

Issue Update

Income Assistance

History

The On-Reserve Income Assistance (IA) Program is funded by Indigenous Services Canada (ISC) and provides income assistance to eligible persons living on-reserve and in the Yukon to meet basic needs. The IA Program's rates for First Nations mirror those of the province or territory, which fails to account for the higher cost of living and unique circumstances in First Nations, particularly for rural, remote, and northern communities. The IA Program also offers Case Management and Pre-Employment Supports in some First Nations that support individuals to move from income assistance to education and employment. Despite receiving strong positive feedback, these supports are only available in approximately 29% of First Nations outside the province of Ontario.

AFN's recent advocacy

The Assembly of First Nations (AFN) has advocated for over a decade for ISC to reform the IA Program and for extended funding and expanded access to Case Management and Pre-employment Supports. From 2018 to 2020, ISC funded First Nations-led engagements on the IA Program that identified several aspects of the program that do not meet the needs of First Nations clients, case managers, and communities, including rates that fail to meet client needs, insufficient resourcing to administer the program and supports, and failure to incorporate First Nations knowledge and governance over the IA Program.

The AFN co-developed policy recommendations to reform the IA Program with ISC and the Technical Working Group on Social Development (TWGSD), ensuring that reform leverages the First Nations-led engagements. The First Nations-in-Assembly supported the policy recommendations via Resolution 07/2022, *Reform of the On-Reserve Income Assistance Program*, that included First Nations governance over the IA Program to meet IA client and family needs, increasing IA rates to account for the actual cost of living on-reserve; strengthening wrap-around supports for IA clients, including a particular focus on those with special and additional needs; increased resources and resourcing to support administration and case managers; First Nations-designed data strategies and collection; and infrastructure investments to enable First Nations to administer their own IA Program. ISC utilized the co-developed policy recommendations to inform their Memorandum to Cabinet in early 2023. In May 2023, the AFN was notified that Cabinet supported the First Nations-developed policy recommendations; however, Budget 2023 did not include the financial investments to implement these reforms. The AFN will continue to advocate for the necessary investments to implement the long-overdue reforms to the IA Program.

The 2022 Fall Economic statement invested \$100.2 million over three years, starting in 2022-23, to support work placements for First Nations youth through the Income Assistance-First Nations Youth Employment Strategy pilot. Further, it provided \$309 million in 2023-24 for the IA Program

to continue providing status quo services to First Nations while reform continues. In April 2023, the Government of Canada announced \$192.6 million to provide an inflation relief benefit of approximately \$300 per month for IA clients for six months.

Next Steps

The AFN remains committed to reforming the IA Program through a First Nations-led approach that shifts First Nations from surviving to thriving. As reform progresses, the AFN will assess the financial requirements for IA Program reform, per AFN Resolution 07/2022. The AFN will continue to oversee and provide input on the reform of the IA Program through the TWGSD, including guiding implementation.

The AFN will continue to monitor the progression of Bill S-233, *An Act to develop a national framework for a guaranteed livable basic income*. Currently, Bill S-233 does not consider the socioeconomic realities of First Nations, nor does it contemplate how a guaranteed livable basic income would interact with existing social supports, including the IA Program. Further, the AFN will continue to monitor the progress and implementation of Bill C-22, *An Act to reduce poverty and to support the financial security of persons with disabilities by establishing the Canada disability benefit and making a consequential amendment to the Income Tax Act*. The AFN will continue to seek opportunities to advocate for the meaningful inclusion of First Nations priorities and considerations in the legislation and implementation.