

# Investing in People: New Directions for Social Assistance Legislation

**JANUARY 2002**



GOVERNMENT OF  
NEWFOUNDLAND AND LABRADOR

Department of Human Resources and Employment

## FOREWORD



The Department of Human Resources and Employment is revising its Social Assistance Act and Regulations and is seeking input from the people of Newfoundland and Labrador.

Newfoundlanders and Labradorians deserve the very best in support when it comes to finding and maintaining jobs. They also need dignified income support when they do not have sufficient basic financial resources.

Over the past few years the mandate of the Department of Human Resources and Employment has shifted to include active programs that help people enter or re-enter the labour market. In making this shift, many of our services have been redesigned to make it easier for people to prepare for, find, and maintain employment.

As we continue to move forward in offering supports and services, it is important that legislation governing our programs reflect this approach. The current Social Assistance Act and Regulations was introduced in 1977. While this legislation has served us well, it no longer reflects our concentration on active programs which help clients reach their employment and career goals.

The Provincial Government realizes that to move forward in economic and social prosperity, it is important that all Newfoundlanders and Labradorians have a say in how we develop supports to best meet the needs of the people of our province. This key partnership is central to government's Strategic Social Plan which also emphasizes the important link between economic and social development within our communities. With this in mind, I believe it is essential that we work with the people of our province along with other government departments when taking the important step of drafting new Social Assistance legislation. This is a collaborative effort.

To stimulate dialogue, I am very happy to present this discussion paper, "Investing in People: New Directions for Social Assistance Legislation". It provides information on the current income support and employment and career programs and poses a number of

questions for discussion. I am inviting the public to use this document to provide input into this discussion. This input will be used to help shape the legislation that will assist the Department and the Province in moving forward.

I look forward to hearing from the people of Newfoundland and Labrador and thank our clients and community partners in advance for their interest and input.



Gerald Smith, MHA  
Minister of Human Resources and Employment

## TABLE OF CONTENTS

Foreword .....	i
Social Assistance in Newfoundland and Labrador .....	1
Who Receives Social Assistance .....	3
Key Issues .....	10
A. The Scope of Legislation - A New Vision .....	10
B. Ensuring Stable and Dignified Social Assistance for Those Who Need It .....	12
C. Removing Barriers to Work .....	15
D. Helping People Prepare For, Find, and Keep a Job Through Active Training and Employment Measures .....	17
E. Accountability .....	22
F. A Fair and Efficient Appeals Process .....	23
G. Other Issues .....	24
Conclusion .....	24
Appendix .....	25
Workbook - <i>Tell Us What You Think</i>	

*Unless otherwise specified, all data is from the  
Department of Human Resources and Employment data systems.*

## **SOCIAL ASSISTANCE IN NEWFOUNDLAND AND LABRADOR**

Social Assistance is one part of a broad spectrum of social security programs available to the residents of Newfoundland and Labrador. People in this province have access to a number of social security programs. Old Age Security, Canada Pension Plan (CPP), Canada Child Tax Benefit (CCTB), and Employment Insurance (EI) are provided federally, while Workers' Compensation and Income Support are provided provincially. Social Assistance is one component of the Income Support program.

The Social Assistance program is intended to provide financial assistance to meet basic needs such as food, clothing, and shelter for individuals and families who have little or no means of support. The program also provides money for special needs, such as medical transportation or special diets.

The legislation guiding the Social Assistance program was created in 1977. Even though it has had a number of updates, it no longer reflects Government's goals for the Social Assistance program. It also does not support the new way of doing business within the Department of Human Resources and Employment (the Department).

The Department's new goal is to ensure dignified financial support for all people who use our services, and to support those who are able to find and maintain employment. The Department is working to remove the barriers people face as they try to support themselves and their families. It recognizes that some of these barriers have been created by the Social Assistance program itself. For example, the loss of drug benefits upon becoming employed could make it difficult for families to take entry-level employment. This is one example of an issue that the Department has taken steps to address.

The Department is focusing on ways to make the move from Social Assistance to work easier and smoother. There are many challenges in designing an effective Social Assistance program. These include removing the barriers associated with taking employment, ensuring that people receive dignified and stable support, making it easier to return to the program if the need arises, and helping people prepare for and keep a job.

The Department has also started to focus on ways of supporting low income families, in addition to those who require Social Assistance for some or all of the time. The Department provides a Mother Baby Nutritional Supplement, for example, to low income pregnant women and mothers of children under the age of one. In addition, low income families receive children's benefits through the Canada Child Tax Benefit (CCTB) and the Newfoundland and Labrador Child Benefit (NLCB).

The 2001/2002 budget for the Social Assistance program is \$211 million. Most of this is used to provide financial assistance to individuals and their families to meet basic needs. In addition, some Social Assistance clients receive money from other sources, including Canada Pension Plan, Employment Insurance, child support, and employment, that offsets the support they receive from Social Assistance. This money is taken into consideration in determining the Social Assistance budget and if individuals did not receive this money, the budget would total approximately \$246 million annually.

<b>Social Assistance Budget , 2001/2002</b>	
Basic Benefits (food, clothing, utilities, etc.)	\$122.0 M
Shelter	\$74.0 M
Transportation	\$4.0 M
Special and Other Needs	\$11.0 M
<b>Total</b>	<b>\$211.0 M</b>

<b>Employment and Career Services Budget, 2001/2002</b>	
Employment Assistance for Persons with Disabilities	\$6.6 M
Employment Programming	\$7.9 M
<b>Total</b>	<b>\$14.5 M</b>

Source: Department of Human Resources and Employment

In addition to the Social Assistance budget, the Department has approximately \$14.5 million for a range of employment programs; \$6.6 million is directed to two programs within Employability Assistance for People with Disabilities, and \$7.9 million to support other employment programs. By working in cooperation with the federal Labour Market Development Agreement partner, Human Resources Development Canada (HRDC), the Department has maximized its ability to provide

employment interventions for both Social Assistance and non-Social Assistance clients.

The amount of Social Assistance people receive generally depends on the number of adults in the family and their living arrangements. In addition, individuals also receive benefits from other programs such as the Canada Child Tax Benefit (CCTB), Newfoundland and Labrador Child Benefit (NLCB), and the GST and HST rebates.

Within the Social Assistance program, an employable individual under the age of 30 boarding with a relative receives a maximum of \$96 per month for basic benefits such as food, clothing, and shelter. A single parent renting with two children receives \$953 per month and a couple renting with three children receives \$993 per month for basic benefits. Additional Social Assistance benefits may be provided for special expenses such as medical transportation or special diets.

