

Hon. Shane Simpson
Minister of Social Development & Poverty Reduction
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March 24, 2020

Dear Minister Simpson:

RE: COVID-19 & Income Assistance and Disability Assistance

We write to you in light of the evolving public health emergency concerning Covid-19 (coronavirus), and its particular impact on the marginalized clients we, and your Ministry, serve.

As you know, all levels of government have asked that everyone that can stay home do so in order to help slow transmission of Covid-19. **We write to you in hopes that the government will ensure that vulnerable people who are housed can afford to stay home.**

Specifically, we are asking that during the current crisis the provincial government amend the *Employment and Assistance* and *Employment and Assistance for Persons with Disabilities* legislation on an urgent basis to:

- (1) stop deducting all Employment Insurance (EI) payments from income assistance and disability assistance benefits for recipients who were accessing their earnings exemption prior to the pandemic;
- (2) exempt benefits from the newly announced federal Emergency Support and Emergency Care benefits as income for recipients described above;
- (3) provide additional crisis supplement support to all income assistance and disability assistance recipients; and
- (4) provide that hardship assistance or disability assistance issued to welfare applicants or recipients awaiting EI or emergency federal benefits is not repayable.

Currently in BC, many workers whose jobs cannot be done remotely have already been laid off by business closures and slow-downs; others are unable to work because of quarantine, self-isolation or sickness.

At the same time, some non-remote workers that remain employed are high-risk for Covid-19 complications and are faced with the difficult decision of whether to continue working in unsafe conditions and risk their health, or to stay home. We are hearing that many high risk clients who receive income or disability assistance continue to work

because, if they stop working, any EI or other federal emergency benefits they receive as compensation will be deducted from their welfare cheques. They continue working because they know they could not subsist on their Ministry benefits alone, which are well below the poverty line.

Others who rely on income assistance and disability assistance have not been able to work and will not be eligible for any EI benefits or emergency federal benefits. They are very unsure how they will meet unexpected expenses in the coming months.

1. Stop deducting all EI payments from income assistance and disability assistance benefits for some Ministry clients

We are calling for temporary exemption of EI regular and sick benefits from income assistance and disability assistance for recipients who were accessing their earnings exemption prior to the pandemic.

Many people who currently receive income assistance and disability assistance also work part-time under the earnings exemption. The government has shown it understands the importance of the earnings exemption to many people in the province. Budget 2020, for example, announced an increase to all earnings exemptions for Ministry clients.¹ Single recipients of disability assistance can currently earn up to \$12,000 per year (set to rise to \$15,000 July 1, 2020). Single recipients on income assistance can earn up to \$400 per month (set to rise to \$500 on July 1, 2020)

Many Ministry clients rely on their exempt employment earnings to meet their most basic needs. These earnings have been impacted by Covid-19, and dramatic changes in the economy including business shutdowns, mass layoffs, and many residents sick with Covid-19, or needing to self-isolate due to Covid-19 exposure or to age and other risk factors for Covid-19 such as being immunocompromised. We have heard from our clients that they are afraid about the sudden drop in their incomes as their employment income disappears entirely, whether due to lay off, self-isolation, or sickness.

Some disability assistance and income assistance recipients may be eligible for Employment Insurance regular benefits or sick benefits, based on their insurable hours of work in the past 52 weeks. However, under the Ministry's current regulations,² EI payments (other than pregnancy, parental and compassionate care benefits) are treated as "unearned income" and deducted dollar for dollar from both income assistance and disability assistance. If regular EI and sick EI benefits continue to be deducted from income and disability assistance, such clients will no longer be able to pay for basic necessities, such as food, medical needs, rent and utilities, as they will have to subsist only on Ministry shelter and support rates that are well below the poverty line.

