

November 30, 2010

Standing Committee on Health, Social Development and Seniors
First Report of the Fourth Session Sixty-third General Assembly
Review of the *Social Assistance Act*

Madam Speaker and Members of the Legislative Assembly:

The Standing Committee on Health, Social Development and Seniors is charged with matters concerning health, social development and seniors. In addition, it may, by majority decision of its membership, meet to examine and inquire into such matters and things as the committee deems appropriate.

Committee Membership

Permanent members of your committee are:

Paula Biggar, Deputy Speaker as Chair (District 23, Tyne Valley-Linkletter)
Jim Bagnall, Opposition House Leader (District 3, Montague-Kilmuir)
Hon. Olive Crane, Leader of the Opposition (District 7, Morell-Mermaid)
Valerie Docherty (District 17, Kellys Cross-Cumberland)
Bush Dumville (District 15, West Royalty-Springvale)
Cynthia Dunsford (District 6, Stratford-Kinlock)
Sonny Gallant, Government House Leader (District 24, Evangeline-Miscouche)
Robert Henderson (District 25, O'Leary-Inverness)

The substitute member was Gerard Greenan (District 22, Summerside-St. Eleanors).

Committee Activities

In early 2010, your committee agreed it would review the policies and directions for programs delivered under the province's *Social Assistance Act*. As a result, in February 2010, your committee issued written invitations to the PEI Seniors Citizens' Federation Inc., the PEI Working Group for a Livable Income, ALERT PEI, the Prince Edward Island Advisory Council on the Status of Women, and the Honourable Janice Sherry, Minister of Community Services, Seniors and Labour, to provide input regarding the needs of low income Islanders with regard to the *Social Assistance Act*.

Your committee met twice in March 2010 to commence this work. Appearing at the meeting of March 17, 2010, were representatives of the PEI Senior Citizens' Federation Inc., the PEI Working Group for a Livable Income, PEI People First, and ALERT PEI. At its next meeting, on March 23, 2010, your committee received further input from the MacKillop Centre for Social Justice and Poverty Bites. As well, a written brief was received from the Advisory Council on the

Status of Women on April 16, 2010. An interim report concerning these activities was submitted to, and adopted by, the Legislative Assembly on May 19, 2010.

Your committee continued its deliberations regarding the *Social Assistance Act* at three additional meetings: on September 30, October 20, and November 10, 2010.

At its meeting of **September 30, 2010**, your committee reviewed its activities to date on this topic, and received a general overview of the history of the *Social Assistance Act* from Research Officer Ryan Reddin. Stephen Pate, representing PEI Disability Alert, briefed your committee on the need for support from the Disability Support Program for seniors with disabilities to prolong independent living in their own homes.

On **October 20, 2010**, the Honourable Janice Sherry, Minister of Community Services, Seniors and Labour, spoke to your committee regarding financial and other supports to provided to low income Islanders. She was accompanied by Sharon Cameron, Deputy Minister of Community Services, Seniors and Labour; Jennifer Burgess, Federal-Provincial-Territorial and Corporate Relations Coordinator; Bob Creed, Acting Director, Social Programs; and Maureen MacEwen, Coordinator of Child Protection, Child and Family Services, from the Department of Community Services, Seniors and Labour. At this meeting, your committee also heard from Marcia Carroll, Executive Director of the PEI Council of People with Disabilities.

The Advisory Council on the Status of Women, represented by Executive Director, Lisa Murphy, provided further input to your committee at its meeting of **November 10, 2010**. Following the public portion of the meeting, your committee met *in camera* to commence consideration of its report to the Legislative Assembly.

Recommendations

Throughout the public consultation process, your committee received a number of proposals from individuals and groups regarding improvements to the current *Social Assistance Act* and its associated programs and policies. As well, many witnesses to your committee offered their views regarding best, or promising, practices to achieve a society where all citizens have an income that allows them to live in good health and with dignity. Overall, there was a common theme: issues caused by poverty are matters of social justice, and not charity.

Poverty negatively affects individuals, families and the society of Prince Edward Island as a whole. It is a complex social and economic issue, as evidenced by the multiple connections between poverty and gender, age, geography, employment, literacy, health, housing, transportation, and many other matters. Therefore, social assistance legislation and policies must be integrated into a larger framework with links to child care, wellness, education, justice, taxation and labour market strategies. The engagement of community groups, business and labour organizations, anti-poverty advocates, and concerned citizens—including those living in

and vulnerable to poverty—is crucial to comprehensive and successful public policy-making in these areas. Although the recommendations being put forward to the Legislative Assembly from the Standing Committee on Health, Social Development and Seniors are based on a belief that the issue, or issues, of poverty cannot be challenged in isolation, there is a requirement for strong leadership to be provided across all government departments to prevent, reduce and alleviate poverty.

After due consideration and discussion of the presentations received, your committee respectfully submits the following recommendations.

