

City of Mississauga Corporate Report



<p>Date: September 4, 2020</p> <p>To: Chair and Members of General Committee</p> <p>From: Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer</p>	<p>Originator's files:</p> <hr/> <p>Meeting date: October 7, 2020</p>
--	---

Subject

Low-Income Seniors Financial Assistance Update

Recommendation

That the report of the Commissioner of Corporate Services and Chief Financial Officer dated September 4, 2020 entitled "Low-Income Seniors Financial Assistance Update" be received for information.

Report Highlights

- The City offers financial assistance to low-income seniors through the stormwater charge and outdoor maintenance subsidies, the tax rebate, active assist, driveway windrow snow clearing, MiWay affordable transit and MiWay senior one dollar cash fare programs.
- Additional financial assistance is available through programs offered by the Region of Peel and through the Provincial and Federal governments.
- The City's property tax rebate program provides eligible low-income seniors and low-income persons with disabilities an annual property tax rebate, currently at \$436.
- The tax rebate is indexed annually by the blended tax rate impact.
- The income eligibility criteria for the tax rebate for seniors is being in receipt of the Guaranteed Income Supplement (GIS). This is also used for the Stormwater Charge Subsidy and the Outdoor Maintenance Subsidy.
- GIS is used by the majority of municipalities as criteria for income eligibility for low-income seniors rebate programs.
- GIS is the most efficient, confidential and cost effective means of confirming income eligibility.

Background

Following the deputation by a resident with the Mississauga Seniors Council on the 2020 Budget in relation to property taxes at the January 22, 2020 Council meeting, staff were requested to report back on assistance programs available to seniors including benchmarking with other municipalities and outreach to the seniors community.

Comments

Statistics Canada Low Income Status

Statistics Canada uses two measures to determine low income status:

1. Low Income Cut Off (LICO) are after-tax income thresholds below which a family will likely devote a larger share of their income on the necessities of food, shelter and clothing than the average family.
2. Low Income Measure (LIM) is a fixed percentage of median average household income, where household needs are taken into account.

LICO refers to an income threshold, defined using 1992 expenditure data, below which families or persons would likely have devoted a larger share of their after-tax income than average to the necessities of food, shelter and clothing. More specifically, the thresholds represented income levels at which these families or persons were expected to spend 20 percent or more of their after-tax income than average on food, shelter and clothing. These thresholds have been adjusted to current dollars using the all-items Consumer Price Index (CPI).

The LIM is based on the assumption that all persons in a household have low income if their adjusted household income falls below half of the median adjusted income. The household income is adjusted by an equivalence scale to take economies of scale into account. This adjustment for different household sizes reflects the fact that a household's needs increase, but at a decreasing rate, as the number of members increases.

Data from the 2016 Census indicates that approximately 14 percent of the population in Mississauga is age of 65 and older and slightly less than 2 percent is age 85 and older. Based on LICO, approximately 7.5 percent of residents age 65 and older are considered low income, and based on LIM, approximately 11.8 percent of residents age 65 and older are considered low income. Data from the 2016 Census housing data indicates that approximately 42 percent of residents age 65 and older own their home. This is at all income levels; we cannot estimate how many seniors that own their homes are also low-income.

Financial Assistance

There are a number of financial assistance programs offered by the City. These include the property tax rebate program, the stormwater charge and outdoor maintenance subsidies and the active assist, driveway windrow snow clearing, MiWay affordable transit and MiWay senior

one dollar cash fare programs. Financial assistance is also provided by the Region of Peel and by the Provincial and Federal governments.

The annual property tax rebate is available to low income seniors (65+ years) or low income persons with disabilities who own and live in their own home and meet the program criteria. The income criteria for seniors is receiving benefits under the Guaranteed Income Supplement (GIS) Program and the income criteria for persons with disabilities is receiving benefits under the Ontario Disability Support Program (ODSP). The property tax rebate is increased annually by the blended tax rate impact; this is the tax impact for both the City and Region budget increases. The amount for 2020 is \$436. Residents who qualify for the tax rebate program automatically qualify for the stormwater charge subsidy.

The outdoor maintenance program provides a subsidy of up to \$350 for costs incurred by an eligible resident for outdoor maintenance services provided on their property. Outdoor maintenance means garden work, including the care of lawns, plants and trees, yard clean-up and snow removal. The income criteria for this program is the same as the tax rebate program.

Active Assist is a fee assistance program that provides residents living in a low income household the opportunity to participate in recreation and culture activities. As active assist is provided to households, the Statistics Canada low income cut offs are used to determine eligibility.

The driveway windrow snow clearing program helps residents by clearing space in the snow windrow at the end of their driveway. The program is offered to residents 65 years and older and persons with disabilities. The program is offered at no cost to eligible applicants who meet financial assistance criteria.