<b>Examples of Monthly Social Assistance Benefits, plus CCTB, NLCB, and GST and HST Rebates</b>					
	<b>Single, Under 30, Employable, Boarding with Relatives</b>	<b>Single, Under 30, Not Employable, Boarding with Relatives</b>	<b>Single, Over 30, Renting</b>	<b>Single Parent with 2 Children, Renting</b>	<b>Couple with 3 Children, Renting</b>
Social Assistance	\$96.00	\$254.00	\$595.00*	\$953.00*	\$993.00*
CCTB (includes NCBS)	N/A	N/A	N/A	\$378.67	\$559.92
NLCB	N/A	N/A	N/A	\$43.00	\$71.00
GST Rebate	\$17.25	\$17.25	\$19.35	\$43.58	\$61.75
HST Rebate	\$3.33	\$3.33	\$3.33	\$13.33	\$21.67
<b>Total Monthly Income</b>	<b>\$116.58</b>	<b>\$274.58</b>	<b>\$617.68</b>	<b>\$1,431.58</b>	<b>\$1,707.34</b>

\* Includes basic benefits, shelter, and fuel allowance.

Source: Department of Human Resources and Employment and Canada Customs and Revenue Agency  
See appendix for detailed rate structure.

## WHO RECEIVES SOCIAL ASSISTANCE?

People turn to the Social Assistance program for many reasons. Social Assistance can respond quickly when work is unavailable or unsteady, or when income is insufficient to meet individual or family needs. It can also help when other sources of income have not come through, or if people have significant barriers that make it hard for them to find and keep work. It can assist those who are unavailable to work outside the home because of a disability, because they are caring for a child or other family member, or for some other reason.

Because of this diversity of need, the number of people receiving Social Assistance changes monthly. Each month approximately 3,000 people leave the program and an equal number enter. Last year about 76,000 people received Social Assistance at some time during the year. Not all these people received Social Assistance for the entire year. On average, in 2000 about 57,000 people received Social Assistance every month. These numbers have been going down steadily from over 100,000 per year in the early 1990's to present levels. Demographic shifts, economic improvements, migration patterns, and program changes have affected the number of people receiving Social Assistance.

<b>Total Number of People Receiving Social Assistance Per Year<sup>1</sup></b>			
<b>Year</b>	<b>Children <sup>2</sup></b>	<b>Adults</b>	<b>Total</b>
1992	37,300	63,800	101,100
1993	36,300	65,400	101,800
1994	35,700	66,700	102,300
1995	35,700	68,400	104,100
1996	34,900	67,500	102,400
1997	32,800	62,700	95,500
1998	30,100	56,900	87,100
1999	27,200	53,300	80,600
2000	25,300	51,100	76,400

<sup>1</sup> Figures may not add due to rounding.

<sup>2</sup> These figures represent the number of children living in families that receive Social Assistance. Parents do not receive basic benefits for their children. They receive the Canada Child Tax Benefit and the Newfoundland and Labrador Child Benefit, which are administered outside the Social Assistance program.

Source: Department of Human Resources and Employment

In 2000, 21% of children in Newfoundland and Labrador lived in a family that received Social Assistance at some point during the year<sup>3</sup>. Although it is by no means certain that children in low income families will be less successful than other children, research indicates that long-term poverty contributes to a number of lifelong disadvantages, such as poor health. It is imperative that the Department continue to address the needs of low income families through Income Support redesign measures such as the NLCB, a child benefit program that supports families as they make the transition from Social Assistance to employment.

<sup>3</sup> Department of Human Resource and Employment and Demography Division, Statistics Canada.

People receive Social Assistance for a variety of reasons. For some, it is the inability to secure and maintain appropriate employment. Others face significant barriers to employment including illness, disability, age, education, addiction, or other factors.

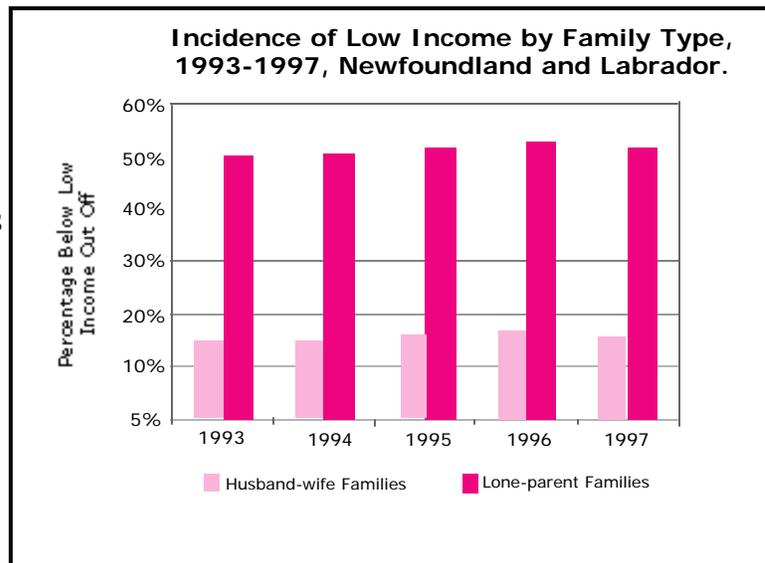
The following table provides an overview of the primary reasons why people receive Social Assistance. About 41% of people receiving Social Assistance are available for employment. While many people consider themselves available for employment, they may still have significant barriers to employment. Likewise, people unavailable for employment due to illness or disability may be able to consider work as an option with appropriate employment supports.

<b>Reasons for Assistance/Employment Status Percentage of Caseload<sup>4</sup></b>			
	<b>1999</b>	<b>2000</b>	<b>2001</b>
Available for Employment	38%	40%	41%
Illness or Disability	23%	23%	23%
Caring for Child or Other Family Member	38%	36%	35%

<sup>4</sup> Figures may not add due to rounding.

Source: Department of Human Resources and Employment

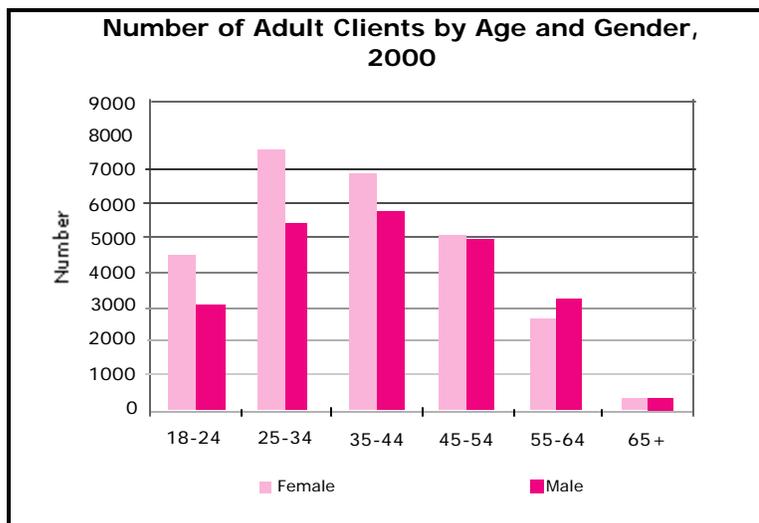
Some family types are more likely than others to experience low income. For example, single parents are more likely than other family types to experience low income or to have barriers to employment, particularly because of their child care obligations. Of the approximately 20,500 single parent families in Newfoundland and Labrador in 1996, just



Source: Newfoundland Statistics Agency, Economics and Statistics Branch, Department of Finance. Compiled based on Canada Customs and Revenue Agency summary information as provided by Small Area and Administrative Data Division, Statistics Canada.

about 50% (10,800 single parent families) received Social Assistance<sup>5</sup>. In 2000, 9,300 single parent families received Social Assistance at some point during the year.

