Moderate income single mother with one child			
Earnings	\$32,000	\$32,000	0
Total refundable credits	\$8,318	\$5,512	-\$2,806
CERB/CRB income	\$12,000	\$12,000	0
Total income (pre-tax)	\$52,318	\$49,512	-\$2,806
Moderate income mother with two children			
Earnings	\$32,000 earnings	\$32,000 earnings	0
Total refundable credits	\$16,035	\$12,513	-\$3,522
CERB/CRB income	\$12,000	\$12,000	0
Total income (pre-tax)	\$60,035	\$56,513	-\$3,522

Notes

- Rent is \$800 a month in all cases.
- Low-income mothers have total income near to MBM in many Ontario communities.
- Online CRA refundable tax credit (RTC) calculator includes CCB, CWB, GSTC, OCB and Trillium tax credits. It does not include the Carbon Credit.
- Income taxes, EI, and CPP contributions are not included in the total income numbers.
- Earned income of moderate-income mother is established at the CCB turning point for illustrative purposes.

4.2 The Canada Workers Benefit

There are reports of tax filers losing their Canada Workers Benefit CWB as a result of the CERB/CRB. These reports are true.

At its most extreme for 2020, single workers could make about \$23,000 in earnings and other income, apply for pandemic benefits of \$12,000 and the pandemic benefits would be responsible for the **single worker to lose all of their CWB entitlement for \$1,395 as a result.**

The same could be true for a single person with a disability.

The reality is that very few people would be in precisely this situation.

CWB turning point: \$22,944⁵ for single people

Claw back rate: 15%.

Previous rules for the CWB would have resulted in CERB benefits reducing all CWB benefits with the addition of CERB income.

It is likely that very few workers would have lost all their CWB benefits due to pandemic benefit clawbacks although it remains mathematically possible.

The more important point is that CERB/CRB benefits were capable of reducing the CWB and that some workers could lose most or all of the CWB depending on their circumstances.

With the new design of the CWB, it is likely that turning points will be sufficiently high to prevent people living in poverty to lose eligibility for the CWB although others living just beyond the poverty line will lose substantial benefits due to CRB income.

Every situation is and will be different depending on level and sources of income.

⁵ This is the new phase out point for CWB recipients from the 2021 budget, which will go into effect in 2022 for the 2021 tax year. Therefore, the CRB is likely to affect the 2021 tax year (and the impacts will be felt in the 2022 calendar year).

CWB will be phased out at about \$23k for 2020 tax year (in which CERB applied in full).

4.3 The Goods and Services Tax Credit (GSTC) and Ontario's Trillium Credit

The GSTC is an income tested RTC implemented in the early 1990's to dampen negative effects of the federal Goods and Services tax on low-income people.

The Trillium program is Ontario's companion RTC that – in addition to a sales tax RTC, provides an RTC to help out with shelter costs and high costs in Northern and rural Ontario.

CERB and CRB do not change the amounts of GSTC and Trillium in a significant way. For a single person, the difference in credits is less than \$100 a year in a variety of low-income scenarios as shown in the following table:

Goods and Services & Trillium Tax Credits (GSTC) + CWB changes with and without CERB/CRB income of \$12,000 a year in Ontario			
Single person	Without CERB/CRB	With CERB/CRB	Difference (Year)
No income	\$1,039	\$1,085	+\$46
Single OW	\$1,039	\$1,196	+\$57.
With earnings at CWB turning point	\$1,294	\$1,291	- \$3.
With earnings at MBM (Toronto)	\$1,042	\$1,042	\$0.
With earnings at full time minimum wages	\$901.	\$985	+\$84

Accordingly, The CERB/CRB do not have a significant impact on these particular refundable credits under the following assumptions:

- Rent assumption is \$500 a month in all cases.
- OW is \$733 a month.
- Tax credits use CRA 2020 calculator.
- CERB/ CRB income replaces earned income in all examples – net is the same.
- MBM estimate for 2022 is \$26,899.
- Minimum wages are at \$15.00 /hr -37.5-hour week for 52 weeks.

5. Private sector rentals

Although the Covid-19 virus is still with us, we have now come to the end of renter protections for low-income Ontarians.

