



## United Way Greater Toronto

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Ontario Ministry of Labour, Immigration, Training and Skills Development  
Ontario Portable Benefits Advisory Panel  
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### **Submission on Portable Benefits in Ontario**

To the Ontario Portable Benefits Advisory Panel,

It is with profound respect that United Way Greater Toronto (UWGT) acknowledges that we operate on the traditional territory and gathering place for many Indigenous nations including the Wendat, the Anishnaabeg, and the Haudenosaunee peoples. Today, it is home to many urban Indigenous peoples including Inuit, Métis, and First Nations peoples.

We recognize that the Greater Toronto Area (GTA) is covered by several treaties including Treaty 13 signed with the Mississaugas of the Credit First Nation; and the Williams Treaties signed by seven First Nations including the Chippewas of Beausoleil, Georgina Island, and Rama and the Mississaugas of Alderville, Curve Lake, Hiawatha, Scugog Island.

We recognize the rights of Indigenous communities and acknowledge the ancestral and unceded territories of the Inuit, Métis, and First Nations peoples across Turtle Island. We honour the teachings of Indigenous peoples regarding the land we each call home, our responsibilities to the land and one another. We are committed to improving our relations with Indigenous peoples and acting on our responsibilities in Truth and Reconciliation and the United Nations Declaration on the Rights of Indigenous Peoples. UWGT is steadfast in our work to reduce poverty and enable income security for all people in the GTA, including Indigenous peoples.

UWGT is pleased to provide recommendations to the Ontario Portable Benefits Advisory Panel (the "Panel") regarding the development of a portable benefits program for workers in Ontario. This is an issue that impacts the health and well-being of millions of workers and their families in Ontario and has broader implications for the healthcare system, the provision of social services, and the economy on both a provincial and national level.

For more than 65 years, United Way has created safe and stable pathways to inclusive employment for people facing barriers and advocated for systemic changes that support financial security for all. Our network of agencies and initiatives across Peel, Toronto, and York Region, works to ensure that everyone has access to the programs and services they need live healthy and productive lives. United Way's work is rooted in ground-breaking research, strategic leadership, local advocacy, and cross-sectoral partnerships committed to creating economic

opportunities and financial security for low-income people facing multiple barriers through programs such as the [Toronto Enterprise Fund](#), Career Navigator™ and the [Inclusive Local Economic Opportunity \(ILEO\) initiative](#).

UWGT strongly believes that all workers deserve equal protection under the law, in addition to accessible, affordable, high-quality health care. In Ontario, some workers are misclassified by their employers as independent contractors and denied minimum employment standards to which they would normally be entitled, such as overtime and vacation pay<sup>1</sup>. It is important to emphasize that while a portable benefits program would provide benefits to some workers currently without them, it must not replace or interfere with any workers' ability to advocate for, or secure, full and equal rights under the *Employment Standards Act*, *Employment Insurance Act*, or Canada Pension Plan. Furthermore, universal access to health benefits, in particular prescription medication and dental care, is the gold standard for improving the health and quality of life of all Ontarians, including precarious workers<sup>2</sup>. It is imperative that all levels of government continue to work towards implementing universal pharmacare and dental care, as portable benefits are a small step towards reducing the precariousness of workers' lives but will not solve the broader issue of equitable access to affordable quality care for all.

## Summary

The nature of work has changed significantly, with temporary, part-time, self-employment, and the digital gig economy making up 60% of all job growth over the past 30 years<sup>3</sup>. This work is often precarious and characterized by uncertainty and insecurity, with little or no access to the benefits and supports needed to stay healthy, employed, and financially stable. About one-third of all paid employees in Ontario do not have employer-provided medical or dental benefits<sup>4</sup>. A disproportionate amount of these workers are women, racialized individuals, newcomers, and/or youth who are low-income but do not qualify for publicly funded medical or dental programs. In these instances, they must pay out-of-pocket when their income is already inadequate to meet increased living costs or choose between purchasing medicine and paying for the necessities of life, such as food and shelter. When workers cannot access the medicine and care they need to prevent chronic illnesses there are broader impacts on the healthcare and social services systems and the economy. Being unable to access medically necessary prescription drugs can have serious health implications<sup>5</sup>, leading to costly hospital visits, short or long-term disability, the inability to work, and even reliance on social assistance, food banks, and homeless shelters that are already at capacity in Ontario.

