Programs-Based Overview of Income and Social Support Programs for Working-Age Persons in British Columbia

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Abstract

In this paper, we conduct a deep-dive into federal and provincial income and support programs available to B.C. residents. We look at individual program requirements and gaps between programs. Focusing on cash transfers, we examine how programs align with basic income principles of simplicity, respect, economic stability, and social inclusion, finding that programs delivered through the tax system are more closely aligned with basic income principles than provincial social assistance; however, social assistance plays a large role in the income and social support system. We also examine the ability of cash transfer programs and programs intended to provide support in a crisis offered in B.C. to address income poverty, both rates and depths, as well as poverty cycles.

Introduction

As detailed by (Petit & Tedds, 2020c), working-age adults in B.C. have the highest rates and deepest depths of poverty when compared to seniors and children, as measured by the Market Basket Measure (MBM) of poverty. As further shown by (Petit & Tedds, 2020a), there is a large, complex web of income and social support programs available to working-age adults in B.C. that can help those living in poverty meet their needs. (Petit & Tedds, 2020a) tallied 177 different programs that amount to nearly $30 billion annually offered to B.C. residents by the federal, provincial, and municipal governments. While that paper focused on the system as a whole (namely complexity accessibility, eligibility, broad program types, and benefit types and levels), this paper takes a more focused look at the individual programs within each program category, focusing on the most important ones. Here we show how the differences in program-specific eligibility requirements, application procedures, and rules for people receiving benefits add to the overall system complexity, yet still leave gaps in coverage for those experiencing poverty.

In examining these income and social support programs offered in B.C., we look at them through the lens of basic income principles. (Tedds, Crisan, & Petit, 2020) note that there are four overarching principles of basic income: simplicity, respect, economic security, and social inclusion. In this paper, we consider the programs through the lens of these principles: how much are they like or unlike a basic income?

We also examine the ability of individual programs to address income poverty reduction, the prevention of poverty, and breaking cycles of poverty.[1] As discussed in companion papers, the B.C. government has committed to reducing income poverty; that is, it has committed to reducing income poverty rates (Petit & Tedds, 2020c). This, along with the reduction of income poverty depths, may be achieved through cash-transfer programs such as a basic income. Basic income advocates often tout income poverty reduction as an objective and/or outcome of a basic income.[2] However, poverty is a multi-faceted issue. Preventing poverty and aiding those caught in a cycle of poverty goes beyond mere cash-transfer programs (although cash-transfer programs can be helpful nevertheless). Programs that provide support for education and training, employment supports (e.g., child care and transportation), housing, asset-building, financial literacy, and mental health and addiction supports, to name a few, can contribute to poverty prevention and breaking cycles of poverty. Although poverty prevention and breaking

[1] A cycle of poverty occurs when, once a person or family has entered poverty, a set of circumstances keeps them in poverty. These circumstances are complex and include, among other things, out-of-control debt, child-care and spousal supports, interactions with Child and Family Services, mental health issues, addiction issues, low skill level, minimum wage earnings or under minimum wage earnings, low financial literacy, being underbanked/unbanked, a lack of references for housing or employment, discrimination and racism, the structure of cash transfer supports, and so on.

[2] See, for example, Blais (2002), who argues that a Canadian basic income can reduce income poverty of both the non-working poor and the working poor, and Van Parijs and Vanderborght (2017) who view basic income as a tool for alleviating (income) poverty.

cycles of poverty may not be discussed by all basic income advocates, we include them here as a metric to examine, as poverty is complex and goes beyond income poverty.

In Section 1, we review programs that provide a stream of cash payments that supplement low amounts of earned income or replace earned income. Together, these programs form the foundation of the income and social support system. We begin by examining programs that are closer to basic income principles. These programs include those administered through the tax system, such as the Canada Child Benefit, the B.C. Child Opportunity Benefit, and other refundable and non-refundable tax credits, as well as the B.C. Home Owner Grant: they are relatively simple to access (with caveats) and produce relatively little stigma. Second, we look at income supplement/replacement programs that, although they produce relatively little stigma, are more difficult to access or require beneficiaries to participate in the labour market, and thus are further from basic income principles. These programs include the Canada Workers Benefit, Employment Insurance (EI) regular benefits, EI maternity and parental benefits, EI sickness benefits, the Canada Pension Plan (both retirement and disability benefits), and the Disability Tax Credit. Finally, we look at the income replacement program that is the least like a basic income but of significant importance: Income Assistance (IA). IA generates a large amount of stigma, is complicated both to access and to remain on, and creates social exclusion.

In Section 2, we turn to programs that provide income support in the case of an emergency or crisis to determine if these programs can fill the gaps noted in the programs offering income supports/replacement. We observe that while there are some small programs that provide niche support, such as support to cover hydro bills, there are no programs that offer adequate income coverage (either on their own or as a combination of small programs) in the case of a financial emergency, like that brought on by the COVID-19 pandemic.

Note that this programs overview does not directly cover in-kind programs.[3] Although these programs are of value, they are not like a basic income in that they do not provide a cash transfer. Further, this paper does not cover programs provided by non-governmental organizations or municipalities. Although these are very important sources of support, we focus on federal and provincial programs that a basic income may or may not replace.

1. Income Replacement and Income Supplement Programs

There are two main types of programs that provide a steam of cash payments: programs that replace income and programs that supplement income. Income replacement programs *replace* earned income from paid work. They are paid out as a stream of cash transfers (e.g., biweekly or monthly) and are not attached to the consumption of any particular good (with the exception of the housing support portion of Income Assistance). For those who are expected to engage in paid work, income replacement programs are designed to be temporary (e.g., EI regular and sickness benefits, Temporary Assistance); however, for those who have barriers to

[3] For more information on in-kind programs in British Columbia, see (Petit & Tedds, 2020a), and (Kesselman & Mendelson, 2020).

employment, there is no such supposition, though transition into paid work is encouraged and supported (e.g., Canada Pension Plan Disability and Disability Assistance). On the other hand, income supplement programs are not intended to fully replace earned income; rather, they *supplement* income. As a result, they are, in and of themselves, not sufficient to support a person or family. These programs include tax-delivered programs, such as the Canada Child Benefit, the Canada Workers Benefit, the Disability Tax Credit, and the Home Owner Grant.

Among these income replacements and income supplements, some adhere to the principles of a basic income more than others. That is, some programs are simpler to access, produce little to no stigma, and address issues of economic security and social inclusion. In this section, we examine income replacement and income supplement programs, starting with those that are closest to basic income principles and moving toward those that are the furthest from basic income principles.

1.1 Programs Closest to Basic Income Principles

Canada Child Benefit and B.C. Child Opportunity Benefit[4]

The Canada Child Benefit (CCB), introduced in July 2016, is a federal tax-free cash transfer administered by the Canada Revenue Agency (CRA) to all tax filers with dependent children. It is a relatively generous benefit, with a maximum payment for the 2019/20 benefit year of $6,639/year for a household with income less than $31,120 and one child under the age of six (Employment and Social Development Canada, 2020). The CCB is not dependent on employment and is available to households with no earned income and to households with an earned income of up to $250,000 (depending on family size). The CCB is paid in monthly instalments, generally by direct deposit.

The Child Opportunity Benefit (COB) is a provincial tax-free cash transfer (which took effect in October 2020) administered by the CRA and paid out in monthly instalments along with the CCB. It is smaller than the CCB but still relatively generous: households with income less than $25,000 and one child will receive $1,600 annually. Like the CCB, the COB reaches households with zero income up to households with high income: households with income up to $150,000 may be eligible for a partial COB.

The CCB is one of the largest programs administered by the federal government within B.C., and it is the largest federal program accessible to persons aged 18–64: the federal government spent $2.7 billion on the CCB in B.C. in 2017/18 (Petit & Tedds, 2020a). The COB is much smaller, with the provincial government expected to spend $400 million on it in 2021.

Federal-level child benefit programs have historically pursued two objectives: poverty reduction and parental recognition (i.e., horizonal equity; (Battle, 2015). Under the poverty reduction objective, benefits help increase the income of no- and low-income households. Under the parental recognition or horizontal equity objective, child benefit programs recognize

[4] See (Baker, Kroft, & Stabile, 2020) for an analysis of the effects of the CCB on poverty and labour supply, and (Kesselman, 2020) for a recommendation to reform the COB to better address income poverty.

that households with children incur higher expenses than childless households and provide financial recompense.

Both the CCB and COB are administered through the tax system. Upon the birth of a child, receipt of these child benefits is nearly automatic. When a newborn child is registered with B.C. Vital Statistics, the child's information is sent to the CRA and they are registered for the CCB and the COB. This has led a take-up rate of more than 95% (Torjman, 2017b, p. 13). Of course, this requires that a family has filed their tax returns.

An issue with all currently tax-administered programs like the CCB and COB is that low-income persons have lower tax-filing rates than persons with higher income. In B.C., it is estimated that 13.5% of working-age adults do not file taxes (Cameron, Tedds, Robson, & Schwartz, 2020). Among the most vulnerable, it is estimated that one in three income assistance recipients in Ontario do not file taxes (Stapleton, 2018). It is also estimated that tax-filing rates on reserve are as low as 50% (Monsebraaten & Kabatay, 2016). This high incidence of non-filing is partially because (a) low-income persons are not legally required to file their taxes if they do not owe taxes, and (b) tax-filing support (e.g., H&R Block, Turbo Tax) may be relatively costly for low-income persons.

These child benefit programs—the CCB and the COB—may be considered similar to a basic income for households with dependent children. First, the method of access is relatively simple; it is delivered automatically, provided an eligible recipient has filed their taxes. Second, it is delivered through the tax system in a non-stigmatizing way; there are no intrusive interviews or feelings of shame associated with the CCB. Torjman (2017b) similarly agrees that the delivery of these child benefits is efficient and the design is fair, non-stigmatizing, and respectful (p. 12). Third, these child benefits enhance economic security in that they are predictable, continuous monthly payments. As we will see, these are common aspects of benefits delivered through the tax system, relying only on income reported for tax purposes and not some more intrusive income and/or asset definition, and for benefits that reach persons at mid- to high levels of income.

Furthermore, it is argued that child benefits in Canada in general have contributed to the reduction of income poverty for women, children, and single-parent families (Harding, 2018); however, more could be done to reduce poverty if some of the parameters of these child benefit programs were shifted (e.g., Kesselman, 2020). Further, these child benefit programs may indirectly aid in preventing poverty and breaking the cycle of poverty by providing a source of funds from which to purchase child care or other child-related expenses. However, they are not responsive to fluctuations in income (e.g., on a monthly basis), thus are not as strong a tool for either preventing poverty or breaking cycles of poverty as they could be.

Tax Programs That Address Regressive Tax Rates

There are a number of other tax programs available to B.C. residents that are cash transfers addressing the regressive nature of certain elements of the tax system and that also meet the basic income principles of simplicity and respect for the same reasons as the child benefits. These tax benefits include the GST/HST credit, the B.C. climate action tax credit, and

the B.C. sales tax credit. We quickly review these programs and how they meet the basic income principles and the goal of poverty reduction.

The GST/HST Credit. The GST/HST credit is a federal, quarterly, non-taxable payment made to eligible low-income households who have filed their taxes. The federal government spent about $573 million for 1,401,770 B.C. recipients, about $409 per recipient (in the 2016 tax year, 2017/18 benefit year; (Government of Canada, 2018c). Figure 1 shows the shape of the GST/HST credit for the 2019/20 benefit year by family type. Households with zero earned income up to an earned income of $52,530 are eligible for the credit. The maximum benefit is $290 per adult and $153 per child, with the exception of single parents, who receive a base rate of $733 (the same as a couple with a child). The credit level is flat until a phase-out threshold of $37,780 (adjusted net family income), after which it is phased out at a rate of 5% (of adjusted net family income). Note that for single adults, an extra $153 is added to their base benefit of $290 if their net income exceeds $9,412 at a phase-in rate of 2%.[5]

Figure 2 shows the number of recipients (in red) and the average amount of benefits per recipient (in blue) for the GST/HST credit in B.C.[6] From this figure, we observe that most of the recipients of the GST/HST credit in B.C. are not married and have no children: they are single adults. On average, non-married persons receive a benefit of $377/year and persons with no children receive an average benefit of $379/year. In contrast, married persons receive an average benefit of $576/year, and recipients with one, two, and three plus children receive $706/year, $770/year, and $935/year, respectively.

The stated objective of the credit is to help “individuals and families with low and modest incomes [to] offset all or part of the GST or HST that they pay” (Government of Canada, 2019b). This suggests, and research has confirmed (e.g., Government of Canada, 2017), that the objective of the GST/HST credit is to reduce the regressive nature of consumption taxation for low- and modest-income households. That is, consumption taxes are imposed on consumption and not on income, thus lower-income households pay a higher proportion of their income in consumption taxes. Since lower-income households have a lower ability to pay, the GST/HST credit corrects for this. As such, the GST/HST addresses vertical equity. That is, households that differ based on income and ability to pay are treated differently.