The Canada Recovery Benefit (CRB) ended on October 23, 2021. On December 31, 2021 the rent freeze in Ontario was also unfrozen. Renters, particularly those with low incomes, are leaving the precarious oasis where they were quietly shielded by pandemic benefits.

On January 2, 2021, Ontario introduced a list of tightened Covid-19 measures in response to the Omicron variant. So far, there has been no new protections for renters.

Renters now need to navigate reduced work hours and earnings, the loss of a \$12,000 annual benefit income, and threats of rising rents and evictions.

5.1 Rent Freeze

While there have been no federal announcements on implementing additional protection measures for residential tenants during the pandemic, most provinces and territories have introduced temporary protections for tenants.

The timeline for residential tenant protections in Ontario is as follows:

- **March 28, 2020:** the government issued an emergency order to temporarily pause the enforcement of residential evictions.
- **October 1, 2020:** the Ontario Legislature passed a law to freeze rents in 2021 for residential tenants. This meant that rents would not increase in 2021 for most rented units covered under the Residential Tenancies Act, 2006⁶.

The rent freeze applied to most tenants living in:

- rented houses, apartments and condos (including units occupied for the first time for residential purposes after November 15, 2018)
- basement apartments
- care homes (including retirement homes)
- mobile home parks
- land lease communities
- rent-geared-to-income units and market rent units in community housing (excluding market units in co-operative housing)
- affordable housing units created through various federally and/or provincially funded programs

⁶ <https://www.ontario.ca/page/residential-rent-increases>

At the same time:

- Above-guideline-increases could be approved; and
- A Landlord was able to give “proper 90 days’ notice beforehand for a rent increase” that would take effect in 2022.
- **January 12, 2021:** the Ontario government issued a second emergency order to temporarily pause the enforcement of residential evictions.
- **March 8, 2021:** certain areas of the province, Toronto, Peel and North Bay, lifted the moratorium on evictions.
- **April 8, 2021:** Ontario entered a state of emergency again and a moratorium on eviction was implemented. Landlords were still allowed to seek eviction orders.
- **July 2021:** The rent increase guideline for 2022 was set at 1.2 %.
- **December 31, 2021: The rent freeze ended without any indications of a renewal.**

5.2 Above-Guideline-Increases (AGI)

Based on the Ontario Consumer Price Index (CPI), the guideline on rent increases for 2022 in Ontario is 1.2 per cent.

Landlords can apply to the Landlord and Tenant Board for above-guideline rent increases, under certain circumstances, such as after major capital work has been paid for and finished.⁷

Large, financialized landlords are major users of AGIs.

“In a report published last month, August and co-author Philip Zigman found financialized landlords were responsible for 46 per cent of AGIs filed in Toronto from 2012 to 2019.” (Dobby: March 6, 2021)⁸

In most cases, applications for evictions and above-guideline-increases (AGI) are still available during the pandemic.

With increases in such applications, these temporary measures could only delay any accumulative rent increases or potential evictions.

“In the five months before to the legislation came into effect, landlords filed just 84 AGIs in Ontario. Forty-nine were in Toronto. In the first five

⁷[https://tribunalsontario.ca/documents/ltb/Brochures/Information%20about%20AGI%20Applications%20\(EN\)%20Revised_July10_2020.pdf](https://tribunalsontario.ca/documents/ltb/Brochures/Information%20about%20AGI%20Applications%20(EN)%20Revised_July10_2020.pdf)

⁸ <https://www.thestar.com/business/2021/03/06/the-big-business-behind-the-affordable-rental-housing-crunch.html>

months following the legislation's enactment, landlords filed 266 AGIs in Ontario. Of those, 91 were in Toronto.” – CBC News, March 22, 2021⁹

Some renters face large scale rent increases or evictions after the lift of these protections. Some are already facing the possibilities of unaffordable AGIs starting January 2022.

“A resident at his high-rise in Toronto's Parkdale neighbourhood for six years, he's trying to convince the other tenants in his building not to pay a 4.2 per cent rent increase introduced by the building's owner.” - CBC News, January 2, 2022¹⁰

5.3 Moratorium on Evictions

Evictions were banned under the three moratoriums issued on March 28, January 12, and April 8, 2021. The latest evictions ban was lifted on June 2, 2021 with a stay-at-home order still in place¹¹.