A portable benefits program that provides inclusive, equitable access to health and wellness benefits for all workers would be a step towards providing the stability needed to keep workers healthy and employed, reduce overall healthcare and social services costs, and allow employers to attract the workers they need to maintain and grow the economy in Ontario. UWGT is committed to working with government and our partners to support workers in accessing affordable benefits and securing full and equal rights as workers in Ontario. UWGT is providing the following five recommendations to the Panel for the design of a portable benefits program that will help achieve these goals.

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<sup>1</sup> Dutton Employment Law (2021). [Employee Misclassification In Ontario](#).

<sup>2</sup> Cheff, R. & Um, S. (2021). Wellesley Institute. [A new normal for health coverage](#).

<sup>3</sup> Organisation for Economic Co-operation and Development (OECD) (2015). [In it together: Why less inequality benefits all](#).

<sup>4</sup> Barnes, S., V. Abban & A. Weiss (2015). Wellesley Institute. [Low Wages, No Benefits Expanding Access To Health Benefits For Low Income Ontarians](#).

<sup>5</sup> Wellesley Institute (2015). [Access to prescription drugs – HEIA in the Federal Election](#).

## **Recommendation 1: Ensure that all workers and their dependents are eligible to receive benefits under a portable benefits program.**

In Ontario, there are millions of workers who cannot afford the healthcare, dental care, and other wellness services they need to stay healthy, provide for their families, contribute to our economy, and lead productive lives. In the GTHA alone over 40% of workers are precariously employed with little or no access to health benefits<sup>6</sup>. These workers are often low-income and report difficulty obtaining and retaining housing, delaying starting a family, increased stress around financial decisions, and an overall lower quality of life<sup>7</sup>. Research shows that workers who have access to affordable health and wellness benefits are healthier, more productive, spend less money on healthcare, are less likely to require emergency services, and are in overall better health compared to workers without benefits<sup>8 9 10</sup>. Limiting a portable benefits program to specific sectors, occupations, or groups of people without an equity approach would fail to address the issues faced by low-income precarious workers and could create further inequities in the labour market. Enabling all workers, and their dependents, who do not have benefits to participate in a portable benefits program would level the playing field and have immediate positive effects for workers, their families, and the broader labour market.

Equal access to benefits for all workers would not only create a healthier workforce it would also attract more workers to Ontario. A 2021 survey found that a majority (68%) of Canadians indicated they would take a job with a good benefits plan over another job that pays more but does not have a benefits plan<sup>11</sup>. At the same time, employers are finding it difficult to attract and retain workers, with 64% of Canadian businesses reporting that labour shortages are limiting their growth<sup>12</sup>. Small businesses and entrepreneurs are key drivers of economic growth, but the nature of their business often limits the benefits they can offer to their employees<sup>13</sup>. A portable benefits program that is available to all workers can bolster the labour market and ensure that Ontario recovers and thrives following the height of the Covid-19 pandemic.

### *The Non-Profit Sector*

Ontario's non-profit sector contributes more than \$65 billion to the province's GDP and employs an estimated 844,000 people<sup>14</sup>. The sector is experiencing an unprecedented human resource crisis as staff and volunteers are leaving in record numbers, while demand for services is growing, waitlists are getting longer, and community needs are going unmet<sup>15</sup>. The absence of health benefits is a barrier to decent work in the sector, particularly for the large contingent of part-time workers. Of the 28% of workers in the non-profit sector classified as permanent, part-

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<sup>6</sup> Poverty and Employment Precarity in Southern Ontario (PEPSO) (2018). [Getting Left Behind: Who Gained and Who Didn't in an Improving Labour Market](#). PEPSO, McMaster University & United Way Toronto.

<sup>7</sup> Ibid.

<sup>8</sup> OECD (2015).

<sup>9</sup> Barnes et. al (2015).

<sup>10</sup> PEPSO (2018).

<sup>11</sup> Ipsos (2021). [Four in Ten \(40%\) working Canadians Say They've Experienced A Decline in Their Physical Health Throughout the Pandemic](#).

<sup>12</sup> Business Development Bank of Canada (BDC) (2021). [How to Adapt to the Labour Shortage Situation](#).

<sup>13</sup> Dessanti, C. (2021). Ontario Chamber of Commerce. [Capital is Key: Financing Entrepreneurship in Ontario After COVID-19](#).