[5] Note that this does not include any top-ups during the COVID-19 pandemic.
[6] Data source for

Figure 2: (Government of Canada, 2018c)

Figure 1

GST/HST Credit Program Parameters, 2019/20 Benefit Year

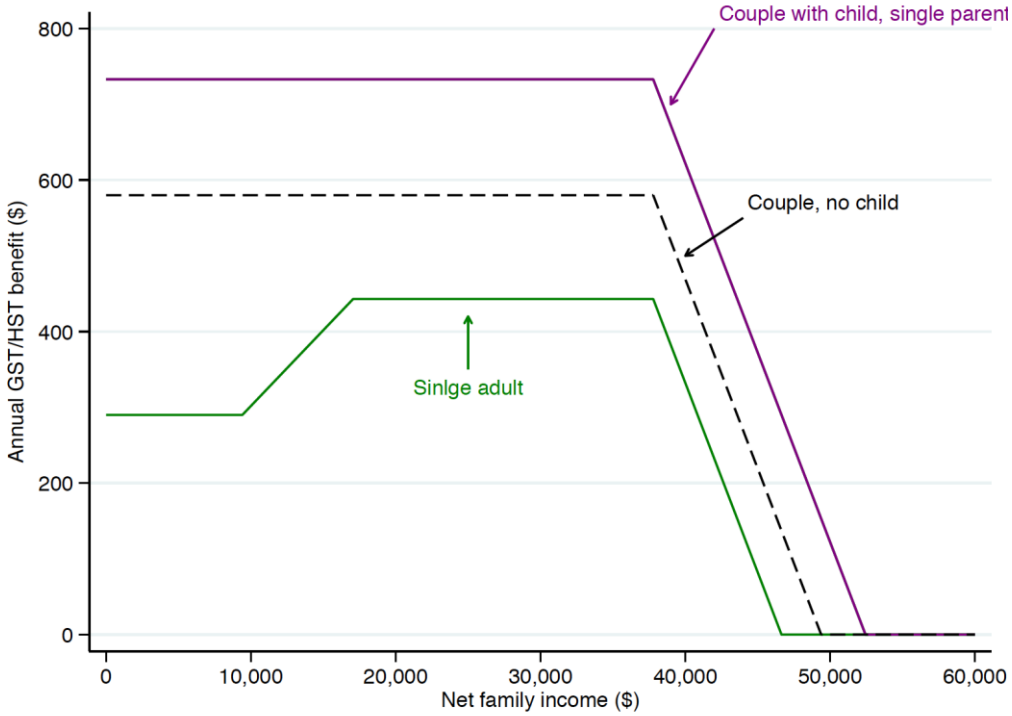
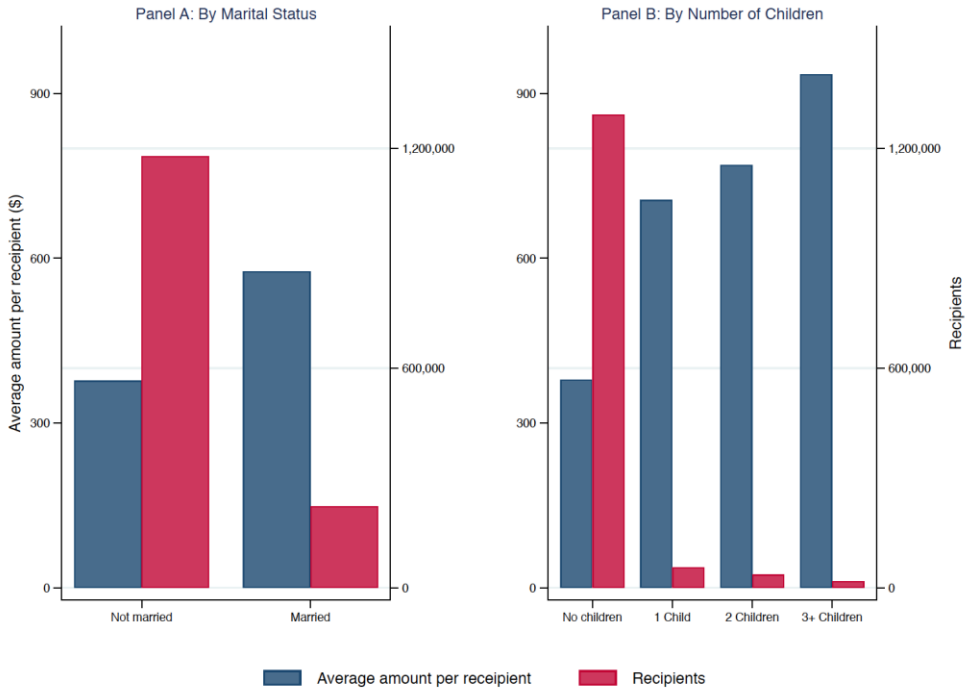


Figure 2

GST/HST Credit Recipients in B.C. by Marital Status and Number of Children, 2017/2018 Benefit Year

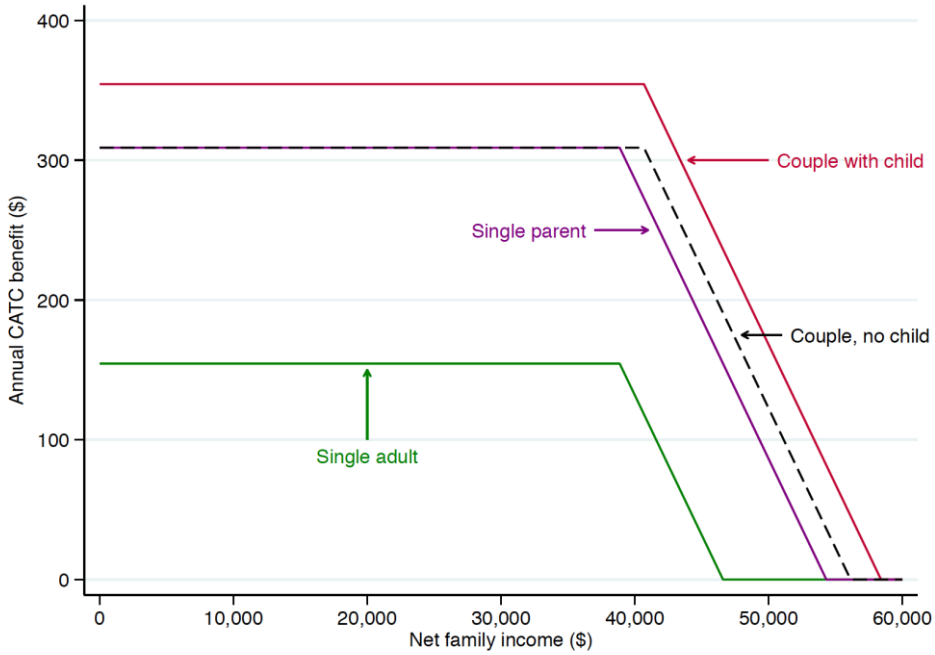


Data source: Government of Canada (2018). GST/HST Credit Statistics: 2017/2018 Benefit Year.

B.C. Climate Action Tax Credit. The B.C. climate action tax credit (CATC) is a tax-free payment made to low-income households to help offset the carbon taxes they pay (Government of British Columbia, n.d.-a). Thus, the CATC is similar to the GST/HST credit in that it reduces the regressive nature of carbon taxes. Likewise, it is combined with the GST/HST credit and paid out in quarterly payments along with the GST/HST credit. For the 2019/20 benefit year, the maximum CATC was $154.50 per adult and $45.50 per child. It is phased out beginning at an adjusted net family income of $34,867 (for singles) or $40,689 (for everyone else) at a rate of 2%. Figure 3 presents a visual of the CATC program parameters. In the 2019/20 fiscal year, the cost of the CATC was $254.7 million.

Figure 3

B.C. Climate Action Tax Credit Program Parameters, 2019/20 Benefit Year



B.C. Sales Tax Credit. The B.C. sales tax credit (STC) is a small refundable tax credit for low-income households that is meant to help offset the regressivity of the B.C. sales tax. However, the maximum annual STC is $75 per adult (with no extra benefit for dependent children) which, as has been noted by the MSP Task Force, "is insufficient to make any real impact on tax system progressivity" (Tedds, Ramsey, & Duff, 2018, p. 14). Additionally, the STC phases out at a rate of 2% over an adjusted net family income of $15,000 for singles and $18,000 for couples. The STC cost the B.C. government $45 million in 2016.

B.C. Basic Personal Exemption. Although the B.C. Basic Personal Exemption (BPE) is not strictly an income replacement or an income supplement, we include it here as a tax program that, when combined with the tax programs examined above, are closest to basic income principles and targets those living in income poverty.[7] In fact, the BPE is a non-refundable tax credit that reduces the amount of taxes owing, as opposed to being an actual cash transfer.

In 2019, the base amount of the BPE was $10,682[8] and the rate applied to it was 5.06%. That is, the BPE provided a non-refundable tax credit that was valued at $540.50 (Government of British Columbia, 2020a). Thus, for all B.C. residents, $540.50 is subtracted from total provincial taxes owing. If residents' taxes owing is less than $540.50, they do not have to pay taxes; however, they also do not receive as cash any of the $540.50 they cannot use. For

[7] It is also an important program to keep in mind when considering the implementation of a basic income guarantee. Some basic income advocates have suggested eliminating the BPE if a basic income is implemented. Understanding what the BPE is and its impact on poverty will help inform this decision.

[8] The BPE is indexed to inflation.

example, if a person owes $400 in taxes, after applying the BPE, they owe $0 in taxes; however the remaining $140 ($540 – $400) disappears; they cannot carry it forward, nor can they receive it as cash. The BPE, then, is increasingly beneficial as income rises. For single adults, the biggest benefit of the BPE is felt by those making over $20,930/year. For couples, the pattern is the same, with the exact dollar figure dependent on whether one spouse claims the other's amount.

B.C. Tax Reduction Credit. Like the BPE, the B.C. tax reduction credit (TRC) is not an income replacement or an income supplement. However, it is included here as a note of interest as it is part of the larger tax system that is closer to basic income principles than other programs, and appears to be directed at the reduction of poverty through the alleviation of taxes owing. The TRC is a non-refundable tax credit for individuals who have a net income below $33,702 (in the 2019 tax year). Those with a net income below $20,668 may receive a maximum TRC of $464. For those with a net income over $20,668, this credit is reduced at a rate of 3.56% until it reaches zero at a net income of $33,702 (Government of British Columbia, 2020a).

Tax-Delivered Programs and Basic Income Principles. While the GST/HST credit, the CATC, the STC, the BPE, and the TRC all meet the basic income principles of simplicity and respect relatively well (for the same reasons as the child benefit programs), they also have the potential to reduce the poverty rate and poverty depths, as they are all available to the most vulnerable. However, these tax credits are not (on their own or even combined) of a sufficient magnitude to have a significant impact on income poverty.

Home Owner Grant

The home owner grant (HOG) is a provincial grant that reduces the amount of property taxes paid by homeowners on their principal residence. The full value of the HOG is available to most homeowners—those who own houses valued under $1,575 million—and is an annual grant of $570 in the Capital Regional District, Metro Vancouver Regional District, and the Fraser Valley Regional District, and $770 everywhere else. At least $350 in property taxes must be paid first before claiming the HOG. There is an additional grant amount for seniors, veterans, persons with disabilities, and the spouse or relative of someone with disabilities or a deceased owner, and an additional low-income supplement for these same groups with low incomes (Government of British Columbia, n.d.-b). It is estimated that 92% of all homeowners in 2020 will be eligible for the HOG (Government of British Columbia, 2020b). In 2019, when 91% of all homeowners were eligible, the HOG cost the provincial government $817 million.

To access the HOG, a B.C. homeowner must apply for it each year. Applications are included with a homeowner's property tax notice and can also be obtained from a municipality or online. The homeowner then submits their application to the municipal office that sends them their property tax notice and the municipality is responsible for administering the grant. The province then refunds the municipality.

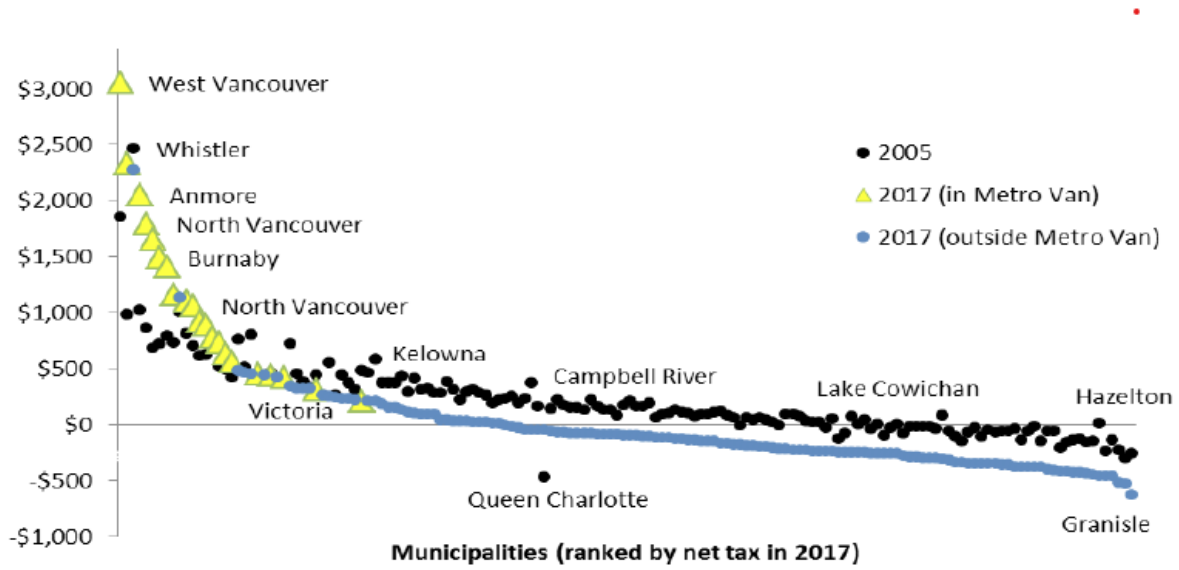
The objective of the HOG is unclear. If its goal is to reduce the burden of the school tax on homeowners, then the province could simply reduce the school tax imposed on residential

properties. Given that the grant covers 92% of all households and imposes an unnecessary and inefficient administrative burden on homeowners, municipalities, and the province, the province would save on administrative costs by simply eliminating the program and readjusting tax rates. As it is, the HOG currently more than fully offsets school taxes in rural regions. Figure 4 shows that outside of Metro Vancouver, the HOG more than fully offsets school taxes for many rural regions and is thus inequitable across rural and urban regions. Finally, the HOG is available only to homeowners, who are often more well-off then renters, and there is no equivalent program for renters.