The moratorium only applies to enforcement; landlords are still able to seek eviction orders, apply for virtual eviction hearings at the LTB “under certain exceptional scenarios”.

“In January 2021 when the last eviction enforcement ban was implemented, sheriffs could not actively enforce evictions for a period of 28 days.” (Miller, April 8, 2021)¹².

“In 2020 when the first eviction enforcement ban was in place, between March 17 and August 1, there were 6,770 applications processed to evict a tenant for nonpayment of rent.” (Gibson, January 14, 2021)¹³.

Presumably, large numbers of tenants will be removed from their homes following the lift of the moratorium is lifted.

⁹ <https://www.cbc.ca/news/canada/toronto/above-guideline-rent-increase-applications-rent-freeze-1.5956415>

¹⁰ <https://www.cbc.ca/news/canada/toronto/where-else-can-i-go-toronto-tenants-look-to-organize-in-the-face-of-2022-rent-increases-1.6301411>

¹¹ <https://toronto.ctvnews.ca/ontario-s-eviction-ban-lifts-with-stay-at-home-order-advocates-call-for-extension-1.5453611>

¹² <https://www.blogto.com/city/2021/04/details-residential-eviction-ban-ontario-stay-home-order/>

¹³ <https://www.thestar.com/news/gta/2021/01/14/ontarios-new-covid-19-eviction-moratorium-allows-eviction-orders-to-still-be-issued.html>

5.4 Financialization of the housing and rental market

Financialization of rental properties often involves the conversion of properties (e.g., condos). This process has brought negative impacts on tenants and small businesses throughout the U.S. and Canada. Tenants who fail to pay higher rents are often forced out of the residences where they may have been living for decades.

In their bootcamp for investors who are interested in buying mobile home sites, Rolfe and Reynolds recommended to owners that they can remove any possible amenity that may requires maintenance or insurance, and “pawn off” any maintenance costs onto the tenants. They also suggest that landlords may regularly raise rent, keep it within an acceptable frequency so that they won’t “drive out desirable tenants”. (Kolhatkar: March 8, 2021)¹⁴

Driven by the long-lasting low interest rate and the consequential ‘renovictions’ of residential buildings, the process of financializing rental properties is basically a process of legally evicting people from their homes.

5.5 Low Interest Rates

The Bank of Canada is keeping key interest rates low at 0.25%¹⁵. Compared to other OECD and G20 countries, where average interest rates are 3.6% and the median interest rate is 0.5%¹⁶, Canada is below both the average and the median.

Low interest rates have become the rule for more than a decade and are also predicted to be in place for a long period of time, creating the ideal financial environment for financialization as the cost of borrowing money is low. It’s easier and cheaper to purchase large numbers of existing rental properties and finance renovations. Apartments often sit vacant while waiting for higher paying tenants.

Real Estate Investment Trusts (REIT)

“A real estate investment trust (REIT) is a company that owns, operates, or finances income-generating real estate. Modeled after mutual funds, REITs pool the capital of numerous investors. This makes it possible for individual investors to earn dividends

¹⁴ Sheelah Kolhatkar (March 8, 2014), New Yorker. URL: <https://www.newyorker.com/magazine/2021/03/15/what-happens-when-investment-firms-acquire-trailer-parks>

¹⁵ <https://wowa.ca/bank-of-canada-interest-rate>

¹⁶ <http://www.cbrates.com/>

from real estate investments—without having to buy, manage, or finance any properties themselves.”¹⁷

Most countries’ laws on REITs entitle a real estate company to pay less in corporation tax and capital gains tax. REITs have been criticized as enabling speculation on housing, and reducing housing affordability, without increasing finance for building.”¹⁸

REITs own 10% of Canada’s apartments¹⁹. This number continues to grow. This practice also influenced many landlords to emulate their practices, including small investors.

5.6 Rising rents and ‘renovictions’

‘Renoviction’ is the wholesale eviction of tenants on the grounds that renovations are planned.