¹ *Budget 2020: A Balanced Plan to Keep BC Moving Forward*, at p. 13

² *Employment and Assistance Regulation*, B.C. Reg. 263/2002, s.1(1) definition of "unearned income" & Schedule B, s.7(1)(g)); *Employment and Assistance for Persons with Disabilities Regulation*, B.C. Reg. 265/2002, s. 1(1) definition of "unearned income," & Schedule B, s 7(1)(g),

We ask that the provincial government support these vulnerable clients by exempting EI sick and regular benefits as income, for this identified group of income assistance and disability assistance recipients during the Covid-19 crisis,

This is a cost-neutral step for the Ministry that would put some part of lost earnings back in peoples' pockets in this time of crisis.

2. Exempt benefits from the newly announced federal Emergency Support and Emergency Care benefits as income for some Ministry clients

We are calling for temporary exemption of Federal Emergency Support and Emergency Care benefits for some Ministry clients.

Many on disability assistance and income assistance who were accessing their earnings exemption prior to the Covid-19 pandemic, but who are now (or will soon be) unemployed or unable to work due to self-isolation or illness, may not be eligible for EI benefits either because they were self-employed, or because they do not have enough hours of insurable employment in the past 52 weeks. These clients will still face an abrupt decrease in income even if EI benefits are exempted from income under the welfare legislation.

Effective April 1, 2020, the federal government has announced the new Emergency Support benefit for workers who are laid off and not eligible for EI, and the Emergency Care benefit for workers who are sick, quarantined or unable to work because of Covid-19, but are not eligible for EI sick benefits ("emergency federal benefits")

Details of these programs are not yet available. Therefore, it remains to be seen if any Ministry clients who were previously accessing their earnings exemption but who are not eligible for EI, will be eligible for these new emergency federal benefits.

We urge the provincial government to exempt emergency federal benefits as income for all welfare recipients who were using their earnings exemption before the pandemic. In our view, new federal emergency benefits should be exempt income up to a client's earnings exemption level. This change would mean that some earned income that Ministry clients have lost due to the pandemic could be replaced, at no expense to the Ministry.

If the requested exemption of all EI benefits and emergency federal benefits of the client group identified is *not* implemented, Ministry clients who had earned income prior to the pandemic will be disproportionately affected in relation to all other workers in BC. That is, all other workers in BC who are eligible to receive EI and emergency federal benefits will be able to keep those benefits to compensate them for income loss due to the pandemic. To prevent adverse treatment of Ministry clients, we submit that equity requires workers who were Ministry clients prior to the pandemic similarly be allowed to keep EI and federal emergency benefits, up to their earnings exemption level.

3. Provide additional crisis supplement support to all income assistance and disability assistance recipients

We are calling for enhanced crisis supplements for all Ministry clients.

All Ministry clients are currently facing unexpected costs as a result of the Covid-19 pandemic. For example, all residents are advised to buy essentials such as hand sanitizer, extra cleaning supplies, and a two-week store of groceries to enable staying at home if sick or needing to self-isolate because of Covid-19 exposure, or being in a high risk group.

We want to ensure that all BC residents receiving benefits from the Ministry will be able to access additional supports to meet their basic needs in this time of crisis. We propose four changes to the criteria for crisis supplements to help achieve this goal:

- a) the Minister implement an expedited process for accessing crisis supplements during the pandemic;
- b) the Minister provide that applicants for crisis supplements related to the pandemic do not need to provide medical notes to support those applications.

This change will help prevent any additional burden on the health care system, and eliminate the need for clients to make unnecessary trips outside their home to a doctor's office. In our view, it is self-evident that the inability to afford costs or expenses related to Covid-19 or required to stay home pose an "*imminent danger to ... physical health*" as required by the current regulatory criteria for crisis supplements.³ This would also mirror the recent amendments to the *Employment Standards Act* providing for leave due to Covid-19, which stipulates that employers cannot ask for a medical note⁴;

- c) monetary caps on all crisis supplements be temporarily eliminated, and Ministry workers given discretion as to the amount of crisis supplement required for food and other Covid 19-related expenses.