In 2000, in every age group except 55-64 year-olds, more women than men received Social Assistance. This may reflect the fact that women are the majority of single parents<sup>6</sup> and caregivers for dependent family members<sup>7</sup>. In addition, women employed full-time for the entire year receive, on average, an income



Source: Department of Human Resources and Employment

which is 70.5% of their male counterparts' income<sup>8</sup>. Women are more likely to be receiving minimum wage<sup>9</sup>. They are 10% more likely than men to be unemployed<sup>10</sup>. Finally, some professions where women dominate do not pay well and are traditionally under-valued<sup>11</sup>. These factors are reflected in women's need for Social Assistance and present particular challenges when considering employment supports.

The Province's aging population also presents challenges. In 1991, 48% of people receiving Social Assistance were 35 years or older; in 2000, 59% were 35 years or older. This trend could affect the Department's programming in a number of ways. Older clients may be more likely to have special needs, may be less likely to find employment, and may need different employment supports.

<sup>5</sup> Newfoundland Statistics Agency, Economic and Statistics Branch, Department of Finance, based on Custom Tabulations from the Census of Population, 1996, Statistics Canada, and the Department of Human Resources and Employment.

<sup>6</sup> Statistics Canada, Income Trends in Canada, 1980-1998.

<sup>7</sup> Marika Morris, Gender-Sensitivity Home and Community Care and CareGiving Research: A Synthesis Paper, Second Draft, prepared for Health Canada's Women's Bureau, October 2001.

<sup>8</sup> *supra*, note 6.

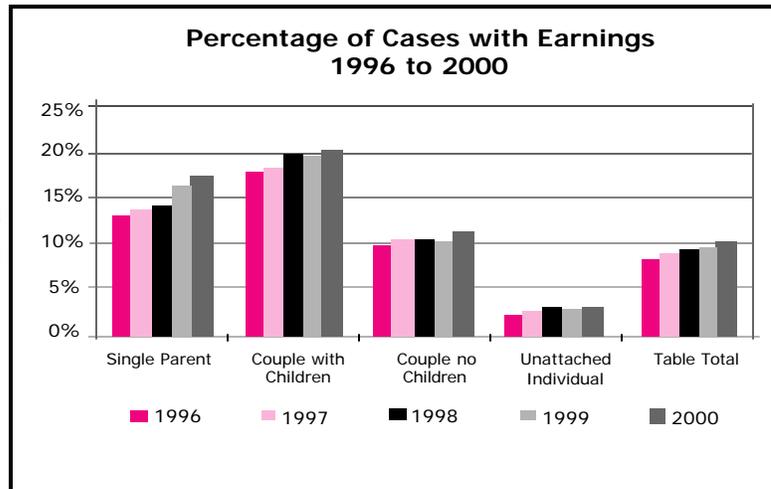
<sup>9</sup> Statistics Canada, Labour Force Historical Review, CD Rom, 2000.

<sup>10</sup> Statistics Canada, Labour Force Survey, January 2001.

<sup>11</sup> *supra*, note 9.

The number of older people receiving Social Assistance is a major factor affecting the average length of time that people receive assistance. In 1992, 31% of people received Social Assistance for a full twelve month period. In 2000, 55% received assistance for the full year. This is probably reflective of the fact that the caseload is aging and that there are a higher proportion of people with disabilities receiving Social Assistance, particularly given the fact that the length of time that new entrants are participating in the Social Assistance program has not greatly increased since 1992.

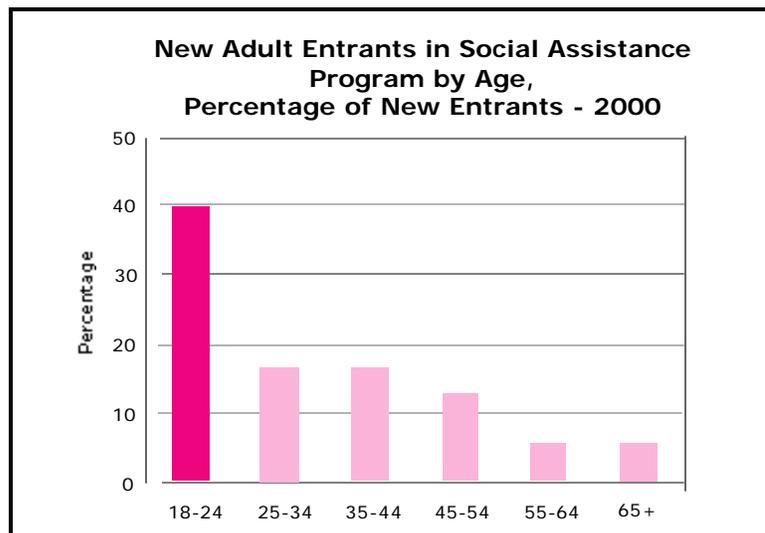
Social Assistance is also provided to individuals who are working but who do not earn enough to meet their basic needs. On a monthly basis, over 1,500 people receiving Social Assistance work full-time or part-time. Because they may have low earnings or above average needs, they receive income



Source: Department of Human Resources and Employment

supplementation through the Social Assistance program. In 2000, these individuals earned over \$8 million through employment, and over 20% of couples with children and 17% of single parents had some earnings from employment.

Some groups of people have been particularly hard hit by the ups and downs of the economy. For example, some youth have difficulty finding jobs. This is even more likely if they lack post-secondary education. The unemployment rate for youth (aged 18 to 24) is

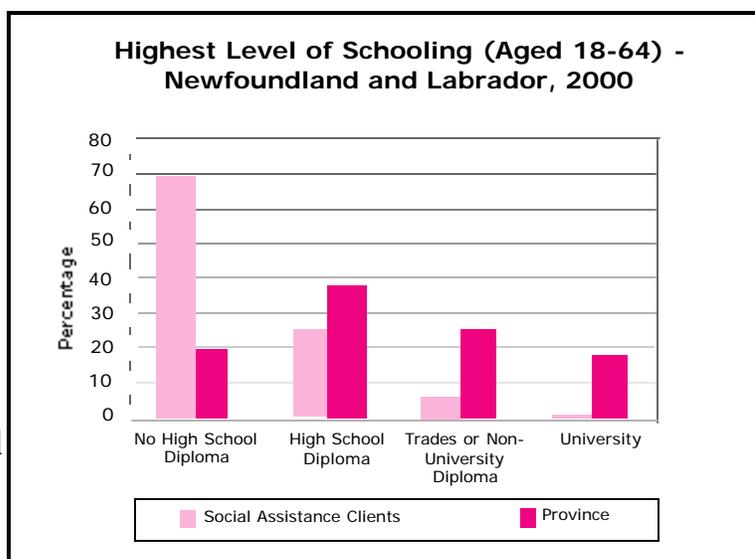


Source: Department of Human Resources and Employment

currently about 13% nationally and 25% provincially. This troubling fact is reflected in the number of youth applying for and receiving Social Assistance - youth 18-24 years of age represent 15% of the Social Assistance caseload. In 2000, almost 3,700 adults accessed the Social Assistance program for the first time. Of these first time entrants, approximately 40% were youth aged 18- 24. Just over 53% of this group was female and almost 47% were male.