“A new rental-tenure form of gentrification has emerged across the globe. This is driven by financialization, reduced tenant protections, and declining social-housing production, and is characterized by the replacement of poorer renters with higher-income tenants.” (August & Walks: 2017)²⁰

Fuelled by beneficial tax rules, large corporate rental conglomerates have incentives to commodify rental properties for outsized financial gain. Meanwhile, the absence of rent control on unit turnover allows landlords to finance renovations on common areas through above-guideline increases.

A real estate advisory firm, Bulletin, predicts that the average rent cost increase across the GTA will be 10% in 2022.²¹

¹⁷ <https://www.investopedia.com/terms/r/reit.asp>

¹⁸ <https://citywire.co.uk/funds-insider/news/residential-shut-out-fears-for-uk-reits-played-down-after-german-move/a277844>

¹⁹ Martine August (2020). URL: <https://doi.org/10.1080/07352166.2019.1705846>

²⁰ Martine August & Alan Walks (2017). URL: <https://doi.org/10.1016/j.geoforum.2017.04.011>

²¹ <https://www.thestar.com/news/gta/2021/12/22/rent-in-the-gta-continues-to-rise-with-double-digit-increase-forecast-for-2022.html>

5.7 Prelude to possible mass evictions

Rental markets, following this track, could polarize further as lower-income renters are likely to cluster at the low-end of the market where affordable rental properties are limited and less available.

The commodification of housing, loss of affordable rental properties, and the growing dominance of large corporations have spurred a rental market that now routinely downloads maintenance costs to unsuspecting tenants. In short order, rental costs that now exceed the capacity of low-income tenants are forcing them into financial hardship and eviction.

In the owned-home sector, housing demands remain high while the supplies of properties continue to drop, which could further erode affordability and cause the number of rental units to plunge.

“An analysis from Altus Group for the Building Industry and Land Development Association on Wednesday finding the number of GTA condos in pre-construction, under construction or recently completed dropped between October and November, while the inventory of single-family homes hovered close to historic lows... November sales of new-build homes across the GTA was 29 per cent above their 10-year average.” (Gibson: December 22, 2021)²²

5.8 Impact on tenants

5.8.1 Tenants with fixed income

From the 2016 Census, the number of rental households in Ontario in non-subsidized housing is 1,559,720²³. As of December 2019, in Ontario, the number of non-subsidized renters on ODSP or OW is 467,793 (MCCSS data):

- Non-subsidized renters on ODSP: 261,179
- Non-subsidized renters on OW: 206,614

Therefore, the estimated proportion of non-subsidized renter households with a social assistance income is about 30%.

²² Victoria Gibson (December 22, 2021), Toronto Star. URL: <https://www.thestar.com/news/gta/2021/12/22/rent-in-the-gta-continues-to-rise-with-double-digit-increase-forecast-for-2022.html>

²³ <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=PR&Code1=35&Geo2=PR&Code2=01&Data=Count&SearchText=Ontario&SearchType=Begin&SearchPR=01&B1=Housing&TABID=1>

Meanwhile, inflation in Ontario between 1994 and 2021 was 67.29%. Increases in nominal ODSP rates for singles rose 26%, and for OW singles, 12%, in the same periods.

In other words, the real value of these two social assistance programs actually decreased. Between 2018 and 2022, both ODSP and OW decreased in real value by 6%

Therefore, close to one third of tenants in Ontario's private rental market receive ODSP or OW and have limited or no capacity to deal with rental increases. With eroding fixed incomes, most social assistance tenants will find their rents becoming more untenable over time, even without AGIs. They are the most likely to have nowhere to live if they are 'renovicted'.

Rental costs outside of big cities are also increasing while the inner suburbs have few low-cost rentals available.

"Rentals.ca says the average rent in the Greater Toronto Area sat at about \$2,167 per month in November, and in the city alone is projected to hit \$2,495 per month by the end of the year." - Toronto Star, January 1, 2022²⁴

5.8.2 Low-wage earners

People who work on or below minimum wages may also find their rents increasingly unbearable. With the newly implemented (January 2022) Covid-19 measures (which will remain in place for at least 21 days) that affect service businesses, working hours of employees are shrinking and brings a new pressure to their incomes. Tenants with low-income may be forced to choose between food or shelter.