With regard to the basic income principles, the HOG does not produce stigma. Receiving the grant does not produce feelings of shame, as nearly every homeowner receives it and there is no intrusive application. However, the HOG is not as simple to access as it could be. If the primary objective of the HOG is to reduce school taxes, the school portion of the property tax could simply be reduced, eliminating the need for the HOG program completely. Lastly, the HOG currently does very little to reduce poverty, given that it targets homeowners only. It could be much better targeted, as the MSP Task Force suggested, by moving it to a tax benefit delivered through the tax system and targeting low- to moderate-income renters and homeowners.

Figure 4

School Taxes Net of Home Owner Grant on Representative Home, 2005 and 2017, by Municipality



Source: Tedds et al., 2018

1.2 Income Replacement and Income Supplement Programs Less Like a Basic Income

In this section we turn our focus to income replacement and income supplement programs that are further from basic income principles when compared to the above programs

(but not yet the furthest away from basic income principles). These programs have some type of work requirement or are more complex to access and understand.

Canada Workers Benefit

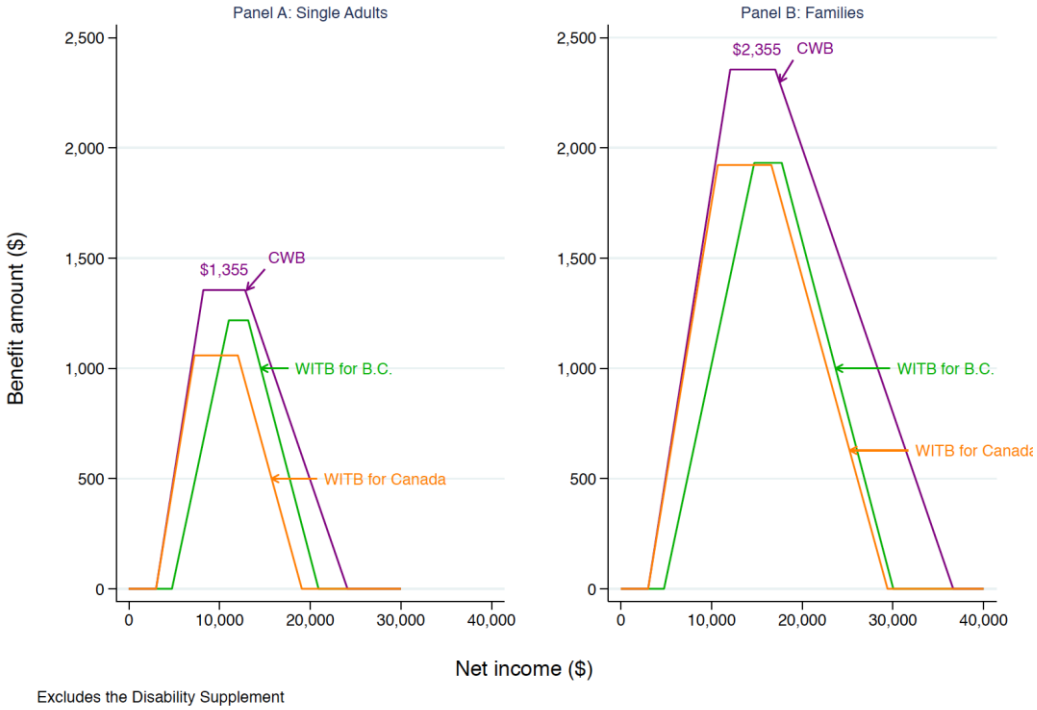
The Canada Workers Benefit CWB (formerly the Working Income Tax Benefit) is a federal refundable tax credit offered to persons with low, but strictly positive, earned income. That is, it is not available to persons who do not engage in paid work. The stated purpose of the CWB is to increase work incentives for low-income Canadians (Government of Canada, 2019a). It is available to persons 19 years of age or older (or younger persons if they have an eligible spouse or common-law partner) who have an earned income of at least $3,000/year. The maximum benefit is $1,355 for single adults and $2,355 for families. It is phased in at a rate of 26% and phased out again over an adjusted net family income of $12,820 for single adults or $17,025 for families at a rate of 12%.[9] There is also a disability supplement for persons who receive the disability tax credit, with a maximum benefit of $700 and a lower phase-in threshold, at an earned income of $1,500. The CWB is not available to students enrolled in post-secondary education for 13 weeks or more in a year. It is paid out annually along with any other taxes and transfers owing.

As mentioned above, the CWB replaced the Working Income Tax Benefit (WITB) in 2019. Figure 5 shows the difference between the CWB, the WITB for Canada, and the WITB for B.C. The parameters of the WITB and the CWB can be adjusted by the provinces (with some constraints) to better align the benefits of these programs with provincial income assistance programs. B.C. did choose to adjust the WITB parameters, but did not elect to do the same with the CWB. Instead, B.C. redirected these funds into its new COB program. From Figure 5, we see that the CWB is more generous than the WITB and will reach households with higher levels of income than the WITB. Additionally, unlike the WITB, where a tax filer had to apply for the benefit, all tax filers are automatically assessed for the CWB when they file their annual tax form.

[9] Note here that both the $3,000 minimum working-income requirement and subsequent thresholds for phase-in and phase-out over adjusted net family income are all calculated at the family level (tax filer + spouse/common-law partner).

Figure 5

Canada Workers Benefit Versus Working Income Tax Benefit

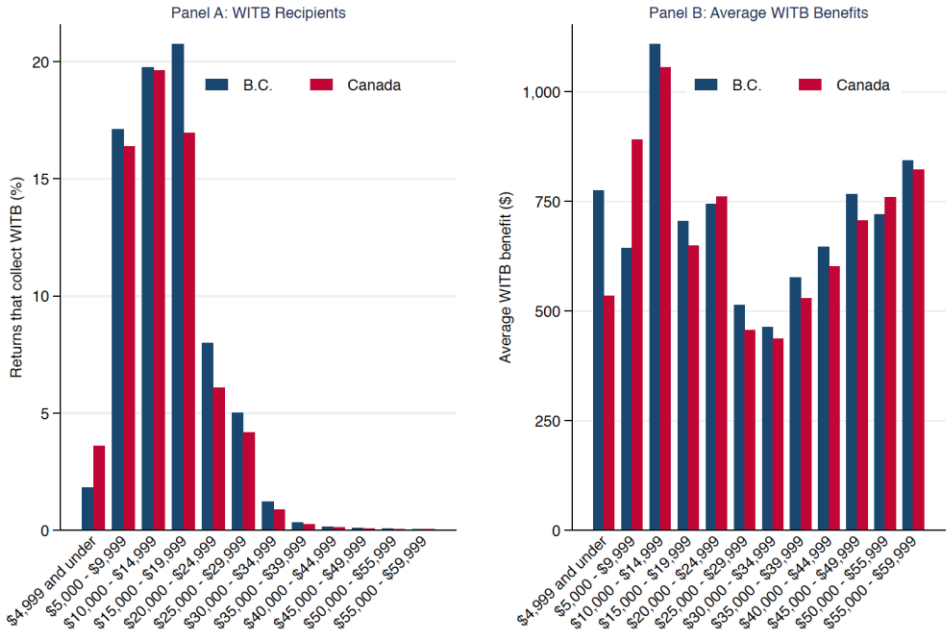


Because the CWB is a new program, there is no data yet available regarding who is receiving the benefit. However, there is data related to who received the WITB. In 2016, about 5.7% of all tax filers collected the WITB.[10] Figures 6 to 9 show who collected the WITB in 2016 in B.C., compared to the national average. Figure 6 shows the number of WITB recipients (right panel) and the average WITB benefit (left panel) by total income (i.e., line 15000 of a T1). From Figure 6, we see that there were more WITB recipients in B.C. than the national average at nearly every income level, and that the average WITB benefit was higher in B.C. than the national average across nearly every income level. Figure 7 shows that in B.C., WITB recipients were predominantly between the ages of 20 and 30; however, persons aged 30–60 received slightly higher average WITB benefits than persons aged 20–30. This may be due to the greater presence of children in older households, but we are unable to untangle it using this data. Figure 8 shows that women and men in B.C. collected the WITB with relatively the same frequency and received relatively the same average amount. However, from Figure 9 we see that women aged 20–50 and men aged 50–65 were more likely to be WITB recipients and receive higher average WITB benefits. This suggests that it is younger women and older men who are more likely to work low-paying jobs.

[10] At the time of writing, 2017 is the last year for which we have tax filer data.

Figure 6

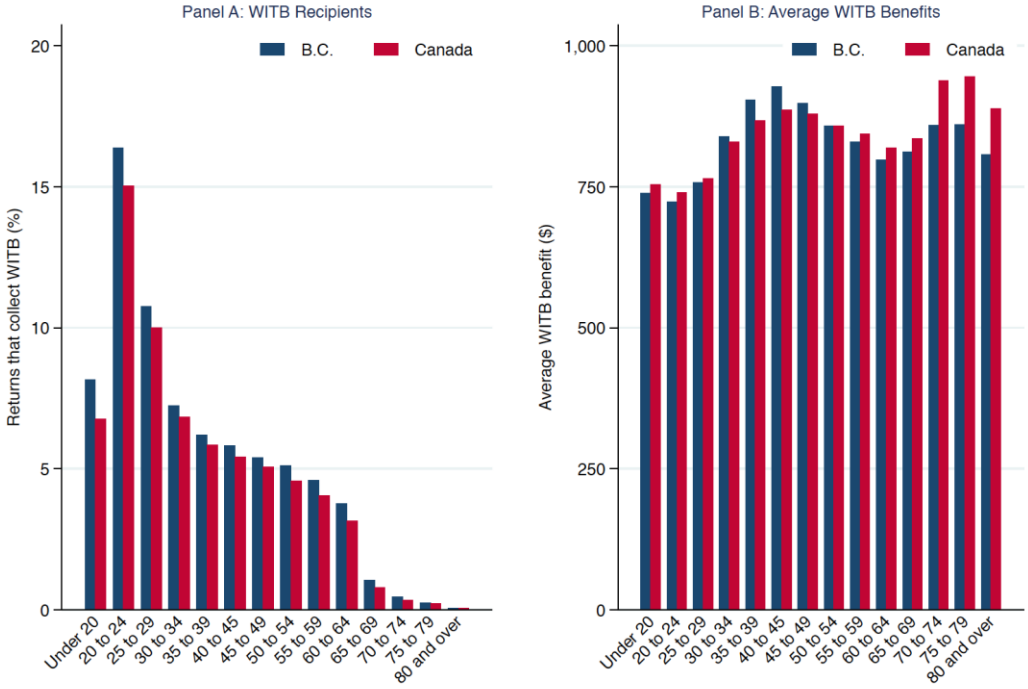
Working Income Tax Benefit Recipients and Benefits by Total Income, 2016



Source: T1 Final Statistics 2016 tax year

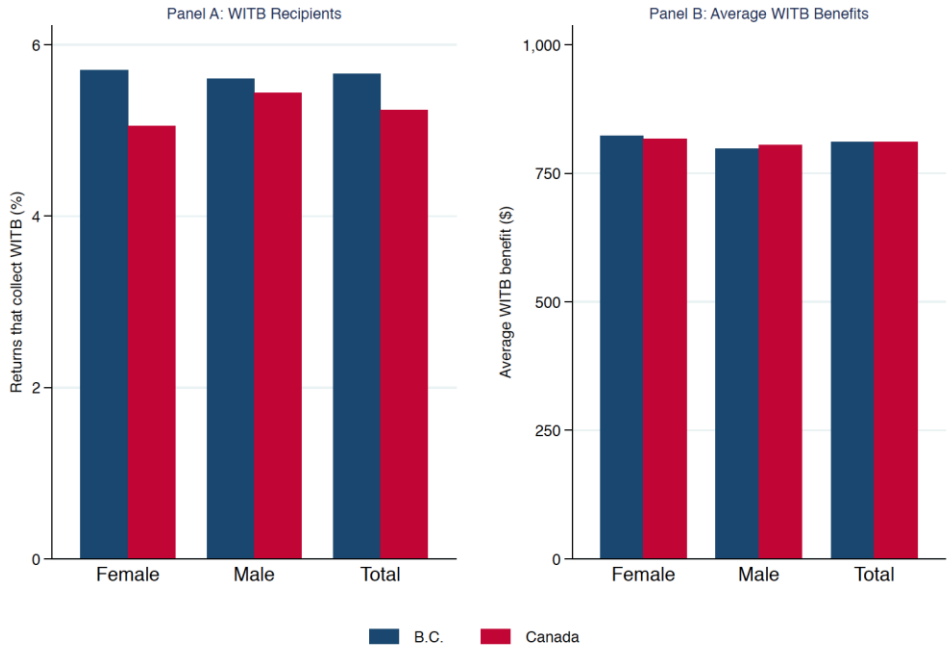
Figure 7

Working Income Tax Benefit Recipients and Benefits by Age, 2016



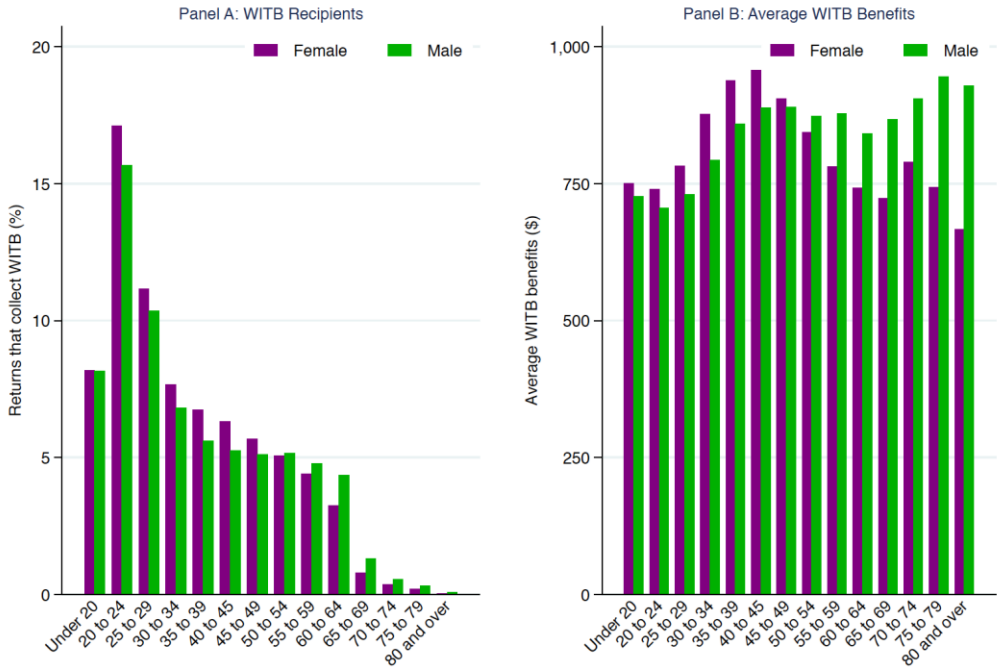
Source: T1 Final Statistics 2016 tax year