Finding a job can be difficult for people at any age. Not having enough education or training can make finding and keeping work even more difficult. In a skills-based economy, more and more jobs require at least a Grade 12 and some post-secondary education.

It is encouraging that high school pass rates across the Province have risen steadily from about 64% in 1989 to around 90% in 2000<sup>12</sup>. However, in 2000, nearly 70% of people receiving Social Assistance in Newfoundland and Labrador had not graduated from high school - 65% of females and 74% of males. Although this is an improvement from 1991, when 79% of the total people receiving Social Assistance - 77% of females and 81% of males - had not finished high school, there is still cause for concern.



Source: Newfoundland Statistics Agency, Newfoundland and Labrador Labour Activity Survey-2000 and HRE Custom Tabulations.

There is undoubtedly a link between a good education and employment. As Newfoundland and Labrador continues to enjoy economic growth, an adequate supply of workers with the right mix of knowledge and skills will become even more important. The Province needs to maximize the skills and abilities of all adults.

<sup>12</sup> Newfoundland Statistics Agency, Economic and Statistics Branch, Department of Finance. Compiled based on custom tabulations from the Census of Population, 1996, Statistics Canada, as cited in Department of Health and Community Services: *2001 Health Forums - Provincial Profile*.

Government plays a key role in supporting labour market development by providing sound policy, supporting education and training, and creating conditions that lead to a high quality of life. But it cannot meet labour market challenges alone. Industry is a critical partner in the areas of training, recruitment, and building safe and stable work environments. Current workers are also critical partners, as are individuals who are not yet participating to their full potential. To effectively move in this direction, the Department is taking a lead role in developing a Labour Market Development Strategy that recognizes the potential of all Newfoundlanders and Labradorians.

## **KEY ISSUES**

In designing a legislative framework to support the Department's programs and services, we invite your input on the following key issues.

### **A. THE SCOPE OF LEGISLATION - A NEW VISION**

The current legislation was introduced in 1977. It focuses solely on the rules that govern the granting of Social Assistance. It deals with who is eligible; the general areas covered by assistance and the amount of entitlement; how earnings and income are to be dealt with; the way in which overpayments are determined; the penalties associated with non-compliance with the Act; and in separate legislation, the process for appeals of decisions made under the Act.

In its day, the Social Assistance Act of 1977 represented an improvement over previous "welfare" legislation. The Act established the principle that Social Assistance was provided based on client "need" and not the "reason" for assistance. Up to that point, categories of assistance with different benefit rates existed based on whether a person was employable or not.

During the past several years, new policy and program approaches to income support have emerged which led to the establishment of the Department of Human Resources and Employment in 1998. A key objective of the Department is to focus on assisting people prepare for, find, and keep work as the best means of achieving social and economic prosperity. To do this, Social Assistance needs to be delivered effectively and efficiently so that a larger percentage of staff resources can be focused on working cooperatively with clients to address their employment needs, where this is an appropriate goal. The challenges that need to be addressed today include changing cumbersome procedures for Social Assistance; making the link between Social Assistance and work; and providing for the best use of resources and programs to assist clients. The Department is working to meet these challenges.

**Progress to Date:**

- Social Assistance policies and procedures have been simplified. People have a clearer understanding of what they are entitled to receive. Benefit rates are more fairly distributed. Exceptions are more easily explained. People can exercise their right to manage their own affairs. The delivery of Social Assistance is more timely and efficient.
- New ways of delivering Social Assistance are available. These include mail-in applications and direct deposit. In the future, people should be able to apply for Social Assistance by telephone.
- Accountability for public funds spent on Social Assistance has been improved. New approaches using technology have improved the effectiveness and efficiency of verifying Social Assistance eligibility.
- The link between Social Assistance and work has been strengthened by the introduction of other income support measures. Measures aimed at reducing work barriers that exist in the Social Assistance program have been implemented and new programs to assist low income working families to maintain employment have been introduced.
- Within available resources, employment and career services have been redesigned to focus on people's abilities and on the barriers they face to full participation. This redesign recognizes that people receiving Social Assistance face barriers which prevent or limit their participation in the labour market. Examples include limited skills, disabilities, and seasonal work. These program approaches target specific client needs and the supports needed to succeed in the labour market long-term. They differ from approaches that have relied on short-term job creation and “workfare” that do not address the underlying causes of unemployment.

### Discussion Points

1. Should the new legislation address both the provision of Social Assistance and helping people prepare for, find, and maintain employment?
2. If the legislation should be more broadly focused, what are the key issues it should address?
3. Government has a responsibility to provide dignified access to Social Assistance and has a role to play in assisting people to participate to the level of their ability in the labour market. What are the roles and responsibilities of clients and other partners (families; other agencies; employers)?

## **B. ENSURING STABLE AND DIGNIFIED SOCIAL ASSISTANCE FOR THOSE WHO NEED IT**

The Act currently supports the administration of Social Assistance, and the new Act must do this as well. Our vision of the new legislation is to deliver basic Social Assistance in a respectful, least intrusive manner. The legislation needs to recognize that some people will continue to rely on Social Assistance as their primary means of support. Other people will need assistance for temporary periods. Still others will have barriers to labour market participation that can be addressed with the appropriate supports in place. It is essential to provide support for those without sufficient financial resources. With accountability measures in place, this support must be delivered quickly and fairly, without a lot of red tape and unnecessary paperwork. Respectful, effective, and efficient delivery of Social Assistance enables attention to be focused on assisting people as they explore the options that are most suited to their circumstances in finding and maintaining employment.

### **Progress to Date**

- Basic Social Assistance benefits have increased by 7% in the past three years, and families/individuals can now keep the first \$500 of income tax refunds.