"Francesca Dobbyn, executive director of the United Way of Bruce Grey, said she's "extremely concerned" about how the Step 2 measures — including the closure of in-person dining and capacity limits on retail settings — will impact low-wage earners."

"People who work these precarious jobs will have their hours cut and then how do they continue to pay the bills when rent is often 80 to 90 per cent of their take-home pay to begin with. So, there are a lot of concerns there," she said.

²⁴ <https://www.thestar.com/news/gta/2022/01/01/ontario-raises-maximum-allowable-rent-increase-as-rent-freezes-end.html>

(Langlois: January 3, 2022)²⁵

“Now, as Ontario shuts down gyms again to help cut the spread of the Omicron variant, Vandal worries that CERB’s replacement — the Canada Worker Lockdown Benefit (CWLB) — isn’t enough to cover basic living expenses. For workers who have lost at least 50 per cent of their income because of a lockdown, the CWLB pays \$300 per week. After tax? It’s 30 bucks less.”

“In downtown Toronto, \$270 a week is nothing,” said Vandal.

(Rubin: January 6, 2022)²⁶

6. Community Housing and RGI²⁷

In general, rent-geared-to-income (RGI) sets rents at about 30 per cent of income. In short, tenants with higher incomes pay higher RGI and tenants with lower incomes pay lower RGI, but all pay affordable rent based on their incomes.

RGI tenants receiving Ontario Works or ODSP pay set scale rent amounts based on the size of their family – unless their non-benefit/non-social assistance income is above a designated threshold amount, in which case they will pay 30 per cent of their non-benefit/non-social assistance income. Social assistance shelter allowances will increase or decrease in line with changes to RGI. In general, RGI tenants on Ontario Works or ODSP will have their social assistance basic needs available to them after rent and utilities are paid, regardless of increases in RGI.

In July 2020, community housing in Ontario started to shift to a simplified calculation of RGI based on 30 per cent of adjusted family net income (AFNI) as set out in the income tax assessment and calculated annually. Under the new rules, most RGI increases as a result of increases in income are deferred until this annual review, but decreases in RGI as a result of a 20 per cent or greater decrease in AFNI can be made earlier if requested by the tenant. Additionally, there is flexibility to calculate income differently if the AFNI amount per the tax

²⁵ <https://www.owensoundsuntimes.com/news/local-news/concern-as-ontario-announces-new-measures-to-curb-spread-of-omicron>

²⁶ Josh Rubin (January 6, 2022). Toronto Star. URL: <https://www.thestar.com/business/2022/01/06/pay-rent-or-buy-food-workers-face-gut-wrenching-choice-in-new-lockdown.html>

²⁷ *Roberta supports the Ontario approach to exercise flexibility in not charging RGI against income that is no longer in pay – particularly as it relates to temporary pandemic benefits – but does not support a blanket amnesty or a resulting retroactive recalculation of rents.*

assessment does not reasonably reflect the income the tenant is anticipated to receive over the coming year. Since July 2021, all RGI in Ontario is calculated according to these new rules.

The impact of CERB or CRB on RGI may be different depending on:

- whether the RGI tenant's AFNI increased, decreased, or stayed the same as a result of receiving the CERB/CRB
- when the RGI tenant started to receive the benefit.

RGI tenants whose AFNI stayed about the same as it was prior to getting the CERB or CRB would have seen no change in their RGI.

RGI tenants whose AFNI was less than what it was prior to getting the CERB or CRB were likely to also see a corresponding decrease in their RGI.

RGI tenants whose AFNI was more than what it was prior to getting the CERB or CRB may or may not have seen an increase in their RGI. AFNI would only be higher after receiving CERB/CRB if the loss of employment income was less than the \$2,000 issued for CERB/CRB. For example, a tenant who was paying RGI of \$278²⁸ based on \$1,000 per month earning might see an RGI increase to \$578 based on \$2,000 per month CERB/CRB. This is how RGI works. The same would happen for someone whose earnings increased from \$1,000 per month to \$2,000 per month.

There is some variation in when this increase due to CERB or CRB would take effect. This is because of the transition to the new RGI rules and the implementation of the 2021 rent freeze in Ontario.