MiWay provides a one dollar cash fare for seniors during off-peak hours on weekdays and all day on weekends and holidays. MiWay also offers an affordable transit program where a resident earning an income below the LIM threshold may be eligible for a 50% discount on a PRESTO MiWay monthly pass. A limited number of discounted passes are available each year. This program is a partnership between MiWay and the Region of Peel.

Other financial assistance programs can be established as needed. As property taxes are highly regulated by provincial legislation, any assistance for property taxes is limited to the options available through current provincial legislation.

Income Thresholds

The income threshold for low income seniors for the property tax rebate, the stormwater subsidy and the yard maintenance subsidy programs is receipt of the Guaranteed Income Supplement (GIS). GIS is an income tested assistance program provided by the Federal Government to low income seniors and their gross income must fall below a threshold which is reviewed and

adjusted quarterly by the Canada Revenue Agency (CRA). The current gross income threshold is \$18,600 for an individual receiving a full OAS pension and \$24,576 for a couple when both are receiving a full OAS pension. The income threshold for the Tax Rebate Program is discretionary and can be adjusted to any other limit.

GIS is used as the income threshold since Service Canada can confirm an individual is in receipt of GIS through their social insurance number. It is the preferred method as it is an independent verification of the recipient's eligibility and is less costly to administer. If GIS was not to be used as the income threshold, verification that income levels meet the threshold criteria would have to be completed by staff. This would require the applicant to provide additional documentation such as their CRA Notice of Assessment. This would result in a lengthier and more costly administrative process and a more burdensome application process for seniors.

Other Municipal Tax Rebate Programs

Other municipalities were surveyed to identify tax rebates provided to low-income seniors in 2019. As indicated in the table below, the majority of municipalities use GIS as the income threshold.

Municipality	2019 Rebate Amount	Income Threshold	Number of Participants in 2019
Mississauga	\$423	GIS	1,661
Brampton	\$416	GIS	1,371
Caledon	\$490	GIS	205
Burlington	\$525	GIS	546
Halton Hills	\$500	GIS	131
Oakville	\$500	Combined income less than \$29,746	148
Brock	\$305	GIS	70
Oshawa	\$535	GIS	462
Pickering	\$330	GIS	212
Newmarket	\$311	GIS	133
Richmond Hill	\$400	GIS	900
Vaughan	\$377	GIS	2,028
Hamilton	\$194	Combined income less than \$36,100	3,161
Kingston	\$100	GIS	289
Sudbury	\$275	GIS	0
Thunder Bay	\$400	Receiving GIS and Combined income less than \$39,311	543

The annual grants vary from a low of \$100 to as much as \$535 with an average of \$380 for this sample of municipalities. As noted above the City's rebate is indexed annually, for 2019 the rebate was \$423 and has been increased to \$436 for 2020.

Section 319 of the *Municipal Act, 2001* provides the ability to single and upper-tier municipalities to offer tax deferrals for relief of financial hardship for low income seniors and low income persons with disabilities. The deferral is for all or part of the annual tax increase and creates a lien on title which deters property owners from applying for the deferrals. The *City of Mississauga Act, 1995* provides the City the ability to establish a by-law for an annual tax credit for low income property owners meeting the criteria set out in legislation and the credit becomes a lien on title with the lien discharged on full payment of the credit. Deferral programs also require additional administration as they need to be tracked for the life of the deferral. The lower-tier tax rebate programs offered in the Region of Peel since 2010 replaced the Regional tax deferral program and the City's tax credit program.

A few municipalities have implemented other discretionary programs through various sections of the *Municipal Act, 2001* to offer full property tax deferral programs for low-income seniors and/or partial tax deferral programs for low income property owners under 65. Examples of the full tax deferral are the Region of Halton and the City of Ottawa; examples of a partial deferral are the City of Toronto and the Region of York. The City of Hamilton currently has a three year pilot program for a full tax deferral that started in 2018. The City of Toronto also offers a tax increase cancellation program, the income criteria for the cancellation program is lower than the deferral program. Uptake in deferral programs continue to be low as shown below. Deferral programs typically result in a lien on title keeping participation low as the lien deters most property owners.

Municipality	Program	2019 Participation
Halton Region	Full Tax Deferral	36
City of Ottawa	Full Tax Deferral	139
City of Hamilton	Pilot Program – Full Tax Deferral	21
York Region	Partial Tax Deferral	136 *
City of Toronto	Tax Increase Cancellation	6,755
	Tax Increase Deferral	1,152

* (Participation information provided does not differ between those over 65 and between 55-64)

As these are discretionary programs the criteria is established by each single or upper-tier municipality and vary among the programs. Generally, the criteria stipulate the income thresholds, when the deferral must be repaid and for the full tax deferral include a maximum amount to be deferred based on the assessed value of the property. The City of Ottawa's full tax deferral also includes an interest charge.