- Less intrusive measures have been adopted to verify eligibility for assistance. Previously, information was verified using home visits and calls to employers and agencies. While some documents are still required to support claims, Social Assistance is now treated like other social security programs, with most verification done through automatic eligibility reviews and electronic data matching.
- Social Assistance benefit rates have been revamped to provide simplified, more equitable access to benefits. Benefits for children have been moved into a new child benefit program for low income families. A single family rate has been established based on the number of adults in the household. Single people over thirty years of age now receive benefits on the basis of their living arrangement not their employability. Benefits to youth are being studied with the goal of improving linkages with employment and career services.
- More than 90% of people apply for Social Assistance with a mail-in self-application. People no longer need to visit Human Resources & Employment offices to apply for Social Assistance. This allows staff resources to be concentrated on providing employment and career counseling.
- Social Assistance payments can now be deposited directly into bank accounts. Direct deposit is a convenient way to deliver Social Assistance. Other social security programs like Employment Insurance and Canada Pension Plan also use direct deposit. The Department began offering direct deposit in 1999; currently about 8% of Social Assistance payments are deposited directly into people's bank accounts.
- A new computerized pay system is being developed. The new pay system will make the processing of Social Assistance applications more efficient and will ensure that clients receive quick responses to their inquiries. The new system will also enable the Department to introduce a telephone application process.
- A Victims of Violence Working Group has been created. This group is composed of community advocacy and support groups, the Provincial Advisory Council on the Status of Women, the Women's Policy Office, and officials from the Departments of Human Resources and Employment, Health and Community Services, and Justice. Among other things, the group is reviewing the Social Assistance program in an effort to determine how to better meet the needs of victims of violence.

- A Support Application Program provides direct social work support to people in their efforts to receive appropriate levels of spousal and child support. Fifteen social work staff throughout the province assist clients, mainly women, with negotiating support from their former partners. This service is not limited to individuals receiving Social Assistance, but rather is available to all members of the general public.
- The Social Assistance program provides income supplements for low income earners. There are currently about 1,500 cases where people receive Social Assistance to supplement their earnings.
- Considerable progress has been made in redesigning programs to provide assistance with dignity and recognize client autonomy. For example, clients now receive financial assistance for rent directly in their Social Assistance payments. This provides clients with an increased ability to manage their own affairs.

Improvements are still needed in several areas, and work is underway to explore alternatives. For example, the Department continues to remit taxes directly to municipalities on behalf of clients. It also provides school books using vouchers for families receiving Social Assistance. These initiatives identify clients as people receiving Social Assistance, and further stigmatize people who need these services.

With the Department now focused on its two lines of business, Income Support and Employment and Career Services, concern has been raised that clients who require additional social supports, such as counseling, are not being helped. The Department recognizes that for many clients it is the first point of contact, and that it has an important role to play in listening to clients' concerns and ensuring appropriate linkages to the services of other agencies. Efforts are underway to establish better linkages with other social agencies to address this issue.

#### Discussion Points

4.
  - a) Is the Department accomplishing its goal of providing dignified Social Assistance?
  - b) Are the measures used by the Department sufficient? Are they consistent with the direction that new legislation should take?
  - c) Are these measures enabling people to manage their own affairs? How can the Department improve?
5. Certain clauses in the current legislation acknowledge the role that families and relatives play in supporting their family members. Specifically, people who board or rent from family members receive less Social Assistance than those who do not. Has the role of family members been identified appropriately? How should "relative" be defined?
6. Should the legislation require the Minister to periodically review the rates established for Social Assistance and report to Cabinet?
7. The current Act requires the Minister to table an annual report on the Social Assistance program to the House of Assembly. Should this continue to be a requirement?

### C. REMOVING BARRIERS TO WORK

One of the major social policy directions of recent years, both provincially and nationally, is towards improving the fit between Social Assistance, other income support programs, and work. Most people agree that the best way to get out of poverty is to get a good paying job. Research shows that income levels are linked to other indicators of well-being, including health status and education.

Sometimes Social Assistance policy inadvertently prevents people from accepting entry level employment because, in so doing, benefits are reduced or lost. The impact on individuals or families who find it difficult to meet even ordinary, everyday expenses can be overwhelming. This, in turn, has led to an increasing focus on the role of income support programs in assisting low income working families to maintain employment. Programs such as the National Child Benefit have taken this direction and enabled provinces to take additional measures to support these objectives. The challenge lies in continuing to advance the work of removing employment barriers that exist in the Social Assistance program, within available resources. The new legislation needs to reflect a commitment to

reducing or removing these barriers.

### **Progress to Date**

- Basic benefits for children have been removed from the Social Assistance program and because of this families' benefits for children are not affected when they move into employment. In 1999, Government introduced the Newfoundland and Labrador Child Benefit (NLCB), combined with the Canada Child Tax Benefit (CCTB). The NLCB is a tax-free monthly payment that helps low income families, regardless of their sources of income. Parents receive the NLCB until their child turns 18.
- The Single Parent Employment Support Program, a pilot partnership with the Single Parent Association of Newfoundland, helps single parents receiving Social Assistance get full-time employment and work toward self-sufficiency. Supports include Social Assistance during training, child care, an extended drug card, and an employment supplement to top up entry level wages. A preliminary evaluation shows decreased usage of the extended drug card by working adults, improved self-esteem and reduced reliance on Social Assistance.
- A Mother Baby Nutritional Supplement supports low-income mothers, regardless of their sources of income. The supplement recognizes the importance of good nutrition to healthy child development in the pre- and post-natal period by providing \$45 per month in financial support. Eligibility is linked to the income levels for the NLCB.
- Coverage for private child care services, where licensed child care is unavailable, has been increased to \$325 monthly for the first child and \$125 for each additional child. This more accurately reflects the costs of these services and helps clients to accept or maintain employment.
- A six-month extended drug card is now available to people who leave Social Assistance for employment reasons.

- Applicants for Social Assistance are permitted to retain a higher level of liquid assets (\$500 for singles and \$1,500 for families), giving them a financial cushion to aid their return to the labour market.
- Families who are successful in finding employment are able to retain up to \$150 per month of earnings (\$75 per month for singles) before Social Assistance benefits are reduced.

#### Discussion Points

8. Are these initiatives consistent with the direction that new legislation should take?
9. Within the context of available resources:
  - a) Are there areas among those identified that should be given priority for further improvement?
  - b) Are there other initiatives that should be considered?

#### **D. HELPING PEOPLE PREPARE FOR, FIND, AND KEEP A JOB THROUGH ACTIVE TRAINING AND EMPLOYMENT MEASURES**

Canada's labour supply is aging and growing smaller. This province's population is aging at an even more rapid pace. The consequence in the not too distant future is a labour shortage and a need to make full use of the skills and abilities of all adults. That is good news for people who have been marginalized because of barriers to labour force participation including attitudes that have devalued their contribution. Youth, persons with disabilities, aboriginal people, and women have been under-represented in the workforce. The workforce of tomorrow requires an investment in people today.

More and more jobs require people to have at least Grade 12 and some post-secondary education. People receiving Social Assistance, however, often do not have the pre-employment skills, education, and workplace skills necessary to find and secure full-time work. Of particular concern are youth who are experiencing significant difficulty in making an early and stable attachment to the labour force. Having to rely on Social Assistance at an early age can lead to long-term dependency. To prevent youth from becoming dependent on Social Assistance, it is important to help them gain the needed job skills, training, and

education that lead to employment. The challenge is to develop effective measures to assist clients address the barriers they face, within available resources.

