

Ontario Disability Support Program - Income Support Directives

9.17 - Employment Transition Benefit

Summary of Legislation

Recipients who exit Income Support due to income from employment, training, or the operation of a business, are eligible to receive an Employment Transition Benefit to assist in the transition from ODSP to employment.

Legislative Authority

[Section 44 \(1\) 6.1 of the ODSP Regulation](#)

Summary of Directive

Recipients who exit Income Support due to income which includes earnings from employment or training or net positive income from the operation of a business are eligible to receive the Employment Transition Benefit.

A benefit unit must, in the opinion of the Director, be ineligible for Income Support for two months or more to be eligible to receive the benefit.

The Employment Transition Benefit is a lump-sum payment of \$500, available only once in any 12-month period.

Intent of Policy

To encourage recipients to move toward financial independence, and to ease the transition from ODSP Income Support to employment or self-employment.

Application of Policy

Eligibility

The Employment Transition Benefit is available to recipients who cease to be eligible for ODSP Income Support under the following conditions:

- The income of the recipient's benefit unit equals or exceeds its budgetary requirements; **and**
- The income includes earnings from employment or a training program, or net positive income from self-employment; **and**

- The Director is of the opinion that the benefit unit's income will continue to equal or exceed its budgetary requirements for at least two months; **and**
- The benefit unit has not received the Employment Transition Benefit in the previous 12 months.

A dependent adult whose employment earnings have made him/her "financially independent" is not eligible for the Employment Transition Benefit.

Payment

A lump sum payment of \$500 is provided to eligible benefit units in the final month that the benefit unit is eligible for Income Support.

Eligible benefit units receive the full payment of \$500. This benefit is not prorated.

Application of two month requirement

Recipients that are temporarily ineligible for Income Support for only one month are not eligible to receive the Employment Transition Benefit.

Recipients must have income that is expected to be in excess of their budgetary requirements for at least two months. However, caseworkers do not need to wait two months before issuing the Employment Transition Benefit. If the caseworker is of the opinion that the recipient will continue to be ineligible for at least two months, then the benefit can be issued to the recipient, provided he/she meets all other criteria.

Example #1:

A recipient is paid from her job on a bi-weekly basis. Her monthly earnings when she receives two pay cheques in a month do not exceed the benefit unit's budgetary requirements. However, in August 2012, she received three pay cheques, making the benefit unit ineligible for September.

Because the recipient is paid bi-weekly, the caseworker knows that in September, she will have only two pay cheques and her earnings will not exceed budgetary requirements for the following month.

The benefit unit is only temporarily ineligible for one month. As such, the benefit unit is not eligible for the Employment Transition Benefit.

Example #2:

A spouse in a benefit unit starts a new full-time job on March 1, 2013. His earnings for March 1 – 31 are reported and exceed budgetary requirements for the benefit unit for April 2013. The spouse expects to continue in his job full-time on an ongoing basis.

The caseworker is of the opinion that the benefit unit's earnings will continue to exceed budgetary requirements for at least two months.

As such, the benefit unit is eligible for the Employment Transition Benefit (assuming they meet all other criteria).

Recovery of Employment Transition Benefit

If it is determined that a benefit unit that received the Employment Transition Benefit was in fact not eligible to receive the Employment Transition Benefit, then an overpayment is established.

However, if a member of a benefit unit unexpectedly loses his/her job (e.g. due to his/her disability, layoff, etc.) within the two month period, an overpayment should not be established. The benefit unit was still eligible to receive the Employment Transition Benefit since the information available to the client and the caseworker at the time the decision was made was that the benefit unit would continue to have income greater than budgetary requirements.

An overpayment for the Employment Transition Benefit should be established only in circumstances where information was reasonably available to the client that his/her income would not exceed budgetary requirements for at least two months.

Hyperlinks Associated with this Policy Directive

Related Directives

[1.3 Rapid Reinstatement](#)

[2.1 Who is Eligible: Dependent Adults](#)

[5.1 Definition and Treatment of Income](#)

[5.3 Deductions from Employment and Training Income](#)

[5.4 Treatment of Self-Employment Income](#)

[9.10 Extended Health Benefit](#)

[9.19 Transitional Health Benefit](#)