- Tenants who started to receive the CERB prior to July 2020 would have seen the increase effective the first day of the second month following the start of the CERB. For example, someone who started to receive the CERB in March 2020, might see an increase in RGI effective May 2020.
- Tenants who started to receive the CERB/CRB after July 2020 in areas of the province that had not yet fully implemented the new RGI rules would also have seen the increase effective the first day of the second month following the start of the CERB/CRB – but only for benefits that started prior to November 2020.
- Tenants who started to receive the CERB/CRB after July 2020 in areas of the province that implemented the new RGI rules in 2020 would have seen a delayed increase in RGI until their next annual review. If this annual review fell in 2021, this increase would have been further delayed until January 1, 2022 due to the 2021 rent freeze.
- Tenants who started to receive CRB in 2021 would not see an increase in RGI until January 1, 2022 due to the 2021 rent freeze.

²⁸ \$1,000 minus \$75 earnings exemption times 30 per cent.

Regardless of when a tenant's RGI may have increased, tenants whose CERB or CRB ended in 2020 or 2021 could have requested an RGI decrease if their AFNI was reduced by at least 20 per cent. This is true also for tenants whose RGI increases were delayed until January 1, 2022. If the tenant is no longer receiving the CRB and their AFNI has decreased by at least 20 per cent, they may request an immediate decrease in their RGI. This decrease can be requested only once between annual reviews of eligibility.

Similarly, when an RGI tenant has an annual review of RGI eligibility in 2022, their 2020 or 2021 tax return may reflect CERB, CRB or other COVID-related benefits that they are no longer receiving. If this is the case, their current average income can be used to determine their new RGI payable.

RGI tenants who are no longer receiving CERB/CRB or other COVID-related benefits should make sure to tell their housing providers.

- If their average income is about the same, there will be no change to their RGI.
- If the annual income they anticipate receiving over the following 12 months is at least 20 per cent lower than the amount of income used for their current RGI, they may be entitled to have their RGI decreased.
- If their AFNI has increased – e.g., they have returned to work for more income than the CRB they had been receiving – the corresponding RGI increase will be delayed until their annual review.

In the case of RGI tenants that receive Ontario Works or ODSP, adjustments to their RGI mean corresponding adjustments to Ontario Works or ODSP shelter allowances up to the maximum. As long as the Ontario Works or ODSP shelter allowance covers the higher RGI amount (e.g., based on CRB), there is no benefit to a decrease in RGI. As such, some areas may defer this change until the next annual review.

All RGI tenants have a right to appeal RGI charges. Housing providers operate under the Housing Services Act and the rules of their municipal service manager. The service manager has flexibility to adjust average income used to determine RGI and to make changes outside of annual review. In the case of temporary COVID-related benefits, it is critical that housing providers and service managers exercise this discretion in order to limit rental arrears and preserve tenancies.

7. Advocacy measures

7.1 A CERB amnesty for OW and ODSP recipients, low-income ineligible people

Many advocates have been arguing for what is called a CERB amnesty. An amnesty would stop all pandemic benefit clawbacks in 2022 and reverse clawbacks that have been taking place since April 2020.

A CERB amnesty refers first to refunding the value of pandemic benefits otherwise charged or clawed back from pandemic benefits recipients where the pandemic benefits recipient is low income and applied for and received these benefits but turned out to be ineligible for those benefits.

CERB amnesty also refers to those situations where the recipient of pandemic benefits applied for and received the benefit but whose benefit was reduced from other benefits, principally social or income assistance and also including GIS recipients.

In other words, CERB amnesty calls for all clawbacks to be rescinded as a matter of principle.

However, the main focus following the end of taxable pandemic benefits to individuals (10-23-2021) is for the government of Canada to declare an amnesty for all low-income pandemic recipients who applied in good faith, received the benefits but were subsequently found to be ineligible. This includes people who were:

- forced to apply by social assistance authorities; and
- living in poverty that saw no possible way to stay safe other than apply for these benefits even though they worried that they may not be eligible for them.