The current Act focuses on the provision of Social Assistance without consideration for active labour market programming. New legislation could provide a framework to engage people in active measures to help them prepare for, find and maintain work, where appropriate. These active measures could include things like participation in employment and career counselling, academic upgrading (ABE), training courses, wage subsidies, and pre-employment programs. Other provinces have stressed the importance of helping people find and keep work. Nova Scotia's legislation, for example, is titled "An Act to Encourage the Attainment of Independence and Self-Sufficiency through Employment Support and Income Assistance".

If new legislation is to take a similar approach in this province, we must find a balance between Government's role in addressing barriers to employment and the individual's role and responsibility to participate in an employment plan. The employment planning process involves clients and staff exploring employment options, available employment supports, the client's readiness to participate, and the client's personal and social situation, education, training, skills, interests and goals.

As the Department expands its focus to include helping people prepare for, find, and keep a job, it must work to create an environment where people can explore career options and make informed choices. However, it is important to recognize that the spectrum of choices includes options like staying home to raise children as well as paid work.

This program direction is not meant to imply that an individual's employment status is dependent solely upon individual effort, nor that it is always within an individual's control. Unemployment is a complex issue with diverse causes, some of which are not easily addressed. The Department has been directed under the Strategic Social Plan and the Jobs and Growth Strategy to develop a provincial labour market strategy to complement the province's social and economic development plans. This strategy will be developed in close consultation with the Labour Market Development Council including labour and employer groups, and should be completed within a year. In addition, the full and active

participation of people in the labour market will be assisted by strategies that fall within the mandate of our partner departments and agencies at the provincial and federal levels.

### **Progress to Date**

- All front line staff are being trained to help clients identify their employment related needs in preparation for greater staff involvement in these activities. Thirty-five career development staff across the province provide advanced employment and career counselling services. These staff have received an in-depth orientation to the employability issues faced by people receiving Social Assistance. They have also participated in a nationally recognized training program in career development theory and practice.
- Eligible Social Assistance clients are identified and referred under the Employment Insurance Part II reachback provisions to programs and services of Human Resource Development Canada (HRDC). Over 5,000 Social Assistance clients were identified in 2000-2001 as being reachback eligible, and of these 2,500 were referred for HRDC services.
- The NewfoundJOBS program provides support to Social Assistance clients to help them find employment. This pilot project recognizes that not all individuals require the same types of supports to find and keep a job. The range of supports provided includes tools, equipment and protective clothing, short-term training support, and wage subsidies. To date, over 3,000 people receiving Social Assistance have participated in NewfoundJOBS.
- The Department currently spends \$7.9 million for general employment programs like Linkages and Employment Generation. These programs offer wage subsidies to employers to encourage them to hire participants.
- The Employability Assistance for Persons with Disabilities Program (EAPD) offers 2 major areas of support to people with disabilities - Training Services and Supported Employment. Training Services offer support for those attending post-secondary training, and Supported Employment works in partnership with community groups to develop employment for people who have a developmental disability. These services have assisted over 1,400 individuals.

- Over the past year, the Department has undertaken a major review of all programs and services offered to persons with disabilities. The review has involved client and community groups who work directly with persons with disabilities. The information gathered will be used to ensure that supports meet their needs.
- In an effort to address educational barriers, the Department is partnering with the Department of Youth Services and Post-Secondary Education to support client participation in Levels 2 and 3 of the Adult Basic Education program (ABE) and to increase success rates. Clients can now access ABE through the College of the North Atlantic. About 400 people who receive Social Assistance access these services each year.
- In 2000, the Department conducted a survey of over 1,100 people receiving Social Assistance in an effort to determine the different types of supports that individuals need to find and keep work. Valuable information was collected regarding client's perception of their employment and career needs. This information will be used to assist the Department as it continues to redesign its programs and services.
- The Department works closely with a number of community agencies and has a partnership framework for the provision of some employment and career services by community agencies. For example, the T. I. Murphy Centre delivers the Youth Employment Action Plan, and the Canadian Paraplegic Association delivers employment supports.
- A labour market strategy for the Province is being developed, in consultation with the Labour Market Development Council including labour and employer groups.

## Discussion Points

10. An employment and career plan means involving the client in a detailed discussion of his/her skills, employment experience, training/upgrading needs and employment barriers. A plan is mutually agreed upon and is suited to the personal circumstances of the client. It identifies career goals, potential employment options and needed employment supports.
  - a) Should participation in an employment and career plan be mandatory or voluntary for clients in receipt of Social Assistance?
  - b) If mandatory participation were required, should exceptions be made? To whom should the exceptions apply?
11.
  - a) Should the legislation target youth as the priority for available resources for employment and career supports?
  - b) Should youth be required to participate in active measures, such as employment and career counseling, academic upgrading, training courses, and pre-employment programs, as a condition of receiving Social Assistance?
12. Are there other groups that should be given priority for available resources for employment and career supports?
13. Should employment and career programs place a priority on helping people who are receiving Social Assistance?
14. In the case of single employable youth under 21 years living with relatives, current legislation requires the total family income of the youth's parents/guardians to be taken into account when assessing the youth's eligibility for Social Assistance.
  - a) Are the roles and responsibilities of family defined appropriately for this purpose?
  - b) What exceptions, if any, should be made?
15. Should legislation give authority to the Minister to redirect Social Assistance funds, on an individual case basis, to provide active employment supports? This could mean that where a person is eligible to receive Social Assistance and identifies a desire for specific training or other employment related support, the Social Assistance funds could be redirected to those purposes identified by the client for a specified period of time.

## **E. ACCOUNTABILITY**

The Department's legislation needs to reflect and support the principle of accountability to people who use its services. This means that people have the right to receive services from the Department in a dignified, consistent, and appropriate manner. The Department also needs to be accountable to the public and to ensure services go only to those in need.

### **Progress to Date**

- The Department recognizes that people receiving Social Assistance have the right to protection of personal information contained in files including case notes, in accordance with provincial legislation relating to access to information and the protection of privacy.
- The Department recognizes clients' rights to have applications assessed within a reasonable amount of time, to see their files, to ensure their files are accurate, and to request changes, if necessary. This means that a person has the right to request an amendment, which could include a correction, addition, or deletion of information.
- Client authorization is required to permit the Department to verify personal and financial information provided in support of an application for assistance. Assistance is conditional upon this authorization.
- Upon receipt of this authorization, the Department verifies eligibility through a number of processes including electronic information sharing agreements and periodic eligibility review procedures. Where there is an allegation of fraud, investigations are completed to ensure that only clients who need services receive them.
- In addition to rights, people receiving Social Assistance have responsibilities too. The current legislation, for example, requires recipients to provide accurate information and to inform the Department of any change in their circumstances that could affect eligibility for assistance.
- The Act provides a penalty for not complying with these responsibilities. Currently, a person guilty of an offence could be fined up to \$200 and/or imprisoned up to three months.

**Discussion Point**

16. What client rights and responsibilities should the new legislation identify?
17. Are the penalties for those who do not comply with the legislation appropriate?