Figure 8
Working Income Tax Benefit Recipient and Average Benefits by Gender, 2016



Source: T1 Final Statistics 2016 tax year

Figure 9
Working Income Tax Benefit Recipients and Average Benefits by Age and Gender, 2016, B.C. Only



Source: T1 Final Statistics 2016 tax year

The CWB meets the basic income principles of simplicity and respect. First, the CWB (unlike its predecessor, the WITB) is relatively simple to access. Like the child benefits, all tax filers are automatically assessed for eligibility; however, this still requires a potentially eligible recipient to file their taxes. Thus, the CWB suffers from the same tax-filing issues as the child benefits. Second, there is relatively little stigma attached to receiving the CWB. Due to the relatively straightforward access and direct deposit, there is no stigma created through the method of access. In addition, we posit that many households that receive the CWB will not know they are receiving it: it is delivered once a year as a lump-sum payment that is combined with any tax refund owing and payment of the Canadian Climate Initiative for those in qualifying provinces. This lack of transparency could be improved to increase the effect of work incentives.

Regardless of how the CWB meets basic income principles, it only goes to those who are actively employed, and, for this reason, it is less like a basic income than other programs, such as the CCB, which have no work requirement. Because the CWB has a work requirement, it increases social exclusion by excluding those who, due to disabilities or caregiving responsibilities, are unable to participate in paid work.

The CWB does reduce the depths of poverty somewhat and does help those just below the poverty threshold move above the poverty threshold. But it may be argued that the CWB does not go far enough: the benefit level is relatively low (compared, for instance, to the EITC in the U.S.) and it is unable to move persons working part-time above the poverty threshold. For example, a single person working a part-time (20 hours/week) low-wage ($15/hour) job would earn $15,600 in a year. This entitles them to a CWB benefit of $1,023.58. After all other deductions, taxes, and transfers are taken into account, this leaves them with an annual after-tax income of $16,180.78. If this single person were living in Vancouver in 2017, they would still be below the MBM poverty threshold of $20,100.

The CWB has other drawbacks. First, as examined in depth in (Petit & Tedds, 2020b), households that receive social assistance income (as reported on a T5007) have their CWB clawed back reducing the incentive effects of the CWB to reward paid work. The CWB (along with other tax programs) could benefit from redefining what income is used to calculate benefit levels and ensuring that the income definition used is in line with transparent objectives of the program. Second, the CWB (like child benefits) is not responsive to in-year income fluctuations. This may be problematic for low-income persons just starting a job, as it does not provide timely benefits to help with the costs of working such as equipment costs or other health/dental costs that may not be covered by their employer. Third, the rationale for beginning the CWB at a working income of $3,000 is uncertain. If the primary objective is to encourage persons to work, then why not start the CWB at a working income of $1? Or, for B.C., why not reconfigure the CWB to begin at a working income of $6,000—where the earnings exemption for IA recipients ends?

Employment Insurance: Regular Benefits

One of the key programs available to support working-age adults is employment insurance (EI).[11] As shown in (Petit & Tedds, 2020a), this is one of the largest programs offered by the federal government, with $985 million in benefits received by B.C. residents. EI regular benefits are offered to adults who lose their job through no fault of their own and who have worked a minimum number of required insurable hours in the 52 weeks prior to a qualifying job separation. The number of insurable hours required depends on regional unemployment rates and currently varies from 420 to 700 hours (where the higher the unemployment rate, the lower the number of qualifying insurable hours). Once deemed eligible for EI regular benefits, a recipient receives 55% of their average insurable weekly earnings, up to a maximum amount ($573/week in 2020). Beneficiaries receive this amount for anywhere from 14 weeks to 45 weeks, depending on the unemployment rate in the region (again, the higher the unemployment rate, the longer the duration of benefits). In addition, an eligible recipient may also receive a "family supplement" if their net family income does not exceed $25,921/year and they have at least one dependent child. Eligibility for the family supplement increases the benefit amount up to a maximum of 80% of average insurable earnings. EI benefits are taxable[12] and EI claimants must submit biweekly (online) reports detailing work readiness and employment-related activities and any earnings received.

EI regular benefits does not cover the full population of unemployed working-age persons, either nationally or in B.C. Figure 10, Panel A, shows the percentage of unemployed persons in B.C. and nationally who received EI regular benefits in a given month (seasonally adjusted) over the last 10 years. National EI coverage fell by 9.5 percentage points (or 23%) over a 10-year period: it dropped from about 50% in November 2009 to 40.5% in November 2019. EI coverage in B.C. dropped by 15 percentage points (or 32%) over the same time: in November 2009, 47% of all unemployed persons in B.C. received EI. By November 2019, this had dropped to 32%.

Higher EI coverage rates tend to occur during economic downturns, as a slowing economy leads to increased layoffs and fewer insurable hours are needed to qualify for EI (Government of Canada, 2018b). Figure 10, Panel B, shows the unemployment rate in both Canada and B.C. from November 2009 to November 2019. Comparatively, the B.C. unemployment rate is nearly always lower than the national unemployment rate, thus EI coverage in B.C. is nearly always lower than national coverage. Over time, the gap between the unemployment rate in B.C. and Canada widens, and so too does EI coverage.

It should also be noted here that EI coverage has been found to be lower for low-wage earners (i.e., persons earning $15/hour or less) than for other earners. Tranjan (2019) finds that in 2017, although EI coverage was 42% nationally, only 28% of low-wage earners were covered, compared to 65% of other earners.

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[11] This paper focuses solely on the benefits paid from the EI program and not on how the program in funded through premiums.

[12] The lowest statutory tax liabilities, both federal (15%) and for the beneficiary's province of residence (5.06% for B.C.), are withheld from the recipient for the owed tax liability.

One reason for low EI coverage is that EI does not cover a large segment of the unemployed population. EI does not cover people who have been unemployed for 12 months or longer, people without insured employment (i.e., who do not contribute to EI), people with minor labour force attachment (e.g., who do not work the required number of hours to qualify for EI benefits), students, people who leave their jobs for invalid reasons under EI (e.g., they quit due to sexual harassment), and self-employed workers who do not contribute to EI.

A number of reviews of the EI system have noted problems with access to EI.[13] Access issues include the narrow eligibility criteria for EI, which does not align with Canada's new labour market realities, including a rise in precarious unemployment (Granofsky et al., 2015) and EI's eligibility criteria discriminates against part-time workers because it takes them longer to accumulate the required hours (Torjman, 2017b). In addition, it has been noted that the duration of EI benefits may not be long enough: an estimated 31% of workers exhaust their benefits before they are able to find a new job (Torjman, 2017b).

With regard to basic income principles, EI regular benefits does not produce stigma, but it is not simple due to access and eligibility complexity, and it does not enhance economic stability as well as it could due to a lack of predictability. Recipients of EI regular benefits are not stigmatized; recipients have paid into EI, so it is perceived as something they are entitled to by right and the general rhetoric confirms this perception. However, EI is very complex. Understanding whether a person meets the eligibility requirements and how much they will receive is difficult, since eligibility and benefit amount differs by region and unemployment rates. The complex calculation of benefit amount, as well as understanding if and by how much a recipient may owe the government if they find another job, increases economic uncertainty because of a lack of financial predictability. To be fair, EI regular benefits also enhances economic stability by providing a source of income for those who find themselves out of work. In sum, while EI does meet some of the basic income principles, it does not meet all the basic income principles.

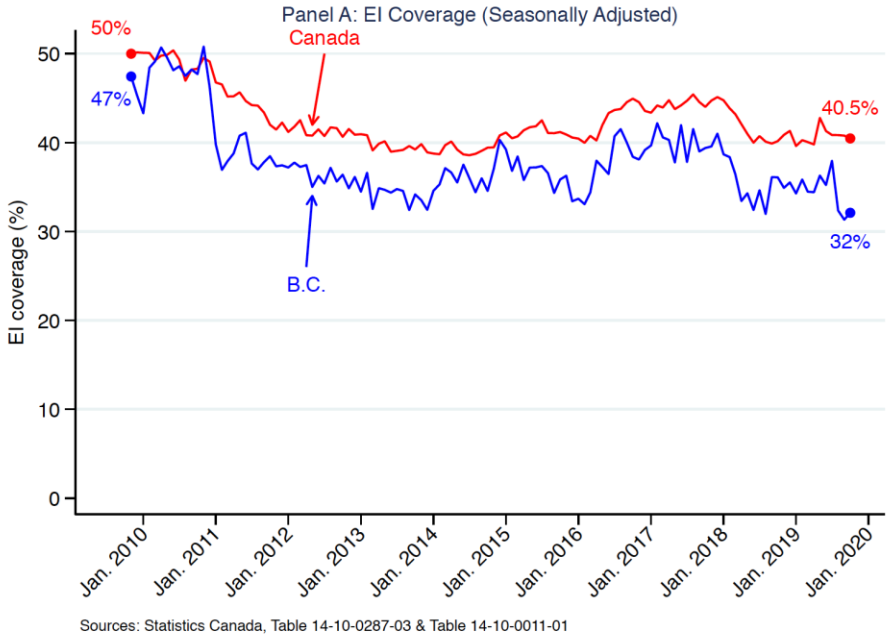
While EI regular benefits can have an effect on the income poverty rate and poverty depths (as would any program offering an income transfer), EI has potentially a larger impact on preventing poverty. EI could prevent low-wage workers from falling into (or deeper into) poverty after losing employment. Unlike provincial Income Assistance (which we discuss in more detail below), EI does not require a beneficiary to use up their assets, and it delivers an income transfer before a household is out of options. However, due to the low coverage rate, particularly for low-wage workers, EI regular benefits is not as effective at preventing poverty as it could be.

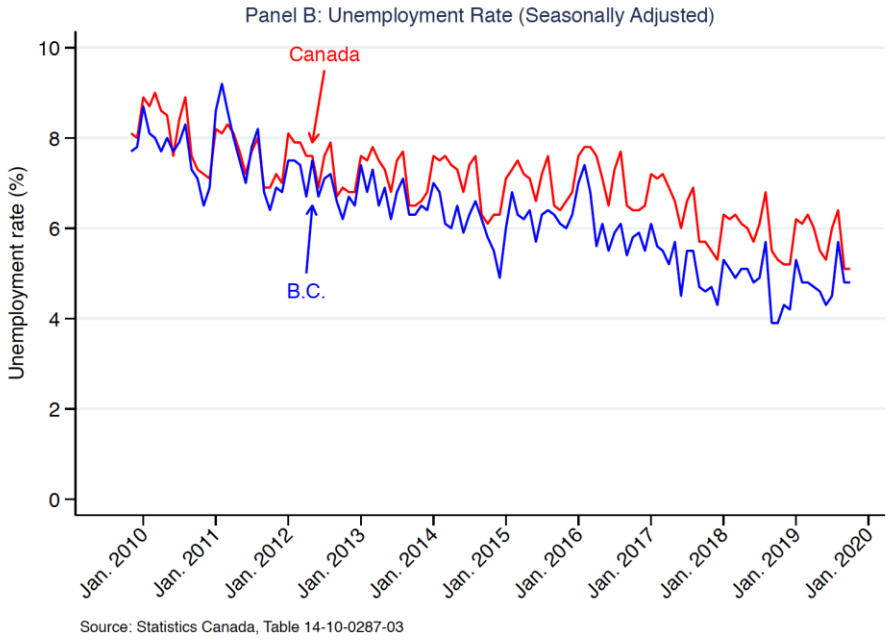
The low coverage rate of EI and its related access issues has implications for B.C.'s income and social support programs. First, the fact that nearly seven out of 10 unemployed persons in B.C. are not covered by EI, and that this number continues to drop because of

[13] These problems with EI were made clear in the early stages of the COVID-19 pandemic, forcing the government to create a new temporary benefit (the Canadian Emergency Response Benefit [CERB]) to cover workers who were unable to access EI benefits.