The CERB amnesty has focused on 5 different items since April 2020

1. Focus one was on the social assistance clawbacks and calls to the provinces and territories to stop (and pay it back)
2. Focus two was on the letters from December 2020 that asked persons found ineligible to pay back CERB benefits received
3. Focus three was on the GIS and getting the federal government to repay the money clawed back. (As noted, this advocacy was successful).
4. Focus four throughout has been the CERB/CRB income resulting in RGI rent increases which is highly variable. Some provinces don't charge rent on CERB/CRB, others do, others do partially, and there are many variable practices in between. There have been various rent moratoria across Canada ending at different times resulting in many

different practices from full rental charges to complete exemptions. Often practices differ within provinces.

5. Focus five will be the future clawbacks and recovery events in 2022 relating to CRA letters requesting repayment.

In 2022, although the CERB amnesty asks will continue to be on the four focus items not yet achieved, the advocacy will centre primarily on and payback letters from CRA for those found ineligible.

With the end of pandemic benefits in October 2021, all clawbacks will clear by January 2023. But CRA may attempt to require repayments from tax filers into the future.

The pandemic benefits environment will materially change in 2022

In 2022, recipients of pandemic benefits will no longer be receiving them but in and clawbacks, these will continue except in the case of social assistance where benefits are usually clawed back in the month received or one month thereafter.

Asking people for money to be returned and charging rents on income they have already spent and are no longer receiving could create even more acute hardship.

It may be easier to make the case to stop clawbacks and rent increases in an environment where clawbacks and rent increases are a 'hangover' from the pandemic. The Housing Services Act in Ontario already allows for this; RGI can be adjusted when the benefit is no longer in pay.

Pandemic benefit clawbacks are not simple and often difficult to explain. It may be the case that a CERB amnesty can't keep making distinctions between rents, social assistance, 'found ineligibles' etc. and the various tranches of relative injustice since the benefits began.

Although CERB amnesty wants all clawed back funds to be returned to low-income people, an amnesty could centre on stopping all current and future clawbacks (GIS primarily and rent increases in subsidized housing) and stops pursuing low-income tax filers found ineligible for benefits.

This would be a **reset**.

In other words, from January 2022 forward, ask governments to stop all clawbacks and payback requests

In detail, CRA would stop pursuing those found ineligible, social assistance would reinstate all applicants based on reinstatement rules²⁹ - GIS would be based on

²⁹ Some provinces and territories use tougher rules to apply for social assistance than those applied to recipients who continue on benefits.

non-pandemic income and housing charges rent would be based on current income which does not currently include pandemic benefits.

7.2 GIS advocacy

Most advocates and activists are very unsatisfied with the delay to May 2022 to pay back GIS recipients while ensuring that there are no further detrimental effects from CRB receipt in 2022.

While it is recognized that the programming of a thorough payback mechanism is complex and important to get right, in the meantime, many GIS recipients who received the CERB have been evicted and have suffered further losses as they attempt to seek remedies. For example, interest rates on Payday loans to secure shelter are very high and are not included in the compensation scheme.

Accordingly, advocates (e.g., the CERB Amnesty group and ISAC) are calling for an advance payment to be made to affected GIS recipients as soon as possible in addition to a separate fund to be created to assist GIS recipients who were evicted due to the GIS clawback of pandemic benefits.

7.3 EI advocacy

2020 marked the 80th Anniversary of the 1940 Unemployment Insurance Act, first introduced as the Employment and Social Insurance Act in 1935 during the Depression.

It was re-named the Employment Insurance Act in 1996.

- 2020 also marked the first year of the global COVID-19 pandemic.
- Suddenly we faced the kind of widespread unemployment, layoffs and reduced schedules that gave rise to demands for UI during the 1930s Depression.
- By April 2020, fully 36.7% of workers in Canada were unemployed, working less than 50% of their usual hours or wanting a job but discouraged from seeking one and no longer counted in the labour force.

7.3.1 Early action on permanent reforms to EI.

Among other improvements the following are required

- Better Access, including • 360 hours or 12 weeks to qualify, Canada-wide
- 50 weeks duration, Canada-wide
- An end to harsh disqualifications, like ‘quit/fire’ rules

- Access for migrant workers, misclassified self-employed.
- Improved Benefits, including a guaranteed minimum, a substantial increase to the 55% rate, a permanent end to separation pay allocations, etc.
- A new annual Federal contribution to EI to help pay for improvements and ensure EI functions well as an automatic economic stabilizer at times of crisis. 1

Both the Community Legal Clinics EI Working Group and the Good Jobs for All Coalition EI Working Group are part of a campaign calling for immediate action to extend Recovery Benefits and make permanent EI improvements.