**F. A FAIR AND EFFICIENT APPEALS PROCESS**

The Department recognizes that people have the right to question its decisions. A simple and efficient appeals process is central to this right. If a person disagrees with a Social Assistance decision, he or she may appeal that decision. This is achieved through an informal level of review (speaking with a Supervisor), as well as two formal levels of review, the Regional Service Review Committee and the Social Services Appeal Board. People are advised of their right to appeal when a decision is rendered by a departmental official.

**Progress to Date**

- The appeal process is an important resource for people receiving Social Assistance who disagree with a departmental decision.
- The Social Services Appeal Board is appointed in accordance with the Social Services Appeal Board Act, and operates independently from the Department. It is responsible for hearing the appeals from decisions of officials delivering the Social Assistance Program. During the 2000-2001 fiscal year, the Appeal Board heard 300 appeals.
- As a general rule, the Regional Service Review Committee provides its decision within 2 weeks.

- In 1999, the Appeal Board began offering appeals by telephone. 97% of people have chosen this option as their preferred method of appeal. Telephone appeals have dramatically reduced waiting times for hearings. In 1999, the average wait for an Appeal Board hearing was 42 days; in 2000, it was 15 days.
- The Board issues its written decisions within five working days of hearings.

**Discussion Point**

18. a) Is the appeals process working well?
- b) Are there additional ways that we can ensure a fair and efficient appeals process?

**G. OTHER ISSUES**

**Discussion Point**

19. We are also interested in receiving your feedback on other issues. Please provide any additional comments.

**CONCLUSION**

This discussion paper has presented some of the key issues and challenges facing the Department. It is part of an overall approach to seeking advice on the development of a new legislative framework for the Department of Human Resources and Employment. We need to know what you think about legislation that will focus on proactive supports for people receiving Social Assistance who can work, and on the provision of stable dignified support for all. Our departmental research and evaluation which has involved stakeholder feedback, demonstrates support for this direction.

Following the consultation process, the information received will be reviewed by a committee of departmental officials and representatives from the Departments of Education, Health and Community Services, Justice, Youth Services and Post-Secondary Education, Municipal and Provincial Affairs (Newfoundland and Labrador Housing Corporation), and the Women's Policy Office. The advice and input of the Premier's Council on Social Development and all other stakeholders will also be used to formulate the draft legislation that will go forward for consideration in late 2002-2003.

## APPENDIX

## APPENDIX

<b>Table 1</b>					
<b>Living Arrangement</b>	<b>Basic Benefits (Monthly)</b>				
	<b>Single &lt; 30</b>		<b>Single &gt; 30</b>	<b>Single Parent</b>	<b>Couple With or Without Children</b>
	<b>Employable</b>	<b>Not Employable</b>			
Boarding with Relatives	\$96	\$254	\$254	\$458	\$505
Boarding with Non-relatives	\$140	\$399	\$421	\$556	\$596
Maintaining a Residence	\$203	\$421	\$421	\$556	\$596
<b>Shelter (Monthly) (Up to the Maximum Reported Below)</b>					
<b>Living Arrangement</b>	<b>Single &lt; 30</b>		<b>Single &gt; 30</b>	<b>Single Parent</b>	<b>Couple With or Without Children</b>
	<b>Employable</b>	<b>Not Employable</b>			
Mortgage	\$149	\$149	\$149	\$372	\$372
Renting from Non-Relatives	\$149	\$149	\$149	\$372	\$372
Renting from Relatives	\$100	\$100	\$100	\$225	\$225

Source: Department of Human Resources and Employment

**NOTE:****BASE BENEFITS**

The Family Benefit rate does not vary based on the number of children living in the family. The Social Assistance rate structure was developed so that families receive basic benefits for their children through the combined Canada Child Tax Benefit and Newfoundland and Labrador Child Benefit. **(See Table 2)**

**FUEL SUPPLEMENT**

Families and individuals in receipt of Social Assistance and maintaining their own residence are entitled to a Fuel Supplement \$25 per month for people living on the Island portion of the province and \$45 for individuals living in Labrador.

**ADDITIONAL ASSISTANCE**

In situations where the actual rent/mortgage exceeds the normal rental/mortgage rates specified above, an additional \$61 may be provided.

<b>Table 2</b>				
<b>Canada Child Tax Benefit (CCTB) and Newfoundland and Labrador Child Benefit (NLCB) July 1, 2001</b>				
<b>No. of Children</b>	<b>CCTB</b>		<b>NLCB</b>	<b>Total Child Benefits</b>
	<b>Base</b>	<b>NCBS</b>		
1	\$93.08	\$104.58	\$17.00	\$214.67
2	\$186.17	\$192.50	\$43.00	\$421.67
3	\$285.75	\$274.17	\$71.00	\$630.92
4	\$385.33	\$355.83	\$101.00	\$842.17
5	\$484.92	\$437.50	\$131.00	\$1,053.42
6	\$584.50	\$519.17	\$161.00	\$1,264.67

Source: Canada Customs and Revenue Agency

<b>Table 3</b>								
<b>INCOME THRESHOLDS FOR CHILD BENEFITS</b>								
<i>Family Net Income (Line 236 of the Income Tax Return)</i>								
<b>Program</b>	<b>Income Thresholds</b>	<b>Year</b>	<b>1 Child</b>	<b>2 Children</b>	<b>3 Children</b>	<b>4 Children</b>	<b>5 Children</b>	<b>6 Children</b>
NLCB	Benefit Reduction Starts	2001	\$16,744	\$16,744	\$16,744	\$16,744	\$16,744	\$16,744
	Benefit Reduction Ends		\$21,744	\$21,744	\$21,744	\$21,744	\$21,744	\$21,744
NCBS	Benefit Reduction Starts	2001	\$21,744	\$21,744	\$21,744	\$21,744	\$21,744	\$21,744
	Benefit Reduction Ends		\$32,000	\$32,000	\$32,000	\$35,046	\$38,099	\$41,152
CCTB (Base)	Benefit Reduction Starts	2001	\$32,000	\$32,000	\$32,000	\$35,046	\$38,099	\$41,152
	Benefit Reduction Ends		\$76,680	\$76,680	\$100,580	\$124,480	\$148,380	\$172,280

Source: Canada Customs and Revenue Agency

**WORKBOOK**  
**TELL US WHAT YOU THINK**

**This workbook is designed to make it easier for you to give feedback. Many more details on each issue are available in the discussion paper, at the pages and sections noted. For further clarification and assistance, please refer to these sections in answering the questions.**

We encourage you to respond to the questions contained in this document. Here's how you can contact us.

Please respond by March 31, 2002.

