

Working and the Ontario Disability Support Program



This booklet is for people on assistance from the Ontario Disability Support Program (ODSP) who are working or planning to work. It explains how working can affect the amount of assistance you get and ways that ODSP can help with the cost of working. It also deals with going off assistance and getting back on.

The assistance you receive each month from the Ontario Disability Support Program (ODSP) to cover basic needs, shelter, and costs such as a special diet or disability-related expenses for you and other members of your household is called “income support”.

When ODSP calculates how much income support you get, they may subtract money you receive from other sources, depending on the source. This includes money received by your spouse if he or she is part of your household. Someone of the same or opposite sex can be considered your spouse, whether or not you are legally married to one another.

This booklet explains how a training allowance or earnings from a job will affect the amount of your income support. It is based on new rules that came into effect on November 1, 2006.

Can I work and still get income support from ODSP?

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

If you get a training allowance

In most cases, if you are in a paid training program, ODSP will treat your allowance in the same way as earnings from employment, and apply the same rules.

How will earnings from a job affect my income support?

In any month that you have earnings, ODSP will reduce your income support, but you will also get an extra \$100 as a Work-Related Benefit.

ODSP will reduce your income support by subtracting an amount equal to half of your “net earnings” from employment. Net earnings is sometimes called “take-home pay”. It is the amount of your pay cheque after income tax and other deductions.

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

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

Beginning on [page 8](#), you will find worksheets to help you figure out how much income support you might get if you have earnings from a job.

How do I report my earnings to ODSP?

Each month you are on assistance, ODSP should send you an Employment Training and Income Report (ETIR). The ETIR asks you to report your income from the 16th of one month to the 15th of the next month. This information is used to calculate how much income support you will get at the end of the month. For example, your income between

August 16 and September 15 will be used to calculate the amount of income support you get at the end of September.

You should report your income to the ODSP office as soon after the 15th of the month as possible. If your report is late, you might not get your income support on time. When you report your earnings, include copies of your pay stubs to prove how much you earned.

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

You must report your income every month, whether the amount changes or not.

Can ODSP help with costs related to working?

Yes. ODSP offers benefits:

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

When you are starting out

If you are starting a new job or an employment activity, such as a job search, job preparation, skills training, or a volunteer position that will prepare you for a job, you can apply for an Employment Start-Up Benefit (ESUB).

The ESUB can cover costs such as clothes for work, tools and equipment, and licensing fees, but the costs must be reasonable. The job or employment activity does not have to be full-time.

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

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

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

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

When you report monthly earnings

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

What about childcare costs?

You might be able to deduct childcare expenses up to a maximum amount. The amount you are allowed to claim depends on several things, including how many children you have, how old they are, and whether you use licensed or informal childcare. To get this deduction you will need to show a receipt for your childcare expenses and proof of your employment activity.

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

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

If you are starting a new job, you may be able to get the Upfront Child Care Benefit. The maximum amount of this benefit is \$600 in any 12-month period. You can get the full amount as a single payment or in smaller amounts spread out over a year. You will need to show proof of your childcare costs.

What if I want to run my own business?

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

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

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

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

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

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

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

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

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

What if I do odd jobs or casual employment?

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

For more information about self-employment and ODSP talk to a community legal clinic (see [page 13](#)).



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

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

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

Contact an ODSP office or community legal clinic for more information (see [page 13](#)).

Step 1: Earnings from employment or training

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

Step 2: Earnings exemption

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

Worksheet – Side 1

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

Gross monthly earnings

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

Income tax

Canada Pension Plan (CPP)

+

Employment Insurance (EI)

+

Union dues

+

Mandatory pension contributions

+

=

Total deductions

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

Gross monthly earnings

Total deductions

-

=

Net monthly earnings

**Step 2:
Earnings
exemption**

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

Net monthly earnings

÷ 2

=

Earnings exemption



Worksheet – Side 2

Step 3: Eligible expenses

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

Earnings exemption		_____
Monthly childcare expenses	+	_____
Disability-related work expenses	+	_____
	=	<input type="text"/>
		Total allowable earnings deductions

Step 4: Chargeable earnings

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

Net monthly earnings		_____
Total allowable earnings deductions	-	_____
	=	<input type="text"/>
		Chargeable earnings

Step 5: Amount of monthly ODSP income support

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

Entitlement		_____
Chargeable earnings	-	_____
Work-Related Benefit	+	\$100.
	=	<input type="text"/>
		Estimated amount of monthly ODSP income support

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

Step 3: Eligible expenses

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

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

Step 4: Chargeable earnings

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

Step 5: Amount of monthly ODSP income support

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

What if I go off ODSP because of a job?

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

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

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

Extended Health Benefit (EHB)

If you have a lot of medical expenses, you may qualify for the EHB. The EHB can cover medical expenses such as the cost of drugs, dental treatment, vision care, medical supplies or devices, and transportation to medical appointments. Contact your community legal clinic for more information about the EHB ([see page 13](#)).

Transitional Health Benefit (THB)

The THB covers drug, dental, and vision care costs. You can get the THB if:

- you do not qualify for the EHB, and
- your job does not provide you with health benefits that are comparable to the THB.

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

You cannot get both the EHB and the THB, just one of them.

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

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

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

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

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

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

How do I get legal help?

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

You can usually find the community legal clinic nearest you by looking under “Legal Aid” or “Lawyers” in your phone book. You can also check Legal Aid Ontario’s web site at <www.legalaid.on.ca/en/locate/default.asp> or phone them:

Outside Toronto **1-800-668-8258**
In Toronto..... **416-979-1446**
TTY outside Toronto..... **1-866-641-8867**
TTY in Toronto **416-598-8867**

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

Produced by: Community Legal Education Ontario (CLEO)
With funding from: Legal Aid Ontario and
the Department of Justice Canada

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

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

For a copy of our current Order Form or Discard List, please visit our web site at <www.cleo.on.ca> or call **416-408-4420, extension 33**.

CLEO 

NOVEMBER 2006