

YWCA Ontario Submission to the Ministry of Education Regarding Proposed Amendments to Ontario Regulation 138/15 under the Child Care and Early Years Act

Date: November 21, 2025

Subject: Strong Endorsement of the Proposed Exemption of the Canada Disability Benefit (CDB) from Child Care Fee Subsidy Income Calculations

Executive Summary

As a coalition of YWCAs working in communities across Ontario, and as one of the province's largest providers of publicly funded, high quality child care offered through the Canada Wide Early Learning and Child Care agreement, we strongly endorse the Ministry of Education's proposed amendment to exclude the Canada Disability Benefit (CDB) from "adjusted income" for child care fee subsidy eligibility.

This is a fiscally responsible, red-tape-reducing measure that aligns directly with the core government priorities of maximizing workforce participation and achieving administrative efficiency across Ontario's social services. Moreover, it ensures that those living with disabilities and accessing support are not penalized for seeking a child care subsidy. Treating the CDB as income would effectively claw back a federal investment intended to support those most in need, creating a significant disincentive for parents with disabilities who are able to work to engage in work. By approving this exemption, the Ontario government ensures a unified and efficient approach to poverty reduction and support for families.

Understanding the Gendered Impacts of Living With Disabilities

According to Statistics Canada's Canadian Income Survey, in 2022, 17.7% of women with disabilities lived in poverty.

Due to historic and ongoing social norms, women are more likely to serve as caregivers than men. This often-unpaid caregiving role limits a woman's ability to participate in the workforce, contributing to higher poverty rates. At the intersection of disability, we see additional barriers that limit access to paid work and, in turn, higher rates of poverty.

There are significant costs to living with disabilities, and the CDB offers an important step to mitigate these costs. Access to child care is foundational to women's labour market participation. Ensuring access to both financial support for those living with disabilities and child care helps advance women's economic success.

1. Meeting Needs to Support Economic Participation

This policy is crucial for removing barriers to employment.

- **The Poverty Trap:** Persons with disabilities have poverty rates that are approximately twice as high as those without disabilities.¹ Due to persistent discrimination and ableism, some people with disabilities who are able and willing to work are unable to secure and maintain employment.² Further, an employer may hire an individual and fail to accommodate them, which may mean that the individual is unable to work. The CDB is a vital, supplemental income intended to address the extraordinary, often unavoidable costs associated with disability (e.g., accessible transportation, specialized equipment, medical expenses). By exempting the CDB from child care subsidy calculations, the Ministry ensures that this benefit serves its intended purpose.
- **Enabling Labour Force Engagement:** Access to reliable, affordable child care is a significant factor allowing parents to enter or remain in the workforce. For many parents with disabilities, the child care subsidy is an essential bridge to employment or further education. If the CDB is considered income, it immediately increases their calculated child care fees, effectively clawing back the federal benefit and undermining the tool's goal to enable work, study, or vocational training.
- **Economic Return on Investment:** By ensuring the CDB is preserved, Ontario leverages a federal investment to encourage provincial economic activity. A parent who can afford child care because their CDB is protected is a parent who can contribute to the tax base and increase the province's GDP. This policy is a smart investment in future growth.

2. Administrative Efficiency and Red Tape Reduction

A policy goal of this government is the reduction of unnecessary administrative complexity for local service providers. Exempting the CDB simplifies the process for Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs).

- **Consistency of Policy:** The Ontario government has already made the fiscally sound decision to exempt the CDB from income calculations for the Ontario Disability Support Program (ODSP) and Ontario Works (OW). This proposed amendment ensures consistency across all social programs. Treating it differently for child care subsidies would create an inefficient policy anomaly that requires specialized training and greater administrative overhead for local managers.

¹ <https://www150.statcan.gc.ca/n1/pub/89-654-x/89-654-x2024001-eng.htm>

²

<https://www.ywcatoronto.org/Assets/YWCA/Documents/Advocacy/Submissions/CDB%20Summary%20Responses-YWCA%20Toronto.pdf>

- **Simplifying Income Testing:** The current fee subsidy calculation relies on "adjusted family net income," which is generally derived from a standard line on the CRA Notice of Assessment (NOA)³. Manually requiring service managers to receive, verify, and subtract a non-standard federal payment (the CDB) from that NOA-based income calculation introduces a layer of complexity and administrative cost that is easily avoided by making this a clear, blanket exemption. This saves taxpayer money by reducing audit risks and casework complexity.

3. Targeted Support for Extraordinary Costs

The CDB is not standard "income" in the way earned wages are; it is a specialized transfer designed to address the extraordinary cost-of-living gap faced by people with disabilities, which can be 30% higher than the standard poverty line.⁴

- This exemption is an example of targeted, responsible spending. It acknowledges that the CDB must be used to cover disability-related expenses, which are critical for daily living and not factored into the existing subsidy income test, rather than being used for child care costs that the child care subsidy is meant to cover.
- This policy supports the self-determination of caregivers with disabilities, granting them full use of the federal benefit as intended and allowing them to make independent financial decisions for their family's well-being.

Recommendation

We strongly urge the Ministry to proceed with the proposed amendments to Ontario Regulation 138/15: Funding, Cost Sharing and Financial Assistance, to ensure the Canada Disability Benefit is excluded from adjusted income calculations for child care fee subsidy eligibility. This action is a clear reflection of the Progressive Conservative commitment to:

1. **Fiscal Prudence** by maximizing workforce participation.
2. **Administrative Efficiency** by reducing red tape for local service managers.
3. **Consistency** across the province's social assistance framework.

This policy removes a major structural barrier, supporting families with disabilities' self-determination and in their efforts to achieve self-sufficiency and contribute to Ontario's economic success.

³ <https://www.canada.ca/en/services/benefits/disability/canada-disability-benefit/amount.html#h2.1>

⁴ <https://campaign2000.ca/wp-content/uploads/2024/12/Disability-Poverty-Report-Card-2024-English.pdf>