<sup>14</sup> Imagine Canada and the Ontario Nonprofit Network (2021). *Get to know Ontario's non-profit sector* [Infographic]. Ontario Nonprofit Network. [https://theonnc.ca/wp-content/uploads/2022/03/Ontario-Nonprofit-Sector-Infographic\\_EN.pdf](https://theonnc.ca/wp-content/uploads/2022/03/Ontario-Nonprofit-Sector-Infographic_EN.pdf).

<sup>15</sup> Ontario Nonprofit Network and l'Assemblée de la Francophonie de l'Ontario (2022). [2022 State of the Sector – Policy Report](#).

time employees, less than a quarter have access to health or dental benefits<sup>16</sup>. Access to benefits for these workers would improve their health and financial well-being and could help to mitigate recruitment and retention challenges that are reaching a breaking point in the sector.

**Recommendation 2: Ensure that the receipt of benefits does not obstruct or prevent workers from seeking and securing full and equal rights under applicable employment laws.**

In Ontario, the *Employment Standards Act* (the “ESA”) sets the minimum standards for employment in most workplaces and defines which workers are considered employees under the *Act*. Employees covered by the ESA must receive minimum standards for wages, leaves of absence, work hours, overtime, and notice and severance pay, while workers not covered by ESA, such as those deemed to be “independent contractors”, do not. Employee misclassification, where employers incorrectly classify their employees as independent contractors, is not a novel practice but is becoming more prevalent due to the increase of non-standard work (e.g. temporary, contract), and the gig economy. While the extent of the practice has not been formally measured in Ontario or Canada, the misclassification of employees as independent contractors has been identified as a key regulatory problem in Canada<sup>17</sup>. Though its form varies, the impacts of misclassification are almost always the same: the underpayment of wages, absence of benefits, and increased exposure to a variety of financial and health risks<sup>18</sup>. The development of a portable benefits program must not impede or circumvent workers’ ability to secure classification as employees under the ESA, with equal access to Employment Insurance (EI), Canada Pension Plan (CPP), and injury compensation (WSIB). Furthermore, the receipt of portable benefits must not be used to incorrectly categorize employees as independent contractors. UWGT strongly supports worker advocacy efforts to end worker misclassification, advance equal pay and benefits for equal work policies, and support the development of universal pharmacare and dental care for everyone, regardless of their employment status. Only these practices will create a truly inclusive labour force where all workers and their families have equal and affordable access to the care they need.

### *Gig Workers*

The permanent, full-time work that dominated the labour market for decades is declining as the prevalence of non-standard work arrangements and the gig economy grows. The number of people working globally in the gig economy is expected to rise from 43 million in 2018 to 78 million in 2023<sup>19</sup>. This has major implications for workers as gig work is often characterized by low wages, lack of benefits, and poor working conditions. Gig workers across the globe are seeking full employment status and better working conditions as worker discontent grows<sup>20</sup>. In Ontario, gig workers have outlined actions that are needed to ensure fairness and non-discriminatory treatment in the Gig Workers’ Bill of Rights<sup>21</sup>. One of those actions is full and equal access to regulated benefits programs like Employment Insurance (EI), Canada Pension

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<sup>16</sup> Van Ymeren, J. and L. Lalande (2015). Mowhat NFP. [Change Work: Valuing decent work in the not-for-profit sector.](#)

<sup>17</sup> Law Commission of Ontario (2012). [Vulnerable Workers and Precarious Work.](#)

<sup>18</sup> Weil, D. (2017) Harvard Business Review. [Lots of Employees Get Misclassified as Contractors. Here’s Why It Matters.](#)

<sup>19</sup> Mastercard (2020). [Fueling the global gig economy.](#)

<sup>20</sup> Joyce, S., Neumann, D., Trappmann, V. and C. Umney (2020). European Trade Union Institute. [A global struggle: worker protest in the platform economy.](#)

<sup>21</sup> “Gig Workers’ Bill of Rights.” *Gig Workers United*, Gig Workers United, [https://gigworkersunited.ca/gig\\_workers\\_bill\\_of\\_rights.html](https://gigworkersunited.ca/gig_workers_bill_of_rights.html).