Figure 10

Employment Insurance Coverage and Unemployment Rate





increasing precarious and part-time employment,[14] puts more pressure on provincial income and social support programs. Second, if time spent in unemployment by those who are

[14] See for example Longhurst (2014), who finds that 40% of all new jobs created in 2009–2013 are temporary jobs and that temporary jobs are growing more quickly than permanent jobs.

unemployed becomes longer, as may happen in the aftermath of the COVID-19 pandemic, and the duration of EI benefits does not change, this may also put more pressure on provincial income and social support programs.[15] One potential way of tackling this last point—that EI fails to cover those who have long unemployment durations—is a provincial program, such as wage insurance, which may help reduce unemployment duration. A wage insurance program could target industries that have high layoff rates because of structural changes, such as climate change or technological advancement, and who pay low-skilled labourers an inflated wage rate. Such a wage insurance program would bridge older low-skilled workers into retirement and could reduce the reservation wage of younger unemployed workers, thus lowering their duration of unemployment.[16]

Employment Insurance: Special Benefits

EI Sickness Benefits. Alongside EI regular benefits, the federal EI program covers a number of other scenarios in which an employed person may find themselves temporarily unable to work. EI sickness is a temporary income replacement benefit that covers employed persons who are unable to work due to sickness or an injury. A qualifying sickness or injury is any sickness or injury that renders a claimant incapable of performing the duties of their regular or usual employment (Employment Insurance Regulations, SOR 96-332, s. 40[4]). Similar to EI regular benefits, to be eligible for EI sickness benefits, an applicant must have worked at least 600 hours in insurable employment in the last 52 weeks, have a qualifying sickness or injury, and have their normal weekly earnings reduced by more than 40% because of the sickness or injury. EI sickness benefits are paid for a maximum of 15 weeks (situation dependent) at a rate of 55% of the applicant's average insurable weekly earnings in their "best weeks" within the 52 weeks prior (up to a maximum amount). An eligible recipient can work (reduced hours) and collect EI sickness benefits at the same time; however, is the benefits are clawed back at a rate of 50% for every dollar earned (Government of Canada, 2020b). An important note about EI sickness benefits is that it is not job-protected leave. This means a person taking this leave may lose their job while on leave.[17]

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[15] See Appendix for graph of average duration of unemployment in Canada and B.C. Following the 2008 recession, average unemployment duration in B.C. increased from an all-time low of about 10 weeks in November 2008 to an all-time high of 29 weeks in October 2011, at which point it began trending down again. To date, the average unemployment duration in B.C. has not reached the all-time low seen in November 2008. Although average unemployment duration is currently trending downwards, an increase in unemployment duration could increase again if the economy worsens.

[16] Due to the wide-scale economic implications of the COVID-19 pandemic, the federal government implemented an extensive wage subsidy scheme to incent employers to keep employees in their jobs rather than laying them off. The program was modelled after similar programs in the U.K., Demark, and, importantly, Germany. The German program, called Kurzarbeit, has been around since the early 1900s and is a permanent wage subsidy program. Canada's emergency program is not a permanent program, but given Germany's experience, perhaps one should be considered.

[17] The COVID-19 pandemic highlighted significant gaps related to sick leave. According to the Labour Force Survey, 74% of workers making over $96,000 a year have leave paid for by their employers, compared to 14% of workers who make less than $16,000 a year. Further paid leave is less likely to be a benefit in service industries, in part-term work, and for workers who are self-employed. These are also workers who are less likely to be covered by

In December 2019, about 10,200 persons or about 0.49% of all employees in B.C. were collecting EI sickness benefits (Statistics Canada, 2020a, 2020b), which cost the federal government about $23 million (Statistics Canada, 2020c)—an average payment of $567/week.[18] This is comparable to the national average: about 0.49% of all employees nationally were collecting EI sickness benefits for an average weekly payment of about $549.

To access EI sickness benefits, an applicant must either complete the online form or go to an EI office. They also must obtain a medical certificate, which, since 2011, no longer has to be provided to Service Canada at the time of application but must be kept in hand in case it is requested, which occurs about one-third of the time (Government of Canada, 2018a)), and a record of employment. Compared to other medical/disability programs, the medical certificate is fairly straightforward, only requiring a beginning and end date and a medical practitioner's signature that confirms a person is ill or incapacitated. Once a beneficiary has successfully applied, they must wait one week before they begin to receive benefits, though the waiting period was waived during the COVID-19 pandemic.

EI Maternity and Parental Benefits. EI maternity and parental benefits work in much the same fashion as EI regular and EI sickness benefits. Persons who have worked at least 600 insurable hours in the last 52 weeks and for whom regular weekly earnings will decrease by more than 40% can apply for a maximum of 15 weeks of maternity benefits (for a woman who gives birth) and 40–69 weeks of parental benefits (available to either parent of a new child). The beneficiary then receives up to 55% (or 33% for the extended parental benefit) of their average weekly insurable earnings, up to a maximum amount of $573/week ($344/week for the extended parental benefit) (Government of Canada, 2020a).

In December 2019, 7,160 women (0.69% of employed women) in B.C. were collecting EI maternity benefits, at a cost to the federal government of about $17.6 million—an average weekly benefit of $613. Likewise, in December 2019, 20,910 persons (1% of employees) in B.C. were collecting EI parental benefits, at a cost of $44.6 million—an average weekly benefit of $534 (Statistics Canada, 2020a, 2020b, 2020c).

For EI special benefits, the same coverage issues apply as for EI regular benefits: they do not cover a wide range of persons, particularly persons in precarious, temporary, and part-time employment; the self-employed, who do not contribute; and other non-contributors. This is particularly problematic for low-wage workers: it has been estimated that among women who earn less than $30,000 in Canada (outside of Quebec), only about 44% qualified for EI

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employment insurance benefits. The gaps in paid sick leave absolutely need to be addressed, particularly in light of the ongoing crisis. One option would be for provinces to introduce guaranteed paid sick leave for employees and help businesses with the cost of such coverage by covering all or a portion of the paid sick leave taken by an employee and crediting the cost of expended leave though a tax credit or other forms of tax relief. Such programs already exist in the U.S. and Switzerland. An alternative could be to mirror the U.K.'s Statutory Sick Pay Program. During the COVID-19 pandemic, the federal government implemented the CERB as a stop-gap measure, but permanent sick leave programs should be considered.

[18] Note that this average weekly payment is higher than the maximum weekly payment. The average weekly payment was calculated by dividing the benefit payments by the number of recipients. However, the number reported for benefit payments includes both current disbursements and retroactive adjustments.

maternity and/or parental benefits (McKay, Mathieu, & Doucet, 2016). Furthermore, EI sickness does not cover long-term sickness, a point which we will return to when we discuss CPP-D. Again, this lack of coverage has implications for the provincial Income Assistance program if persons who are unable to work do not qualify for EI special benefits and have limited resources turn to the province for help. Moreover, low-wage workers who do qualify for EI special benefits have to earn at least $25,896/year in insurable employment income to receive EI benefits that are as good as Income Assistance benefits.

This lack of coverage has similar implications for poverty. Like EI regular benefits, EI special benefits has the potential to prevent poverty and prevent people from falling into a poverty trap by providing a source of income when they are temporarily unable to work. However, due to the coverage gaps, EI special benefits does not perform as well as it could in preventing poverty. Those who fall through the gaps and must resort to IA will be forced to draw down their assets, potentially creating a dependence on IA and leaving them stuck in a poverty trap (along with their newborn children).

Reforms have been proposed to address the issue of coverage for EI maternity/parental benefits. In particular, the Liberal Party's 2019 platform included a "guaranteed paid family leave" that would provide a guaranteed income for the first year of a child's life for those who do not qualify for EI maternity/parental benefits (Liberal Party of Canada, 2019). We have yet to see whether the Liberals will make good on this promise.

Like EI regular benefits, EI sickness and maternity/parental do meet some of the basic income principles but not all. First, there is limited stigma associated with either program due to the perception of these programs as entitlements or rights, given that they are paid into by the employee, and the perception that persons who are unable to work due to sickness or a new child are "deserving" of support. Second, EI special benefits are relatively simple in terms of eligibility criteria and access (at least for those with full capabilities): the medical certificate is straightforward for both the applicant and the medical practitioner and, for most employees, obtaining a record of employment that states the number of hours worked and their earnings is not difficult, especially since an employer can send it directly (electronically) to Service Canada. However, for some persons this access criteria may still be difficult, particularly if they are suffering from an injury such as a traumatic brain injury, in which case a more automatic delivery mechanism would be hugely beneficial. (This would also be doable—if Service Canada has the person's record of employment and a medical certificate were sent straight from the hospital—turning this into an opt-out program instead of an opt-in program. While this is beyond the scope of the Expert Panel on Basic Income, system-wide changes at Service Canada and the CRA would significantly improve access to programs.)

Canada Pension Plan Disability Benefits

Canada Pension Plan disability benefits (CPP-D) is the largest federal income replacement program for working-age persons with disabilities. CPP-D is available to persons under the age of 65 who have paid into CPP and who have a "severe and prolonged"

disability.[19] A successful applicant is required to have paid into CPP in four of the last six years, or, three of the last six years if a person has contributed for 25 years or more. This allows people who have been out of the labour force for some time to successfully apply, but it excludes those with minimal or no labour force attachment. Compared to EI sickness benefits, CPP-D requires less labour force attachment.

Along with the labour force requirement, a successful applicant to CPP-D must also meet a very strict definition of disability. An applicant must have "severe and prolonged mental or physical disability" such that the disability makes them incapable of "regularly" pursuing "any substantial gainful occupation" and the disability is "likely to be long continued and of indefinite duration or is likely to result in death" (Canada Pension Plan R.S.C. 1985, c. C-8, s. 42). This definition of disability covers only long-term, continuous disabilities: persons with mid-term or episodic disabilities are not covered.

CPP-D beneficiaries receive monthly taxable payments that are calculated based on an indexed flat rate ($496.36 in 2019) plus an amount based on how much they contributed to CPP during their entire working career. It should be noted that CPP-D is not intended to completely replace a recipient's income; that is, CPP-D is not an income-tested benefit (Auditor General of Canada, 2015). For 2019, the average monthly CPP-D benefit was $980.24 nationally and the maximum monthly amount was $1,362.30. In 2018, CPP-D expenditures by the federal government were $757.9 million within B.C. alone. Omitting seniors' programs, CPP-D is the third largest federal program in B.C. by expenditure (following the CCB and EI regular benefits), and it far exceeds the expenditure on the DTC (which was $68 million in B.C. in 2016).

The number of CPP-D recipients has not changed much since 2012. Figure 11 shows the number of CPP-D recipients for B.C. and Canada. From January 2012 until December 2019, the number of CPP-D recipients increased by 4% in B.C. and 1.6% nationally.

To encourage participation in the labour force, CPP-D beneficiaries can work and earn up to $5,700/year in gross income before taxes (in 2019) without having to report this income and without having their benefit affected. For earned income over this amount, benefits do not necessarily stop, but they must be reported (Torjman, 2017a). There is a three-month work trial that allows a CPP-D beneficiary to work for three months before any adverse effect on benefits, and automatic reinstatement if the return to work be unsuccessful due to the return of the same or related medical condition within two years. Although this provision seems to encourage persons with episodic disabilities to engage in paid labour, the eligibility requirement that beneficiaries must have worked and contributed so much to CPP in the past seems counter to supporting persons with episodic disabilities.

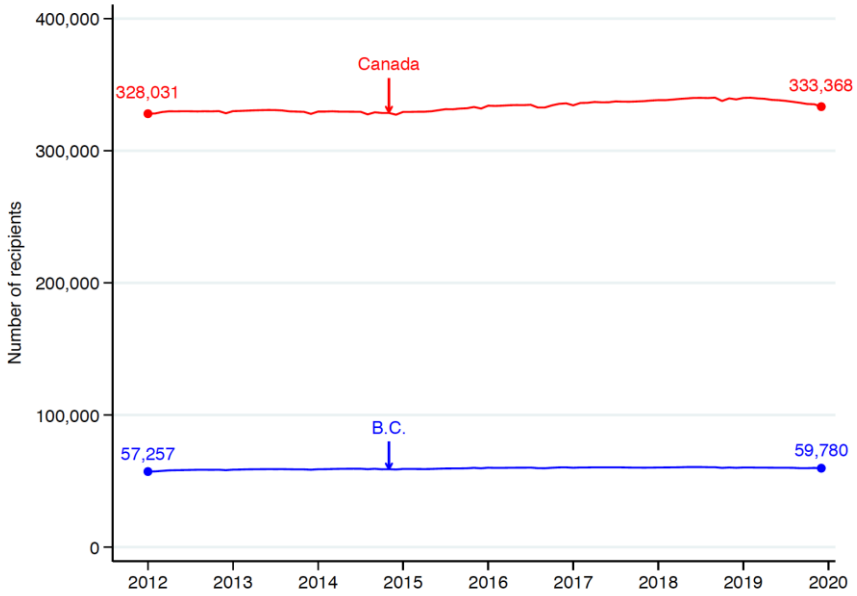
There is a high denial rate for CPP-D. In 2014/15, 57% of CPP-D applicants were initially denied. After considering applicants who apply for reconsideration and appeals, a total of 47% of all applicants are denied or "give-up" (Auditor General of Canada, 2015). This high denial rate has implications for provincial income programs: persons who are denied CPP-D benefits may turn to provincial Income Assistance (particularly Disability Assistance) for help.

[19] At age 65, CPP-D beneficiaries begin to receive CPP retirement benefits instead.

There is a gap left between CPP-D and EI sickness benefits for persons with mid-term illnesses. EI sickness, as discussed above, is designed as a short-term benefit for persons temporarily unable to work for up to 15 weeks. CPP-D is designed as a program for persons with long-term disabilities that prevent them from working regularly. Although the average duration of EI sickness benefits is 9–10 weeks, about 30% of recipients exhaust the full 15 weeks (Prince, 2008, p. 6; Torjman, 2017b, p. 17). Torjman (2017) notes that these programs are considered discrete programs and are set up for two different circumstances: only 3% of EI sickness beneficiaries go on to CPP-D. Employment standards can be designed to have employers shoulder some or all of the burden of mid-term sickness through regulated numbers of paid sick days; however, B.C. currently does not require an employer to pay sick days.

Figure 11

Canada Pension Plan Disability Benefit Recipients in B.C.



Source: Government of Canada (2020c). *Canada Pension Plan: Number of Benefits, by place of residence and benefit type.* Retrieved from: https://open.canada.ca/data/en/dataset/1fab2afd-4f3c-4922-a07e-58d7bed9dcfc

With respect to basic income principles, like other federal programs (e.g., EI, CCB), there is very little stigma associated with CPP-D: it is seen as an entitlement or right, as beneficiaries have contributed to it and persons with disabilities are often seen as “deserving” of support. However, CPP-D does not meet the basic income principle of simplicity. First, the definition of disability is strict and precludes many persons with disabilities. And the high rate of first-round denials adds undue administrative burdens and stress for applicants. Second, how CPP-D interacts with employment, provincial social assistance, CPP retirement benefits, and other disability supports is confusing and a source of fear for recipients. Because of this fear, beneficiaries may choose not to enter into paid labour, thereby also reducing social inclusion.

