

April 11, 2018

Madam Lorraine Richard  
Chair, Committee on Labour and the Economy  
Hôtel du Parlement  
1045, rue des Parlementaires  
2<sup>e</sup> étage, Bureau 2.103  
Québec (Québec) G1A 1A4

**Subject: Bill 173 – Act mainly to introduce a basic income for persons with a severely limited capacity for employment**

Dear Madam Chair:

Within the framework of its mandate, the Québec Ombudsman reviews all bills and draft regulations introduced in the National Assembly or published in the *Gazette officielle du Québec*. When it deems necessary, it intervenes under section 27.3 of its constituting act, which empowers it to call the attention of the government or a chief executive officer of a public body to legislative, regulatory or administrative reforms it deems to be in the public interest.

With this in mind, I examined Bill 173, *Act mainly to introduce a basic income for persons with a severely limited capacity for employment*, introduced by the Minister of Employment and Social Solidarity on March 14, 2018.

I would like to begin by expressing my general satisfaction with the broad goals of the proposed legislative amendments, which respond to the Québec Ombudsman's concerns. My comments will deal primarily with the coming into force of the Basic Income Program. I will also discuss the inclusion of child support in calculating last resort financial assistance benefits.

#### 1. Basic Income Program

The *Plan d'action gouvernemental pour l'inclusion économique et la participation sociale 2017-2023 – Un revenu de base pour une société plus juste*<sup>1</sup> (hereinafter the government action plan) was presented late in 2017. The crux of Bill 173 consists in establishing three of the action plan's 20 measures. The measures are aimed at:

- ▷ Introducing a basic income for Quebecers with a severely limited capacity for employment (measure 1).

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<sup>1</sup> MINISTÈRE DU TRAVAIL, DE L'EMPLOI ET DE LA SOLIDARITÉ SOCIALE, *Plan d'action gouvernemental pour l'inclusion économique et la participation sociale 2017-2023 – Un revenu de base pour une société plus juste*, 2017. Online:

[https://www.mtess.gouv.qc.ca/publications/pdf/ADMIN\\_plan\\_action\\_2017-2023.pdf](https://www.mtess.gouv.qc.ca/publications/pdf/ADMIN_plan_action_2017-2023.pdf).

- ▷ Progressively increasing the benefits granted under last resort financial assistance programs (measure 2).
- ▷ Modifying certain last resort financial assistance parameters and creating conditions conducive to labour market entry (measure 4).

More specifically, the purpose of the Basic Income Program (BIP) is to improve the disposable income of people with a severely limited capacity for employment by increasing government financial support to enable them to reach the low income threshold based on the market basket measure.<sup>2</sup>

According to the information obtained from the Ministère du Travail, de l'Emploi et de la Solidarité sociale by the Québec Ombudsman, BIP benefits would increase by roughly \$70 a year, plus the cost-of-living index. As a result, in 2023, the benefits would be approximately \$1,375 a month, while Social Solidarity Program (SSP) benefits would be in the vicinity of \$1,055. Moreover, an independent adult under BIP would receive a monthly adjustment of \$369.

The regulatory intentions suggest that there would be an easing of the restrictions and exclusions that currently apply to SSP recipients.

For example, liquid assets of up to \$500,000 would be excluded in calculating basic income; currently, the exclusion for benefit calculation purposes is \$212,129.

Furthermore, BIP would enable recipients to study full time while remaining eligible for the program. It would also be possible for these recipients to live as spouses for more than a year without restrictions, regardless of the spouse's income.

To be eligible for BIP, recipients with a severely limited capacity for employment are required to have been a recipient of the SSP for at least 66 of the last 72 months.

I therefore see that the Bill signifies the government's recognition of the specificity of the situations of citizens with a severely limited capacity for employment. BIP would be more advantageous than current programs for those who qualify for it. I therefore welcome the proposed improvements.

However, according to the information obtained from the Department and brought to my attention, only BIP increases will take effect progressively before 2023. As a result, with the Bill as introduced, recipients who have already accumulated 66 SSP months at this point, would not be able to benefit from the flexibility provided in BIP before 2023, e.g. liquid assets, studies and living with a spouse. I have trouble understanding the reasons for this delay, and I consider that the Bill should provide for their coming into force simultaneous to benefit increases as of 2019.