7.4 Advocacy on other refundable credit clawbacks

Overall, it is clear that some individuals and families have lost non-trivial amounts of money from lowered Canada Child Benefits and the Canada Workers Benefits.

It is also the case that those who have lost money and will lose in 2022 will largely be modest income earners. **Very few will be living in poverty.**

The federal government would likely argue that:

- Special increases to the CCB during the pandemic have offset losses in the CCB; and that
- The new more generous design of the CWB will more than make up for losses of CWB due to CERB/CRB.

Although some families - depending on their income and family situation – will experience overall net losses, the losses are likely to be small in comparison to what occurred with the GIS as:

- A significant percentage of the 83,000 GIS recipients who lost GIS lost ALL of their GIS in 2020;
- The average amount lost was close to \$5,000 in 2020; and
- Most if not all of the GIS recipients who lost significant amounts lived in poverty and would continue to live in much deeper poverty had the government not acted

With reference to news stories concerning losses to the CCB, it is not clear that the losses only relate to the CERB/CRB.

For example, in a CBC news story from last November³⁰, the mother who claimed she lost \$323 a month due to collecting the CERB also had a (new) third child. The tax back rate on income goes up considerably with a third child from 13.5%

³⁰ <https://www.cbc.ca/news/canada/nova-scotia/cerb-payments-cutting-into-child-care-benefits-mom-says-1.6241640>

to 19%. This occurs quite independently from any effects caused by pandemic benefits and may figure into the income losses.

Regardless, advocacy should continue to centre on excluding CERB/CRB income from the calculation of child benefits (CCB) in 2022.

Failing that, the federal government should make another one-time CCB payment to offset losses and further assist in managing through the pandemic.

7.5 Advocacy on Housing and homelessness

Governments are asked to come together to adopt a bold agenda:

- Build more community and affordable housing and housing for low- and moderate-income people.
- Convert vacant commercial properties (e.g., hotels) into affordable housing units.
- Ensure rooming house tenants are housed.
- Encourage innovative housing.
- Increase single Ontario Works rates by at least 14 per cent.
- Raise Ontario refundable tax credits by \$1,365 per year so all low-income single people can benefit from an increase in income.
- Raise the minimum wage (in Ontario) to \$15/hour immediately (done).
- Extend rent control.
- Reinstate a rent registry.
- Freeze rent increases beyond the COVID-19 pandemic (except for RGI).
- Scrutinize AGI applications and adopt stricter rules.
- Combine RTA hearings of tenants' and landlords' complaints on rent delays to connect problems and solutions.
- Charge capital gains tax on high profits from owner-occupied housing.
- Impose heavy fines for homeowners for keeping houses empty without cause.
- Reimagine housing as homes instead of investments: consider charging capital gains tax on owner-occupied property transactions.

7.6 Advocacy on Community Housing

There is clear discretion in the Housing Services Act, to allow community housing providers and service managers to use an alternate net income calculation for RGI when the tax-based net income does not reflect income anticipated to be received over the next 12 months. Appropriately exercising this discretion in favour of the tenant is particularly important in the case of temporary pandemic benefits like CERB and CERB that are no longer in pay.

RGI tenants who receive social assistance can be caught out if their rents are too low – as is the case with RGI social assistance scales in Ontario. They can lose valuable Ontario Works and ODSP benefits because their shelter allowance is very low. RGI tenants receiving social assistance, generally have their basic needs left over regardless of the amount of their rent. This effectively makes the municipal service manager responsible for subsidizing Provincial social assistance costs, with no net benefit to the tenant as lower rents mean lower social assistance. To alleviate this, social assistance scales should be adjusted to more closely align with the current maximum shelter allowances under Ontario Works and ODSP or eliminated completely in favour of a flat rate-structure that does not distinguish between basic needs and shelter.

Moving to a flat-rate structure means social assistance recipients living in RGI housing will pay 30 per cent of their income, including social assistance income, towards their rent to align rental payments with non-social assistance tenants. This further simplifies the calculation of net income, and allows for a more consistent treatment of income across all tenants.