1.3 Income Replacement Programs Least Like Basic Income

Finally, we look at Income Assistance (IA), commonly called welfare. IA is the income replacement program that is the least like a basic income, but is an important program. IA generates a large amount of stigma, is complicated both to access and to remain on, and creates social exclusion.

Income Assistance

For persons who fall through the gaps of the federal income support programs or low-income persons and families, who are income- and asset-poor, the income replacement program of last resort is provincial Income Assistance (IA). As noted in (Petit & Tedds, 2020a), IA is the largest income support program offered by the B.C. government. IA is divided into two sub-programs: Temporary Assistance (TA) and Disability Assistance (DA). DA provides income assistance to adults with disabilities in serious financial need. TA provides income assistance to adults in serious financial need and is further broken down into three categories: (a) expected to work, (b) not expected to work, and (c) persons with persistent multiple barriers (PPMB) to work (discussed in detail below).

Eligibility for DA and TA and Application Process. Both DA and TA applicants apply to the same online portal operated by the Ministry of Social Development and Poverty Reduction (SDPR). They first fill out an income and asset questionnaire (which is the same for both DA and TA applicants) that assesses whether they meet the income and asset thresholds.

For both TA and DA applicants, they must show that the family unit has pursued and accepted all other income and means of support, including EI and CPP-D. They must also show that their income is below an income threshold. The income threshold for eligibility is the amount of TA or DA that would be payable to that family unit—that is, their income cannot exceed their potential benefits under IA (benefit levels are detailed below).

What counts as income is complicated. For the purposes of IA, income includes both earned and unearned income, with some income being exempt. For example, earned income, CPP-D, and EI are included as income, whereas certain benefits (i.e., CCB, GST/HST credit) are exempt and not counted as income. B.C.'s Employment and Assistance Regulation provides details on what is and what is not income. Since the definition of income used is not based on some predefined tax-based measure of income (like the definition of income used for tax-delivered programs), the Employment and Assistance Regulation must itemize every potential source of income and list it as being included or exempt as income for IA. For example, sources of income such as "money paid or payable to a person in settlement of a claim of abuse at an Indian residential school, except money paid or payable as income replacement in the settlement" (Schedule B, s. 1(a)(xvii)) and "money that is paid or payable to or for a person if the payment is in accordance with … the Sixties Scoop Settlement made November 30, 2017, or … the Federal Indian Day Schools Settlement made March 12, 2019, as amended May 13, 2019" (Schedule B, s. 1(a)(xviii)) must be individually included (and individually exempted). This has resulted in the Employment and Assistance Regulation containing 14 full pages (about 10% of the total document) itemizing income. And anytime a new source of income is called into

question, the Employment and Assistance Regulation must be amended to address it, increasing the administrative burden for policy makers.

In addition to an income test for eligibility, there is an asset test for eligibility for IA. IA applicants are expected to use their assets if they are over the asset threshold prior to becoming eligible for IA. Assets include cash, equity in property, investments, and other financial instruments. In general, a family unit's place of residence, one vehicle, RDSPs, and RESPs are exempt; however, like the definition of income, there is a very long list of exclusions and exemptions.[20] The asset limits are low for applicants to TA: a single adult cannot have cash assets over $5,000, and a couple or single parent cannot have cash assets over $10,000. DA has much higher asset limits: a family unit with one person with disabilities may have up to $100,000 in assets, and a family unit with two people with disabilities may have up to $200,000 in assets.

The asset limit for applicants to TA is particularly problematic given that it is relatively low.[21] This low asset limit forces TA applicants to draw down on their savings, leaving them with fewer assets and making them less able to weather income and health shocks: it has a negative effect on economic stability. And it may make them more dependent on TA, making it more difficult to break out of the cycle of poverty.[22] Finally, asset limits pose a large administrative burden for both the applicant, who must provide documentation on their assets, and the SDPR, which must verify those assets.

Those who support asset limits argue that these asset limits may help keep the costs of IA down by denying benefits to those who have high personal wealth. Recent literature from the U.S. suggests that eliminating or relaxing liquid asset limits for social assistance programs does increase the wealth of households that are beneficiaries and the number of beneficiaries who hold a bank account.[23] However, no effect on program participation is found.[24] Additionally, relaxing or eliminating vehicle asset limits increases vehicles owned by social assistance beneficiaries without increasing household wealth (likely because these vehicles are bought on loan) and, surprisingly, it also reduces program participation.[25] This suggests that liquid asset limits may not be binding but vehicle asset limits are; even just eliminating vehicle asset limits may allow greater access to employment, allowing for more home equity, enhancing self-sufficiency, and reducing the need for income support. When considering IA reforms, the government can ask what purpose these asset limits are intended to serve, and whether they are serving these purposes given the evidence.

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[20] See the Employment and Assistance Regulation, and Government of B.C. (2019) for more details.
[21] We do not regard the asset limit for DA applicants as problematic in terms of forcing applicants to draw on their assets, given that it is very high and it is unlikely that many applicants to DA actually hit their asset limit.
[22] See Ratcliffe et al. (2016), who find that relaxing asset limits reduces movement in and out of income assistance programs without affecting duration of time spent on income assistance. This suggests that it becomes easier to move out of the cycle of poverty when asset limits are lifted.
[23] See Pirog et al. (2017) and Ratcliffe et al. (2016).
[24] See Pirog et al. (2017).
[25] See Pirog et al. (2017).

If an applicant's answers to the financial eligibility questionnaire indicate that the applicant may be eligible for IA (either TA or DA), the applicant must then be interviewed by a caseworker, either by phone or in person. As (Hertz, Gray, & Leslie, 2020) show, both the online questionnaire and interview can pose access issues for some IA applicants. They may lack access to or have a difficult time accessing the internet, a phone, and/or transportation. And the questionnaire is daunting for some applicants. Access to IA has recently been improved by providing free computer access with internet and a worker to help those using the computers fill in the questionnaires at SDPR offices. This will assist the applicants who can get to an SDPR office.

After the interview, a determination is made as to whether an applicant is eligible for TA based on their financial eligibility and, if applying for TA, the completion of a three-week work search. If they are eligible, they will begin receiving TA benefits.

For persons with disabilities who wish to be assessed for DA benefits, along with the process described above, they must also be designated as a person with disabilities (PWD). They must complete a separate questionnaire from the financial eligibility questionnaire. The 24-page PWD questionnaire can be picked up at an SDPR office and submitted at the same time as the financial eligibility questionnaire or after the financial eligibility assessment.

The definition of disability for DA is more expansive than the definition of disability for CPP-D. The B.C. Employment and Assistance for Persons with Disabilities Act defines a person with disabilities as an individual who is at least 18 years of age, with a severe physical or mental impairment that is expected to continue for at least two years, and where (a) the impairment directly and significantly restricts their ability to perform daily living activities either continuously or periodically and (b) requires assistance with daily living activities (s. 2).

There are two things to note with respect to this definition of disability for DA. First, this definition of disability includes individuals both with mental health disabilities and with episodic disabilities. This is important, as many current programs (such as CPP-D) and older programs for PWDs do not encompass one or the other or both. Second, this definition of disability does not include persons with short-term disabilities. Persons with an illness expected to last less than two years do not qualify for DA. If persons with short-term disabilities have sufficient labour force attachment, they may be eligible for EI sickness benefits for at least 15 weeks. Those with a disability that lasts more than 15 weeks but less than two years and persons with insufficient labour force attachment may have to resort to TA, where they may be excused from work due to a health condition. These persons receive a lower benefit level than those with who qualify for DA (we look at benefits in more detail below).

The PPMB branch of TA does not cover those with disabilities per se but does cover those with other barriers to employment that are not expected to be overcome in the short term, despite all reasonable steps by the recipient. To be eligible for PPMB, an income assistance client must have (a) a health condition that has either continued for one year or has occurred frequently in the past and is likely to continue for at least two more years, and that is a barrier

that seriously impedes a person's employment as confirmed by a health professional,[26] and (b) an additional barrier that seriously impedes the person's ability to be employed, such as homelessness, domestic violence, having less than a Grade 12 education, being a former child in care, having a criminal record, not speaking English, not having basic skills for employment, being a recent refugee, or having accessed emergency health, mental health, or addiction services multiple times. If eligible for the PPMB category, a TA recipient will receive a higher level of benefits than a TA recipient expected to work (more on benefits later). Note that the PPMB category does not include persons with short- or mid-term illnesses either, similar to DA.

Overall, the eligibility and application process for TA and DA does not meet basic income principles. Both eligibility requirements, including the income and asset test, and the application process, including the 24-page PWD questionnaire, are complex. Furthermore, the intrusiveness of the eligibility requirements, which look at every minute piece of a person's financial life, and the application process create stigma. The requirement to work, seek work, or undertake employment training, and report all of this monthly, adds to the stigma while on IA. Finally, IA reduces economic stability by forcing TA recipients to reduce their assets before being eligible, reducing their ability to withstand an income or health shock. Both eligibility requirements and the IA application process could be substantially reformed to bring them more in line with basic income principles.

IA Caseloads. The composition of the IA caseload between DA and TA has changed over time. Figure 12 shows how the IA caseload has changed between January 1995 and June 2019. From Figure 12 we see that DA recipients have increased significantly since 1995 and now make up most of the current IA caseload. In 1995, DA recipients made up 10% of all working-age IA cases. By June 2019, DA had grown to 71% of the total working-age IA caseload. In contrast, the caseload of TA—either expected to work, excused from work, or PPMB—have made up a declining share of the IA caseload since 1995. In 1995, TA made up 90% of all working-age IA cases. By June 2019, it made up 29% of the working-age IA caseload. Since its inception in 2003, the PPMB category of TA has made up a very small portion of the IA caseload. In June 2019, the PPMB caseload accounted for only 1.6% of the total working-age IA caseload.

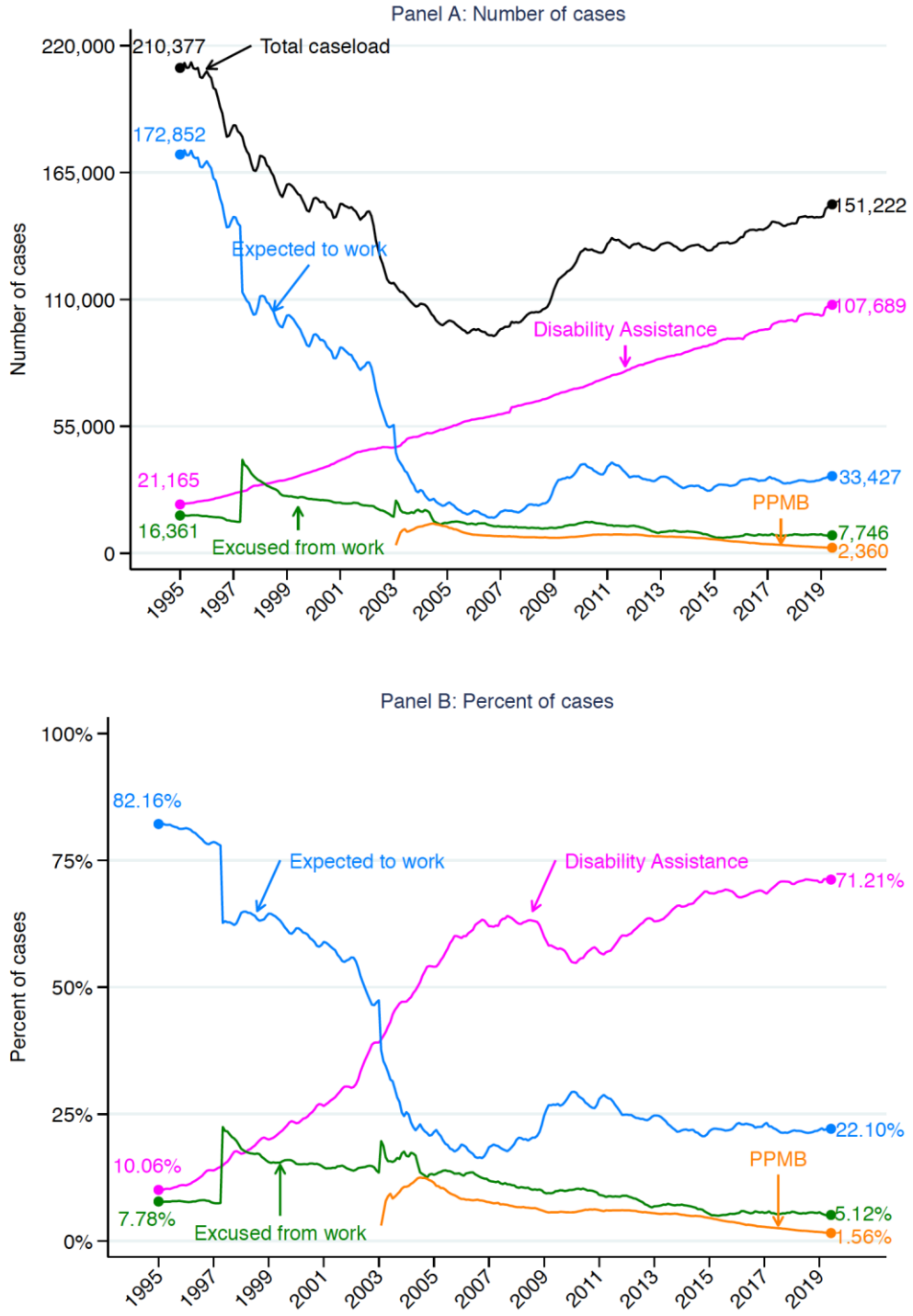
Figure 12 shows, for both DA and TA, the caseload by family type. Single males have made up the largest share of working-age DA and TA caseloads since 1995, while single females make up a smaller share. This is an interesting trend, because in Petit and Tedds (2020c), we saw that single females had a higher poverty rate then single males, yet here single females make up a smaller share of IA recipients than single males. This suggests that single females living in poverty are less likely to turn to IA than single males.