It is recommended:

1. That the Government of Prince Edward Island work toward improved access to, and coordination of, services for persons with low incomes.

As part of this initiative, your committee recommends that the *Social Assistance Act* and associated policies and manuals be re-written in plain-language; that application processes be simplified; that the public be advised on changes to programs and services; and that information about programs and services be made more accessible.

2. That the Government of Prince Edward Island utilize additional strategies to lessen the financial impact of the transition from social assistance to employment.

Specifically, your committee is recommending a more gradual phase-out of benefits as income rises to ensure that individuals and families do not lose more than they gain by increasing their employment earnings.

As an example, extending access to health benefits, including prescription drug coverage, for a time period of six months, with a possibility of extension, would facilitate participation in employment or retraining activities. Newfoundland and Labrador extends health benefits to people exiting income assistance due to having obtained employment; for prescription drugs this is for a six month period. The province of New Brunswick also extends health benefits, including dental benefits, to social assistance clients wishing to move from assistance to training and/or employment for a maximum of 12 months.

3. That the Government of Prince Edward Island increase the employment income threshold that is exempted from income support calculations. Your committee recommends a social assistance recipient be permitted to retain a greater portion of earned income without a consequent deduction from social assistance benefits. Currently, this province has wage exemptions which are among the lowest in Canadian jurisdictions: for a single applicant this exemption is \$75 per month plus 10% of the

amount exceeding \$75. An applicant with a spouse or dependents is exempted \$125 per month plus 10% of the amount exceeding \$125.

Your committee believes that increasing this amount from 10% to 25% of the amount exceeding the flat rates of \$75 for a single applicants, or \$125 for applicants with a spouse or dependents, as the case may be, will encourage increased participation in the workforce by reducing financial disincentives to employment.

4. That the Government of Prince Edward Island investigate the potential benefits of entering into an agreement with the federal government regarding the Working Income Tax Benefit (WITB) to reconfigure the tax to provide lower-income taxpayers with additional financial incentives to enter and/or remain a part of the workforce.
5. That the Government of Prince Edward Island consider increasing income support rates. As the cornerstone of the social safety net, the income support program warrants additional attention to see if opportunity exists to increase current rates.
6. That the Government of Prince Edward Island review the various recommendations put forward to your committee regarding services for senior citizens, particularly those with a disability, with a view to improving access to provincial services. Your committee also encourages Government to expand its current offering of programs by the addition of programs tailored to the needs of Island seniors.
7. That the Government of Prince Edward Island bring forward new or amending legislation to enable support or income trusts to be established in this province.

Your committee is aware that many parents of children with disabilities who require services and who are currently receiving financial and other supports from Government are concerned about planning for the future of their children—and particularly for a time when those parents or other family members are no longer living or are unable to act as primary caregivers. A support trust or income trust is one option available to ensure there are financial resources to meet the needs of their adult children without risking the loss of social funding and supports provided by Government. Your committee believes a reasonable maximum exemption limit be established, and suggests that consideration be given to a cap of \$75,000 in liquid assets (including capital and interest) at any given time.

8. That the Standing Committee on Health, Social Development and Seniors established during the Fourth Session of the Sixty-third General Assembly continue to meet with representatives of the Department of Community Services and Seniors for further dialogue on issues related to the programs and policies associated with the *Social Assistance Act*.

Conclusion

Your committee thanks the groups and individuals who made personal and written presentations regarding the programs and services delivered in connection with the *Social Assistance Act*. Their analysis, insights and personal stories have been invaluable; and your committee was able to share in a thoughtful and respectful discussion of what is necessary to improve the well-being and quality of life for the people living in poverty. Your committee believes that acceptance of the resulting recommendations will improve the province's existing system of supports and services, and contribute towards a strong and prosperous future for all people of Prince Edward Island.

Respectfully submitted,

Paula Biggar, MLA
Chair
Standing Committee on Health, Social Development and Seniors

**Appendix A
List of Intervenors**

Meeting of March 17, 2010

- PEI Senior Citizens' Federation Inc., represented by Eric Hammill, John Kenny, and Linda Jean Nicholson
- PEI Working Group for a Livable Income, represented by Marie Burge
- PEI People First, represented by Debbie Gill, Lloyd LeFurgey and Ann Wheatley
- ALERT PEI, represented by Irene Burge, Leo Garland and Edith Perry

Meeting of March 23, 2010

- MacKillop Centre for Social Justice and Poverty Bites, represented by Mary Boyd

Meeting of September 30, 2010

- PEI Disability Alert, represented by Stephen Pate

Meeting of October 20, 2010

- Hon. Janice Sherry, Minister of Community Services, Seniors and Labour; accompanied by Jennifer Burgess, Bob Creed, Maureen MacEwen of the Department of Community Services, Seniors and Labour
- PEI Council of People with Disabilities, represented by Marcia Carroll

Meeting of November 10, 2010

- Advisory Council on the Status of Women, represented by Lisa Murphy