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**To:** Lisa Slomke  
**Subject:** AMO Policy Update - Province Announces Details of Basic Income Pilot

April 24, 2017

## **Province Announces Details of Basic Income Pilot**

Today, the government [announced](#) details of a Basic Income pilot in Ontario, to be launched later this spring for a three-year period. The purpose of the pilot is to assess whether a basic income can better support vulnerable workers, and improve health and education outcomes for people on low incomes.

This announcement follows the government's 2016 budget announcement and a public consultation process. AMO participated in the consultation, stating that basic income is an idea worth exploring to reduce poverty within the context of broader income security reform. AMO has supported the goal of addressing poverty and helping individuals with low income achieve stability in their lives, and welcomes the evidence-informed policy approach that the pilot and evaluation process provides.

The pilot will take place in three locations to assess impacts in rural, suburban, and urban communities from the southern, eastern, and northern parts of the province:

- Hamilton, Brantford, and Brant County – launching late spring 2017
- Thunder Bay and the surrounding area – launching late spring 2017
- Lindsay – launching by fall 2017
- Additionally, the government is working with First Nations communities and partners on a separate basic income pilot for First Nations.

The pilot will include up to 4,000 participants receiving basic income payments, along with a control trial group, with participants who will participate in the evaluation purpose for comparison. Participants will be randomly selected, and will be 18 to 64 years old and living on a lower income. To dissuade individuals from relocating to participate in the pilot, participants will need to have lived in one of the test locations for the past 12 months or longer. Participants will choose whether or not to participate, and can opt out at any point. Additional details are as follows:

- Participants will receive 75% of the Low Income Measure (i.e. 50% of median household income, adjusted to household composition to account for the fact that a household's needs increase as the number of household members increases).
- The basic income payments will be decreased by \$0.50 for every dollar participants earn through work.
- The basic income amount will be responsive to changes in a participant's circumstances, such as a significant decrease in earnings, change in family composition, or change in disability status.

This would mean that participants would receive:

- up to \$16,989 per year for a single person, less 50% of any earned income
- up to \$24,027 per year for a couple, less 50% of any earned income
- up to an additional \$6,000 per year for a person with a disability.

Participants would continue to be eligible for the Canada Child Benefit and Ontario Child Benefit, and would continue to receive the Ontario Drug Benefit and dental benefits. Participants on Employment Insurance or the Canada Pension Plan would have their monthly basic income reduced dollar for dollar.

The pilot will be evaluated by a third-party research consortium, and advised by research and evaluation experts. The evaluation process will include outcomes such as food security, stress and anxiety, mental health, health and health care usage, housing stability, education and training, and employment. AMO looks forward to seeing both the benefits and limitations of the pilot assessed.

The Province will be administering the pilot, with no additional expectations for municipal resource contribution.

Many features of the basic income pilot are consistent with AMO's asks. A key piece for AMO was that impacts be evaluated in a full range of contexts across the province, and it is positive to see rural, urban, suburban, northern, eastern and southern communities represented, along with a range of municipal structures including a single-tier and county.

AMO asked that the pilot be based on an evidence-informed approach, and evaluated by a third party, which the Province is undertaking. AMO also emphasized that the pilot must yield a net benefit to participants and that benefits be high enough to raise people out of poverty. While participants will continue to receive some additional social services and benefits, it is yet to be seen whether receiving 75% of the Low Income Measure less 50% of earned income will be sufficient to lift participants out of poverty.

This pilot is one aspect of the Province's broader income security reform work. AMO will continue to monitor the initiative and the Province's broader work to ensure good outcomes for individuals living in poverty, and an appropriate role for municipal governments.

For more information, see the [news release](#) on the Ontario government website and [AMO's submission](#) to the Basic Income pilot consultation.

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