Also in Figure 12**,** we see that single parents make up the second largest share of the TA caseload but they make up a much smaller share of DA. This is important when considering

[26] A health condition is considered as seriously impeding the recipient's ability to search for, accept, or continue in employment when, as a result of the health condition, the recipient is unable to participate in any type of employment that would enable independence from income assistance (Government of British Columbia, 2019).

Figure 12

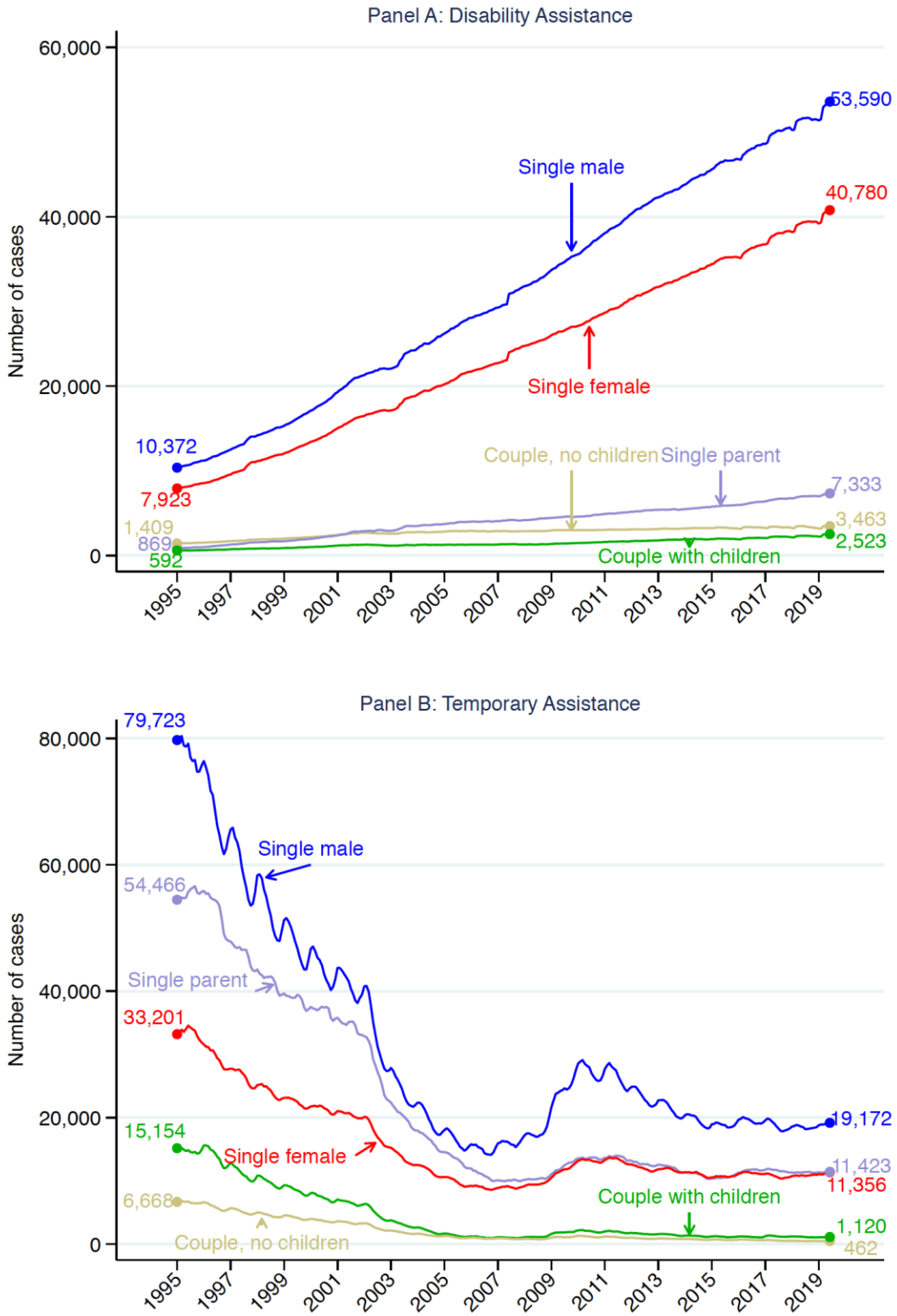
Income Assistance in B.C., Ages 19–64



Source: BC Employment and Assistance Program Data.

Figure 13

Income Assistance in B.C., by Family Type, Ages 19–64



Source: BC Employment and Assistance Program Data

what reforms will benefit single parents the most. In addition, we see that couples and two-parent households make up the smallest caseload of both working-age TA and DA programs. This is consistent with (Petit & Tedds, 2020c), which found that couples with or without children had lower rates and depth of poverty compared to single adults and single parents.

Requirements While Receiving TA. Recipients of TA who are expected to work are required to actively search for work and to provide a monthly report of their activities and income. A failure to provide a monthly report can reduce the amount of benefits they receive. Recipients of DA do not have the same requirement to search for work, nor are they required to provide a monthly report. However, if their income or situation does change, they are required to report the change in circumstances.

The requirement to report monthly earnings and employment activities can be difficult to meet for some recipients. Filling out the monthly report form can be time-consuming, particularly for TA recipients who have limited access to the internet; they may have to make a trip to their local library or SDPR office and incur transit and/or child-care costs. This can be a tall order for persons focused on day-to-day survival.

Furthermore, the monthly report requirement and the adjustment of TA benefits based on the monthly report, goes against the basic income principle of simplicity and diminishes economic security. The monthly report adds an additional administrative burden for both the TA recipient and the SDPR staff who review the reports. Additionally, the monthly report may make household income unpredictable: earnings may be volatile month-to-month, particularly for those who are precariously employed, and resulting benefit adjustments can increase economic uncertainty.

IA Benefit Levels. Benefit levels for TA recipients are not very high: TA benefit rates leave most recipients below the poverty line. Table 1 shows, for some family types, the monthly IA benefit for those on TA (non-PPMB) and those on TA who are designated PPMB. As of April 2019, a single adult receiving TA may receive a maximum of $760/month: $385 for basic necessities, such as food and clothing, and $375 to cover shelter costs.[27] If they receive the maximum TA benefit amount and have no other income sources, a TA recipient will have an income of 45% of the MBM threshold (for Vancouver in 2017). When these TA benefits are combined with all other income transfers available to a working-age single adult in B.C., this brings them to about 48% of the MBM threshold (for Vancouver in 2017).

TA recipients who are single parents or couples with or without children receive a higher level of benefits than single adults, moving them closer to the MBM threshold. However, the benefit amounts are still relatively low. Single parents receive a maximum of $1,095.58/month, about 46% of the MBM threshold. Couples with and without children receive a maximum of $1,077.22 or $1,261.06 a month, respectively, about 45% and 43% of the MBM.

[27] It is important to note here that both of these amounts—the support amount and the shelter supplement—are *maximum* amounts and may not reflect what a beneficiary actually receives, particularly if they have low or no housing costs.

TA recipients who are designated as PPMB receive slightly higher benefits than a non-PPMB TA recipient. Table 1 provides these amounts. A single person with a PPMB designation receives $807.92/month, about $48 more per month than a single person just receiving TA. Likewise, a single parent with a PPMB designation receives $48 more in benefits per month than their TA-only counterpart. Finally, couples where both adults are designated PPMB receive $145 higher benefits per month than their TA-only counterparts.

Recipients of DA also receive benefits that are lower than the MBM poverty threshold. A single adult receiving DA may receive a maximum of $808.42/month in support allowance and $375/month in shelter allowance, for a total of $1,183.42/month or $14,196/year. This is about 71% of the MBM poverty threshold. This DA benefit, combined with all other possible benefits, reaches 77% of the MBM poverty threshold for a single adult with disabilities. DA benefits for other family increase accordingly.

Table 1

Monthly Income Assistance Benefit Levels

Household size	**Temporary Assistance (Expected to Work)**	**Temporary Assistance (PPMB)**	**Disability Assistance (one adult PWD)**	**Disability Assistance (two adult PWD)**
Single adult	$385 + $375 = **$760**	$432.92 + $375 = **$807.92**	$808.42 + $375 = **$1,183.42**	--
Single parent, one child	$525.58 + $570 = **$1,095.58**	$573.58 + $570 = **$1,143.58**	$949.08 + $570 = **$1,519.08**	--
Single parent, two children	$525.58 + $660 = **$1,185.58**	$573.58 + $660 = **$1,233.58**	$949.08 + $660 = **$1,609.08**	--
Couple	$507.22 + $570 = **$1,077.22**	$652.06 + $570 = **$1,222.06**	$1,027.56 + $570 = **$1,597.56**	$1,503.06 + $570 = **$2,073.06**
Couple, one child	$601.06 + $660 = **$1,261.06**	$746.06 + $660 = **$1,406.06**	$1,121.56 + $660 = **$1,781.56**	$1,597.06 + $660 = **$2,257.06**

Note: The first number is the support amount, the second number is the shelter supplement, and the number in bold is the total monthly IA benefit. All numbers assume there is no one over 65 years old in the household.

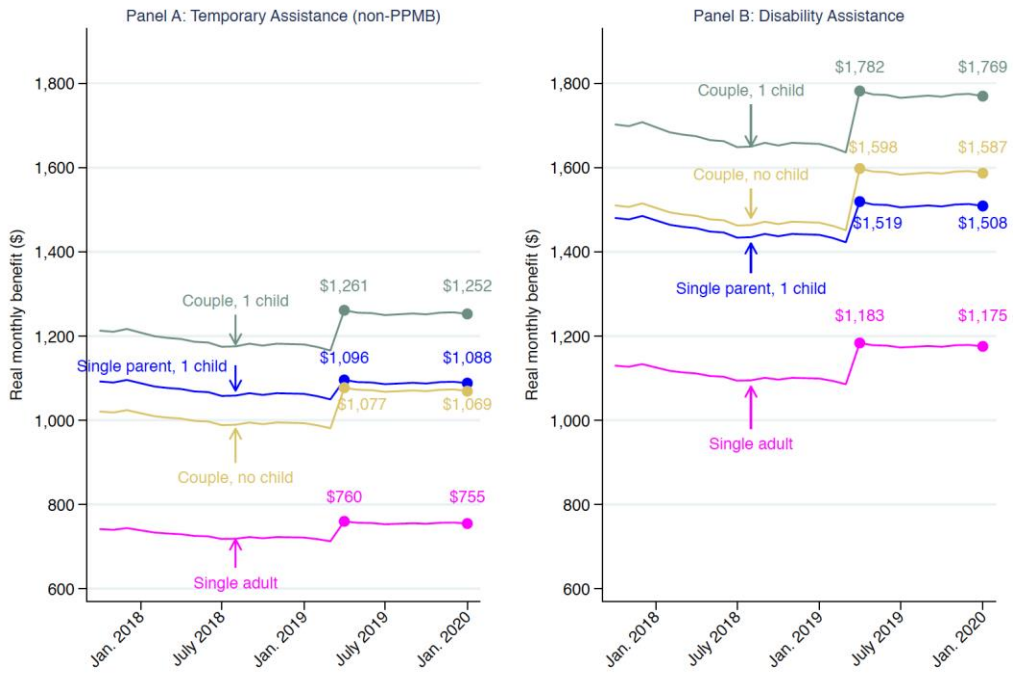
In addition to their low levels, IA benefits are not currently indexed to inflation. This causes a decline in the real level of benefits over time: the prices of basic necessities have increased while benefit levels have remained the same, forcing IA recipients to buy less and less with the few benefits they are given. The B.C. government periodically increases the level of benefits, with the most recent increase occurring in April 2019. However, there is no legal obligation to increase benefits, as there is no legislation around when and by how much benefits should be increased.

Figure 14 shows how IA benefits erode over time. In April 2019, benefit levels were set to their current levels—this is the first scatter point on the graphs. Since April 2019, real benefits

have declined. For example, for a single adult receiving DA, real DA benefits declined from $1,183/month in April 2019 to $1,175/month in January 2020, a difference of $8/month or $96/year. These real benefits will continue to decline until the government increases the benefit rates again.

Figure 14

Real Monthly Income Assistance Benefits



Source: Statistics Canada Table 18-10-0004-01 & BCEA Rate Tables

Due to the low benefit levels and the lack of indexation to inflation, IA has a smaller impact on the depths of poverty than it could have. However, while simply increasing the benefits alone would reduce the depths of poverty, it would likely not be sufficient to break the cycle of poverty. One way IA could break the cycle of poverty is to support IA recipients in their transition to employment. We look at this next.

IA Incentives for Paid Work. A policy objective of IA is to move those receiving TA (and who are expected to work) to sustainable employment, while supporting those on DA who choose to work. Good-quality employment is important for long-term economic stability and social inclusion. The IA program currently provides an earnings exemption for those who transition into employment. An earnings exemption allows those who are working to earn a certain amount of money before having their IA benefits reduced. For those receiving TA, the earnings exemption is a monthly earnings exemption, whereas for persons on DA the earnings exemption is an annual earnings exemption (AEE). The AEE is intended to help people with disabilities whose earnings fluctuate throughout the year. Generally, within the PWD community, there appears to be a preference for the AEE (over a monthly earnings exemption), because it

allows beneficiaries to take breaks from employment during periods of illness (Canadian Mental Health Association, 2018).

Table 2 provides the earnings exemptions by family type and TA/DA (along with earnings exemption for Alberta and Ontario). The first column shows the current (2020) earnings exemption. Effective January 2021, the earnings exemptions increased by $100/month for single persons on TA and by $3,000/year for single persons receiving DA. This is shown in column 2.