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<sup>2</sup> *Plan d'action gouvernemental*, p.17, note 6: "According to the market basket measure, a family unit is considered as having a low income if its disposable income is below the value of a basket of goods and services calculated for their community or for a community of the same size. This measure is used by the Government of Québec to monitor low income from the perspective of the coverage of basic needs." [translation]

**Consequently, the Québec Ombudsman recommends:**

**R-1** That the provisions of the Bill enabling the flexibility provided in the Basic Income Program—notably those related to liquid assets, studies and living with a spouse—come into force simultaneous to the provisions concerning the gradual increase in benefits.

2. Exclusion of child support in calculating last resort financial assistance benefits

I note that neither the Bill nor the regulatory intentions tabled by the Minister address the matter of the exclusion of child support in calculating last resort financial assistance benefits. The Québec Ombudsman has repeatedly insisted on the importance of excluding these amounts in calculating these benefits. In fact, child support has not been considered taxable income since 1997.

In 1998, an exclusion of \$100 per month was granted to families with a child 0 to 5 years of age. In 2006, this \$100 exclusion was extended to apply until the child reaches the age of majority. In 2011, a final change was made so that the \$100-a-month exclusion applied to every minor child in the family.

It bears remembering that on November 28, 2012, the National Assembly passed a motion asking the "Government of Québec to consider children for whom child support is paid as the sole beneficiaries and therefore act diligently and fairly so that children cease being considered as income for the parent who is the creditor in calculating social assistance benefits as well as in eligibility for legal aid, student financial assistance and housing allowances."<sup>3</sup> [translation]

Moreover, Ontario, British Columbia and the Northwest Territories have already stopped considering child support for children on social assistance as taxable income.

In the fight against poverty and social exclusion, the government action plan aims to "make Québec a more inclusive and unified society inspired by social justice so that those in poverty or at risk for poverty find fulfillment within their community with the help that they need, while respecting their autonomy and power to act."<sup>4</sup> [translation]

I would add that the amounts received as child support are excluded in calculating income in determining payable amounts under Child Assistance. In my opinion, the legislator should ensure that the same principle applies in calculating last resort financial assistance benefits. Child Assistance amounts are no longer considered in calculating last resort financial assistance benefits.

As I see it, recognizing the role and needs of custodial parents who are last resort financial assistance recipients by granting them a full exemption on the child support received is consistent with the goals of the government action plan.

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<sup>3</sup> Motion tabled on November 28, 2012, by the MNA for Gouin, in conjunction with the Minister of Labour, Employment and Social Solidarity and the Status of Women, the MNA for Hull and the MNA for Vanier-Les Rivières.

<sup>4</sup> *Plan d'action gouvernemental*, page 15.

**Consequently, the Québec Ombudsman recommends:**

**R-2 That** the amounts received as child support be excluded from calculable income in determining last resort financial assistance benefits.

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Before concluding, I wish to applaud the initiative of the Minister of Employment and Social Solidarity who, as soon as the Bill was introduced, tabled the regulatory intentions stemming from it. This approach enables the legislator and all those concerned to better assess the scope of this piece of legislation.

In closing, I reiterate my appreciation for the gains for people with a severely limited capacity for employment made possible by the legislative proposals in the Bill. They will certainly contribute to fighting poverty and social exclusion.

I will, however, remain very attentive to the regulatory amendments to come and to the follow-up to the government action plan.

Yours respectfully,

*Original signed*

Marie Rinfret  
Ombudsperson

c.c.: Mr. François Blais, Minister of Employment and Social Solidarity  
Mr. Jean-Marc Fournier, Government House Leader  
Ms. Carole Poirier, Official Opposition House Leader  
Mr. François Bonnardel, Leader of the Second Opposition Group  
Ms. Manon Massé, MNA for Sainte-Marie–Saint-Jacques  
Ms. Line Bérubé, Deputy Minister of Labour, Employment and Social Solidarity  
Ms. Anik Laplante, Secretary, Committee on Labour and the Economy  
Ms. Carolyne Paquette, Secretary, Committee on Institutions