Council has the option through the 2021 budget discussions to increase the tax rebate amount in addition to the annual increase of the blended tax rate impact. The City's portion of the tax

rebate is approximately 36 percent. Based on the estimated participation of 1,700 applicants in 2020, the budget pressure for a \$100 increase in the tax rebate would be \$61,200. This excludes any budget pressure relating to increased participation in the tax rebate program. The 2020 tax levy on a typical single family home valued at \$730,000 is \$5,738.

Outreach

Currently, information about the City's tax rebate program can be found on the back of each tax bill and on the City's website on the Property Tax pages and on the Older Adult pages. Applications are mailed to previous recipients on an annual basis. The City's Older Adult webpage also provides information on other financial assistance provided by the City, the Region and the Provincial and Federal governments. This information is reviewed annually and updated on a regular basis. See Appendix 1.

The City's Community Development Unit within the Recreation Division provides a number of outreach programs for Older Adults as identified in the Older Adult Plan for Recreation. Since 2008, the Mississauga Older Adult Plan has provided guidance to the City and identified a number of initiatives spanning multiple Departments and Divisions. With its implementation over the past decade, the City has made much progress in addressing needs and priorities that were contained in the Older Adult Plan. The Older Adult Plan was updated in 2019 and identifies priorities needed to move forward over the next 10 years. The scope of the Plan is focused on the Recreation Division. By identifying relevant issues for older adults, the Plan supports the Recreation Division's decision-making as how best to address the needs of Mississauga's older adults through the delivery of programs and services, coordination with other City Departments and Divisions, and supports for self-governing older adult groups and related community stakeholders.

The Community Group Registry Program (Corporate Policy 08-01-01), recently updated in 2018, is designed to support not-for-profit, volunteer-based community groups, organizations and clubs including 36 registered Older Adult Providers and Clubs. Registered Older Adult Providers and clubs receive a number of benefits including:

- Eligibility for no cost rental space in community centres weekdays from 8:30 a.m. to 4:30 p.m.;
- Discounted affiliate seniors group rental rate for facilities and equipment;
- One free room rental per month for executive meetings;
- One free room rental per year for annual general meeting;
- Access to a City liaison;
- Discounted community rate for Special Event Vendor Licenses; and
- Access to promotional and funding opportunities.

All groups receive regular communication and access to training opportunities coordinated by the Recreation Community Development Unit and also have the opportunity to participate on

our Community Centre Older Adult Committees which is a forum where information and advice is exchanged between older adult providers and clubs and community centre staff.

During COVID19 many of the older adult enquiries were directed to 211 and 311. This practise resulted in higher volume of older adults accessing information through this option, statistical information indicates 211 and 311 are still experiencing a high volume of calls and becoming an established go to for up to date information.

Staff from the Revenue section would be available to provide information about financial assistance programs to key Older Adult stakeholder groups upon request through Community Development. Revenue staff will also provide updated program information annually to Community Development. Staff at the Community Centres and City Libraries are able to access applications available on the City's website and provide copies to residents. Copies of the Financial Assistance document and applications for the Tax Rebate and Outdoor Maintenance Subsidy are available at the Mississauga Seniors Centre.

Financial Impact

Through the *Municipal Act, 2001*, the cost of the City's low-income Seniors Property Tax Rebate program is automatically shared with the school boards and the Region of Peel has the option to cost share in the program in the same proportion as property taxes. The Region currently cost shares in the tax rebate and has cost shared since the program was introduced in 2010.

Currently, the City funds approximately 36% of the program, with an annual budget of \$220,000 for 2020. Based on the 2019 participation and a rebate amount of \$423, tax rebates totalling \$702,600 were provided. The City's share of these rebates totalled \$252,940.

Based on the estimated participation of 1,700 applicants in 2020, the budget pressure for a \$100 increase in the tax rebate would be \$61,200. This excludes any budget pressure relating to increased participation in the tax rebate program.

If income eligibility criteria other than GIS was to be established for the Tax Rebate program, one additional FTE would be required to administer the program at a cost of \$66,700.

Conclusion

The current income eligibility criteria established for the City's Low-Income Seniors Property Tax Rebate program is consistent with other municipal programs. This program provides an annual rebate to seniors in receipt of the Guaranteed Income Supplement (GIS) which is increased each year by the blended tax impact. At \$436 for 2020, the property tax rebate provided to low-income seniors in Mississauga is above the municipal average surveyed.

As GIS confirms both age and income level it is the most effective model for income verification since it is secure and administratively efficient. Should an income threshold other than GIS be established, it would be more difficult for seniors to complete an application as it would require them to provide additional documentation for income verification. The cost of administering the program would increase as staff would have to spend time reviewing their income eligibility.

The *Municipal Act, 2001* provides single and upper-tier municipalities with the ability to provide a tax deferral program for low income seniors and low income persons with disabilities.

Attachments

Appendix 1: Older Adults Financial Assistance



Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer

Prepared by: Louise Cooke, Manager, Revenue and Taxation