Table 2

Earnings Exemptions for Provincial Income Assistance Programs

	British Columbia		**Alberta**	**Ontario**	**Saskatchewan**
	Current Earnings Exemption (Jan. 2020)	Earnings Exemption as of Jan. 2021	Current Earnings Exemption (Jan. 2020)	Current Earnings Exemption (Jan. 2020)	
	Temporary Assistance[28]		**Alberta Works[29]**	**Ontario Works[30]**	**SIS (Income Support)**
Single adult / childless couple	$400/month	$500/month	$230/month	$200/month	$325/month
Single parent	$600/month	$750/month	$230/month	$200/month	$500/month
Couple, no child	$400/month	$500/month	$115/month	$200/month	$425/month
Couple with child	$600/month	$750/month	$115/month	$200/month	$500/month
PPMB	$700/month	$900/month	--	--	--
	Disability Assistance[31]		**AISH[32]**	**ODSP[33]**	**SAID[34]**
Single adult	$12,000/year	$15,000/year	$1,072/month	$200/month	$6,000/year
Single parent	$12,000/year	$15,000/year	$2,612/month	$200/month	$8,500/year
Couple, no child or children, one PWD designation	$14,400/year	$18,000/year	$2,612/month	$200/month/adult	$7,200/year
Couple, no child or children, two PWD designations	$24,000/year	$30,000/year	$2,612/month	$200/month/adult	$8,500/year

The earnings exemption for TA recipients in B.C. is significantly higher than the earnings exemption for Alberta Works and Ontario Works. The comparatively high earnings exemption in B.C. potentially provides a stronger incentive for IA recipients to move from no work into work (when compared to recipients of Alberta Works and Ontario Works). If communicated effectively, a higher earnings exemption can induce recipients to move into work (from no work) because they can earn more before losing their benefits.

The effect of the January 2021 earnings exemption increase on how much IA recipients work is ambiguous. Recent Canadian research has shown that (a) persons on disability assistance programs who have paid employment tend to bunch at the earnings exemptions and

[28] Source: *BC Budget 2020* (Government of British Columbia, 2020c)
[29] Source: Alberta Works policy manual current to Oct. 2019 (Government of Alberta, 2019)
[30] Source: (Government of Ontario, 2019)
[31] Source: *BC Budget 2020* (Government of British Columbia, 2020c)
[32] Source: AISH policy manual current to Jan. 2020 (Government of Alberta, 2020)
[33] Source: ODSP policy current to May 2018 (Government of Ontario, 2018)
[34] Source: SAID policy manual current to Nov. 2019 (Government of Saskatchewan, 2019)

(b) for an increase in earnings exemption, labour supply will only increase if the cost of adjustment is small—and this cost will be different for different individuals (Zaresani, 2017). Whether the January 2021 earnings exemption increase is large enough to induce recipients on Income Assistance to increase their labour supply (e.g., hours worked, provided they are already working) is uncertain.

After the earnings exemption, IA benefits are phased out. In B.C. the phase-out rate is 100%: for every $1 earned over the earnings exemption, TA and DA are reduced by $1. This is a steep phase-out rate, and one of the steepest phase-out rates in Canada. Table 3 provides the phase-out rates of some provincial social assistance programs for reference. Alberta Works and Saskatchewan Income Support phases out income support by 75 cents for every dollar earned above the earnings exemption, and Alberta's Assured Income for the Severely Handicapped (AISH) phases out income support at a rate of 50 cents for every dollar earned over the earnings exemption. Ontario Works and the Ontario Disability Support Program (ODSP) reduce income support by 50 cents for every dollar earned above the earnings exemption.

Table 3

Phase-Out Rates

	British Columbia	**Alberta**	**Ontario**	**Saskatchewan**
	Temporary Assistance	Alberta Works	Ontario Works	SIS (Income Support)
All family types	100%	75%	50%	75%
	Disability Assistance	AISH	ODSP	SAID
All family types	100%	50%	50%	100%

This steep phase-out rate can reduce how much IA recipients actually work. (Petit, Scott, Gallacher, Zwicker, & Tedds, 2020) demonstrate that TA and DA recipients who are in the paid labour market and wish to marginally increase their work hours may be financially worse off in terms of total after-tax income than before they accepted the increase in paid employment.

In summary, the B.C. Income Assistance program has a higher earnings exemption than other provinces; we would thus expect more IA recipients working than in other provinces. However, at the same time, B.C.'s IA phase-out rate is very steep compared to other provinces. This program design may encourage entry into work but may also create dependency on IA, as recipients may be more cautious of moving beyond the earnings exemption thresholds.

With respect to basic income principles, IA only somewhat reflects the principle of social inclusion. As suggested above, the higher earnings exemption encourages work, whereas the steep phase-out rate discourages additional work. Potential reforms should therefore be considered.

General and Health Supplements. In addition to income assistance, IA recipients may be eligible for a variety of general and health supplements. Figure 15 provides a visual of these supplements. Many of them are health-related, such as dental and optical coverage. However,

some are lump-sum amounts for outstanding expenses that may occur during times of transition. For instance, the security deposit supplement is a lump-sum supplement given to IA recipients who are entering into a rental agreement that requires the last month's rent as a security deposit: the security deposit supplement helps them cover this cost, which can be quite large for persons with low/no income. Likewise, the confirmed job supplement provides a supplement to IA recipients who find a job but must buy their own tools before beginning the job.

Access to these supplements is complex. There is no online application. Rather, an IA recipient must contact their caseworker, who determines whether the client fits the particular supplements eligibility criteria and fills out the required paperwork. Thus, receipt of many of the general supplements is based on the perception and beliefs of a caseworker, which could be biased (unintentionally or intentionally). There is stigma associated with these supplements, since they require scrutiny by a caseworker.

Since receiving these general and health supplements depends on a person being an IA recipient, the supplements could reduce participation in the labour force. Although some IA recipients retain access to these supplements (particularly the health supplements) after accepting employment, the perception that they will lose access them looms large. Furthermore, enhanced access to these supplements for low-income households more generally could help reduce poverty. For example, the crisis supplement could help low-income persons in general when experiencing a financial emergency. This could help prevent poverty in the first place.

2. Crisis/Emergency Programs

Low-income persons often do not have sufficient savings or assets to support them when an unexpected cost arises. For example, in 2018, Canadian households with a major income earner under 35 years saved $4,782 per household in 2018 (Statistics Canada, 2019).[35] For households in the lowest income quintile with a major income earner under 35 years, there was significant dis-savings (or borrowing) of $27,935 per household (Statistics Canada, 2019). Clements (2020) shows that, along with a low rate of savings, low-income persons have less access to credit from financial institutions. A low rate of savings leads to a low asset base, and a low asset base along with limited access to credit leads to lack of funds to draw upon in the case of extended layoff, permanent job loss, or an unexpected cost, such as a divorce, health problem, or necessary vehicle repair.

[35] Households with a major income earner under the age of 35 represent about 19% of all households in Canada (Statistics Canada, Table 36-10-0101-01).

Figure 15

General and Health Supplements for Income Assistance Recipients

Due to this lack of savings in low-income households, an unexpected cost can lead to a cycle of (even deeper) poverty. Carter and Barrett (2006) argue that if a household were to suffer a temporary income shock (e.g., an unexpected expense) that did not push them below some asset poverty line, they would be expected to recover to their pre-shock level of well-being (p. 192). This suggests that those households whose assets do fall below some asset poverty threshold are less likely to recover. Households with fewer savings (i.e., low-income households), then, are more likely to see a decline in their assets to below such an asset poverty threshold in the event of an unexpected expense and become stuck in a poverty trap.

Government programs can prevent households from falling into these poverty traps by assisting them before their assets become too low and their debts too high, trapping them.

To prevent a crisis from becoming worse, there are some government programs offered to assist with unexpected costs. Of the 105 programs offered by the B.C. government, six offer some form of crisis coverage. They are listed in Table 4. The federal government has no programs to address an individual crisis.

B.C.'s programs for addressing crisis situations include three cash transfers that could potentially prevent the loss of housing: rent banks, the BC Hydro Customer Crisis Fund (HCC), and the crisis supplement. However, none of these programs can adequately prevent a housing crisis.

Provincial funding for rent banks was temporary and was not included in the 2020 provincial budget. Some municipalities, notably Vancouver, will continue to operate rent banks through partnerships with NGOs, but the reduced funding will likely have a negative impact on the aid that can be provided. Additionally, rent banks only help persons in specific geographical locations, like the City of Vancouver, and do not extend into rural areas. The assistance from rent banks is in the form of loans, which extend the time for a household to address a crisis but do not fully relieve them of their crisis.

The HCC provides temporary relief for households experiencing a financial emergency: it provides a grant to prevent utilities disconnection. Again, this program alone is inadequate to address a crisis, given that the cost of utilities is not likely to tip the scales, although it does reduce stress somewhat for a household, knowing the heat and water will stay on while they deal with their crisis.

Finally, although the crisis supplement is of a larger magnitude then the aforementioned crisis cash transfers (in the case of a housing crisis, the maximum payment is the actual value of the shelter supplement of IA), it is only available to IA recipients and not to low-income households in general.[36] The maximum amount for the crisis supplement is $40 per person per month if required for food, $100 per person per month if required for clothing, or the maximum combined shelter and support rates for an IA/DA client if the supplement is required for shelter. Furthermore, for an IA recipient to access the crisis supplement, they must contact a caseworker, who then determines whether the circumstances constitute an unexpected crisis. Because of this discretion, it is likely that the allocation of the crisis supplement is not objective but based on caseworker bias (conscious or unconscious).[37]

[36] This access restriction is a problem because, during COVID-19, for example, more people will experience a financial crisis and there is no recourse available to them. The crisis supplement could be used to prevent households from falling into poverty traps. Expanding eligibility for the crisis supplement to all B.C. residents, whether on IA/DA or not could prevent increased IA and DA caseloads. Alternatively, or in conjunction, B.C.'s hardship assistance program could be made less restrictive.

[37] (Hertz et al., 2020) discuss caseworker bias in the delivery of IA supplements.

Table 4

Emergency Programs

Program name	Eligibility	Form of payment	Program description
Crisis supplement	Only for IA recipients who experience an unexpected financial crisis	One-time lump-sum cash payment	Available to recipients who face unexpected emergency needs, in the form of a one-time payment to prevent imminent danger to their physical health or the removal of a child. Crisis supplements are provided for food, clothing, shelter, essential utilities, or emergency home repairs. Up to $40/month/person for food, $100/month/person for clothing, and the actual cost of the maximum shelter allowance.
Rent banks	Persons/families at risk of eviction	One-time loan (direct to landlord or utility)	Rent banks offer interest-free loans, up to a maximum of $1,300 per single and $1,800 per family, to families and individuals who are at risk of eviction or essential utility disconnection due to a temporary shortage of funds. BC Budget 2019 allocated $10M for a province-wide Rent Bank (discontinued).
BC Hydro Customer Crisis Fund (HCC)	Home owner or home renter experiencing a temporary financial crisis	One-time coverage	A grant payment to avoid disconnection of service may be available to residential customers who have fallen behind on their BC Hydro bills due to a temporary financial crisis, such as a loss of employment or income, unanticipated medical expenses, or a death in the family.
Aboriginal Emergency Assistance Fund	Post-secondary Indigenous students who experience an unforeseen financial crisis	One-time lump sum cash payment	Emergency financial assistance is provided by public post-secondary institutions to assist students who have urgent unforeseen financial needs that may prevent them from finishing their studies; students contact the Aboriginal Student Services at their institution. Subject to available funding.
Life-Threatening Health Need	IA recipients or persons facing a direct and imminent life-threatening health need	One-time coverage	The ministry may provide access to medical equipment, medical supplies, or medical transportation to persons who are not otherwise eligible but who **face a direct and imminent life-threatening health need** and have no other resources to meet that need (including other government programs, charitable organizations, private insurance, or family and friends).
Emergency Dental Services	Only for IA recipients	One-time coverage	Coverage for the relief of pain when no other resources are available.

In sum, there are no government-funded crisis programs that can prevent the loss of housing for households experiencing a financial crisis. Of the remaining three programs in Table 4, none adequately address a financial emergency, such as many households have experienced as a result of the COVID-19 pandemic. This has implications for the income replacement and support programs examined in Section 1.

Conclusion

Some income replacement/support programs offered to B.C. residents meet basic income principles, while many do not. Programs delivered through the tax system, particularly the Canada Child Benefit, the B.C. Child Opportunity Benefit, the GST/HST credit, and a host of other tax programs, are simple to access (relatively so, with some caveats), do not produce stigma, and enhance economic security and social inclusion. However, as we show, many of these programs could still benefit from reform in order to enhance their alignment with basic income principles and to better target poverty reduction.

On the other hand, Income Assistance, the provincial government's largest income support program, fails miserably when it comes to meeting the principles of basic income: it is complex to access and administer, creates stigma, and is inadequate in the reduction of poverty. Further, continued eligibility is dependent on meeting work requirements (for Temporary Assistance clients who are expected to work). IA would benefit the most from reforms along basic income lines if the goal were to make it more like a basic income on the road to full implementation of a basic income.

Finally, other programs sit between programs that are closest to basic income principles and IA, which is furthest away from basic income principles. Programs such as the Canada Workers Benefit, employment insurance, and Canada Pension Plan disability benefits provide income support to those with sufficient attachment to the labour force. These programs are generally of mid-complexity to access and do not create stigma; however, because they require labour force attachment, many gaps are created by these programs, which provincial programs must then fill. Understanding where these gaps exist will aid in tailoring provincial programs to enhance the social safety net.

Alongside these major income assistance programs, the provincial government provides some other income support programs to aid in the prevention of poverty, particularly when a household experiences a financial crisis/unexpected expense. However, these programs are currently not adequate to assist those experiencing an emergency; failing to assist them can cause them to enter into a poverty trap, putting more pressure on income replacement/support programs. The provincial government should consider reforms to crisis-management income support programs for households with low savings/assets.

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