Covid 19-related expenses could include, among other things, a stock of food in the household, hand sanitizer, disinfectant, gloves and masks, thermometers, Tylenol, cough medicine and other over-the-counter medications

And further, that the Minister direct that such Covid-related expenses are eligible for crisis supplements, and not excluded as being health care goods⁵; and

³ See *Employment and Assistance Regulation*, B.C. Reg. 263/2002, s. 59(1)(b); *Employment and Assistance for Persons with Disabilities Regulation*, B.C. Reg. 265/2002 s. 57(1)(b)

⁴ See <https://www.leg.bc.ca/parliamentary-business/legislation-debates-proceedings/41st-parliament/5th-session/bills/progress-of-bills>, new s. 52.12(5).

⁵ See *Employment and Assistance Regulation*, B.C. Reg. 263/2002, s. 59(3); *Employment and Assistance for Persons with Disabilities Regulation*, BC Reg 265/2002, s. 57(3).

- d) expedited in-person service be provided for clients without access to telephones who need to apply for crisis supplements.
4. Provide that hardship assistance or disability assistance issued to welfare applicants or recipients awaiting EI or emergency federal benefits is not repayable

We are calling for non-repayable hardship or disability assistance for all welfare applicants or recipients waiting for EI or emergency federal benefits.

Currently, income assistance applicants and recipients who have applied for EI or emergency federal benefits are only eligible for *repayable* hardship benefits from the Ministry, as they have applied for another source of income.⁶ Similarly, applicants for disability assistance who have applied for EI or emergency federal benefits are eligible only for repayable disability assistance while waiting for those applications to be processed.⁷

Repayable hardship assistance and repayable disability assistance are equivalent to a loan. In this time of widespread financial crisis, workers in BC who are financially eligible for welfare benefits need more than a Ministry loan while they wait for the federal government to process huge numbers of claims for EI and emergency federal benefits.

Rather than increasing the debt load of severely financially strapped welfare applicants impacted by the pandemic, in our submission the Ministry should provide that hardship assistance issued during the Covid-19 pandemic to applicants for EI and emergency federal benefits is not repayable. This change would put money in the pockets of financially destitute BC families when they need it most, without simply increasing their debt load.

Action requested

To summarize, we ask that the Minister implement the following measures to support income and disability assistance applicants and recipients to stay home and safe during the Covid-19 pandemic:

- Exempt all EI benefits as income for income assistance and disability assistance recipients who were receiving welfare benefits and earning income before the pandemic;
- Exempt income from the newly announced federal Emergency Care Benefit and Emergency Support Benefits as income for income assistance and disability assistance recipients who were receiving benefits and earning income before the pandemic, up to the amount of their earnings exemption;

⁶ See *Employment and Assistance Regulation*, B.C. Reg. 263/2002 s. 43(b)

⁷ See *Employment and Assistance for Persons with Disabilities Regulation*, /2002 B.C. Reg. 265 s. 7.

- Set up a Ministry hotline to provide recipients with expedited access to crisis supplements and provide expedited in-person service for clients without access to phones who need to apply for crisis supplements;
- Temporarily waive existing monetary caps on crisis supplements, allowing Ministry staff to issue supplements up to the amount needed on a case by case basis to income assistance and disability assistance recipients, including Covid 19 -related expenses for things such as hand sanitizer, thermometers, Tylenol and cough syrups;
- Make hardship or disability assistance issued to welfare applicants or recipients who have applied for EI or emergency federal benefits non-repayable.

Thank you for your consideration. We would welcome the opportunity to discuss this with you further. We expect we may have other recommendations for change as the Covid-19 pandemic evolves.

Sincerely,

Erin Pritchard, Executive Director: Programs & Policy, Disability Alliance BC

Alison Ward, Lawyer, Community Legal Assistance Society

Amber Prince, Staff Lawyer, Atira Women's Resource Society

Doug King, Executive Director, Together Against Poverty Society

The Rev. Dr. Carmen Lansdowne, Executive Director, First United Church Community Ministry Society

c. Premier John Horgan