<i>Write us: using the enclosed pre-paid envelope</i>	Legislative Review Department of Human Resources and Employment P. O. Box 8700 Stn. A St. John's NF A1B 9Z9
<i>using regular mail</i>	<i>or</i> Legislative Review Department of Human Resources and Employment P. O. Box 8700 St. John's NF A1B 4J6
<i>E-mail us:</i>	saareview@gov.nf.ca
<i>Telephone us:</i>	1-800-563-6600 (toll-free) or 729-6600 (St. John's area)
<i>Fax us:</i>	(709) 729-2641
<i>Visit our website:</i>	www.gov.nf.ca/hre



Gender  Male  Female

Group  Client  
 Advocacy Group  
 Union  
 Employer  
 Other (please specify)\_\_\_\_\_

Age Group  18-24  
 25-34  
 35-44  
 45-64  
 65+

**A. The Scope of the Legislation: A New Vision (pages 10-12)**

The current Social Assistance legislation focuses entirely on the Department's role in providing Social Assistance. The Department also helps people prepare for, find, and keep employment.

1. Should the new legislation address both the provision of Social Assistance and helping people prepare for, find, and maintain employment?

---

---

---

---

2. If the legislation should be more broadly focused, what are the key issues it should address?

---

---

---

3. Government has a responsibility to provide dignified access to Social Assistance and has a role to play in assisting people to participate to the level of their ability in the labour market. What are the roles and responsibilities of clients and other partners (families; other agencies; employers)?

---

---

---

**B. Ensuring Stable and Dignified Social Assistance For Those Who Need It (pages 12-15)**

The Department wants to deliver Social Assistance in a respectful, least intrusive manner, without a lot of red tape and unnecessary paperwork. For example, verification is completed with automatic eligibility reviews and electronic data matching. People can apply for Social Assistance by mail and have payments deposited directly into their bank accounts. We hope to move to a telephone application system.



In the process of improving the delivery of Social Assistance, the Department's goal is to put more staff resources into assisting people with employment needs.

4. a) Is the Department accomplishing its goal of providing dignified Social Assistance?

---

---

---

4. b) Are the measures used by the Department sufficient? Are they consistent with the direction that new legislation should take?

---

---

---

4. c) Are these measures enabling people to manage their own affairs? How can the Department improve?

---

---

---

---

5. Certain clauses in the current legislation acknowledge the role that families and relatives play in supporting their family members. Specifically, people who board or rent from family members receive less Social Assistance than those who do not. Has the role of family members been identified appropriately? How should “relative” be defined?

---

---

---

---

6. Should the legislation require the Minister to periodically review the rates established for Social Assistance and report to Cabinet?

---

---

---

---

7. The current Act requires the Minister to table an annual report on the Social Assistance program to the House of Assembly. Should this continue to be a requirement?

---

---

---

---

**C. Removing Barriers To Work (pages 15-17)**

Sometimes Social Assistance rules make it hard for people receiving Social Assistance to take entry-level jobs because, in doing so, benefits are reduced or lost. This can have an overwhelming effect on people who find it difficult to meet even ordinary, everyday expenses. The Department is trying to address this.

For example, the Canada Child Tax Benefit, the Newfoundland and Labrador Child Benefit, and the Mother Baby Nutritional Supplement are available to eligible low income families, regardless of their source of income. Single people who become



employed can retain \$75 monthly before Social Assistance benefits are reduced. Families can retain \$150 per month. A six month extended drug card is provided to people who leave the Social Assistance program for employment.

8. Are these initiatives consistent with the direction that new legislation should take?

---

---

---

9. Within the context of available resources:

a) Are there areas among those identified that should be given priority for further improvement?

---

---

---

b) Are there other initiatives that should be considered?

---

---

---



**D. Helping People Prepare For, Find, and Keep A Job Through Active Training and Employment Measures (pages 17-21)**

The new legislation must support the Department’s focus on helping people prepare for, find, and keep employment. It could provide a framework to engage people in active measures that can help them find work. Active measures could include things like employment and career counselling, academic upgrading, training courses, and pre-employment programs.

Legislation in some provinces stresses the importance of helping people prepare for, find, and maintain work, where appropriate. If this province’s legislation is to take a similar approach, it must find a balance between Government’s role in addressing barriers to employment and the individual’s role and responsibility to participate in an employment plan. During employment and career planning, clients and staff explore employment options, available employment supports, and the client’s readiness to participate, personal and social situation, education, training, skills, interests, and goals.

10. An employment and career plan means involving the client in a detailed discussion of his/her skills, employment experience, training/upgrading needs and employment barriers. A plan is mutually agreed upon and is suited to the personal circumstances of the client. It identifies career goals, potential employment options and needed employment supports. The role of the Department is to assist the client in putting the plan into action and with acquiring the necessary employment support.

a) Should participation in an employment and career plan be mandatory or voluntary for clients in receipt of Social Assistance?

---

---

---

---

b) If mandatory participation were required, should exceptions be made? To whom should the exceptions apply?

---

---

---

---

11.a) Should the legislation target youth as the priority for available resources for employment and career supports?

---

---

---

---

11.b) Should youth be required to participate in active measures such as employment and career counseling, academic upgrading, training courses, and pre-employment programs, as a condition of receiving Social Assistance?

---

---

---

---

12. Are there other groups that should be given priority for available resources for employment and career supports?

---

---

---

---



13. Should employment and career programs place a priority on helping people who are receiving Social Assistance?

---

---

---

---

14. In the case of single, employable youth under 21 years living with relatives, current legislation requires the total family income of the youth's parents/guardians to be taken into account when assessing the youth's eligibility for Social Assistance.

a) Are the roles and responsibilities of family defined appropriately for this purpose?

---

---

---

---

b) What exceptions, if any, should be made?

---

---

---

---

15. Should legislation give authority to the Minister to redirect Social Assistance funds, on an individual case basis, to provide active employment supports? This could mean that where a person is eligible to receive Social Assistance and identifies a desire for specific training or other employment related support, the Social Assistance funds could be redirected to those purposes identified by the client for a specified period of time.

---

---

---

---



**E. Accountability (pages 22-23)**

The Department is accountable to people using its services. It must ensure that they receive the Department's services in a dignified and appropriate manner. The Department is also accountable to the public to ensure that services only go to those in need.

People receiving Social Assistance have many rights. For example, they have the right to have personal information contained in files (including case notes) protected, in accordance with provincial legislation relating to access to information and the protection of privacy, and to see their files. They also have responsibilities. For

example, a person must provide accurate information when he or she applies for Social Assistance.

Currently, a person who does not comply with his or her obligations under the legislation could be fined up to \$200 and/or be imprisoned for up to three months.

16. What client rights and responsibilities should the new legislation identify?

---

---

---

17. Are the penalties for those who do not comply with the legislation appropriate?

---

---

---

**F. A Fair and Efficient Appeals Process (page 23-24)**

People have the right to question the Department's decisions relating to Social Assistance. A simple and efficient appeals process is important to this right. There is an informal level of review (speaking with a Supervisor) as well as two formal levels of review, the Regional Service Review Board, and the Social Services Appeal Board.

18. a) Is the appeals process working well?

---

---

---

18. b) Are there additional ways that we can ensure a fair and efficient appeals process?

---

---

---

**G. Other Issues (page 24)**

19. We are also interested in having your feedback on other issues. Please comment below.

---

---

---