Plan (CPP), and injury compensation (WSIB). Most Ontario residents (69%) agree that the province should treat gig workers the same as traditional workers when it comes to employment benefits<sup>22</sup>. While a portable benefits program may provide some benefits to gig workers it must not come at the cost of workers not receiving full and equal rights under the ESA. Given the rapidly changing nature of work government should review its legislative framework and all proposed programs to ensure that it reflects and provides appropriate rights and protections for both the current and future workforce in Ontario.

**Recommendation 3: Provide a benefits package that is equal to those typically provided to workers who are employed on a full-time, permanent basis.**

Most workers with employer-led benefits plans cover the worker and their dependents and provide some amount of coverage for prescription drugs, dental care, vision care, professional services (e.g. occupational therapy, physiotherapy), mental health services, and short and long-term disability benefits. Having access to these types of benefits leads to better health outcomes for workers, reduced reliance on acute care services, increased job stability, and overall higher reports of well-being<sup>23 24 25</sup>. A portable benefits package that is equivalent to the typical employer-led benefits package would provide the greatest benefit to workers and their families and support greater equity for all workers. It would also fill a critical gap in our current healthcare system, as publicly funded health and dental programs are focused primarily on children, seniors, and social assistance recipients, with low-income workers ineligible or having to pay an out-of-pocket portion for services<sup>26</sup>. These workers, who are also more likely to be precariously employed and dealing with affordability issues in other areas of their lives, will often go without the care required to prevent more serious and costly health issues later<sup>27</sup>. This has implications for broader healthcare costs. For example, it is estimated that a lack of access to oral care generates \$38 million in acute care costs across Canada each year<sup>28</sup>. Conversely, Canadian researchers found that removing the out-of-pocket costs for medications used to treat three health problems—diabetes, cardiovascular disease, and chronic respiratory conditions—would result in up to 220,000 fewer emergency room visits, 90,000 fewer hospitalizations, and could potentially save \$1.2 billion a year in publicly funded healthcare costs<sup>29</sup>.

Many Canadians have unmet healthcare needs that prevent them from working full-time or part-time. Access to affordable professional services, including mental health care services, and short and long-term disability benefits, also play a crucial role in keeping workers healthy while reducing the strain on the broader healthcare system. For example, it is estimated that improved treatment of depression and anxiety among employed Canadians could potentially boost Canada's economy by up to \$32.3 billion and \$17.3 billion a year, respectively<sup>30</sup>. Another Canadian study found that every dollar invested in psychological services would yield two

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<sup>22</sup> Ontario Workforce Advisory Committee (OWAC) (2021). [The Future of Work in Ontario](#).

<sup>23</sup> OECD (2015).

<sup>24</sup> PEPSO (2018).

<sup>25</sup> Barnes et. al (2015).

<sup>26</sup> Ibid.

<sup>27</sup> Michael R Law et al., "The Effect of Cost on Adherence to Prescription Medications in Canada," Canadian Medical Association Journal 18, no. 3 (2012).

<sup>28</sup> Using 2015 data, a minimum of \$38 million/year was spent on acute care through visits to ERs and physician's offices for dental complaints. Source: Ontario Oral Health Alliance (2017). [No access to dental care: Facts and figures on visits to emergency rooms and physicians for dental problems in Ontario](#).

<sup>29</sup> Advisory Council on the Implementation of National Pharmacare (2019). Health Canada. [A Prescription for Canada: Achieving Pharmacare for All](#).

<sup>30</sup> Southerland, G. and C. Stonebridge (2016). The Conference Board of Canada. [Healthy Brains at Work Estimating the Impact of Workplace Mental Health Benefits and Programs](#)

dollars in savings to society<sup>31</sup>. Providing affordable access to benefits could also remove disincentives for those individuals receiving social assistance or disability benefits who wish to re-enter the labour market but cannot survive without government-provided benefits. Increasing access to these benefits through employment could reduce this disincentive and create more opportunities for those who experience barriers to secure employment<sup>32</sup>. Providing a comprehensive benefits package that is comparable to employer-led programs would attract more workers to the labour market, and keep them healthy and steadily employed while reducing overall healthcare costs and strengthening the economy.

**Recommendation 4: Ensure that employers, government, and workers contribute to the program, with worker contributions calculated on a sliding scale geared to income to ensure affordability for low-income and precarious workers.**

A successful portable benefits program must deliver benefits to workers and their families who need them while remaining attractive and accessible to workers and employers alike. A model where the cost is shared between employers, government, and workers provides the most flexibility, sustainability, and scalability. Each of these groups stands to benefit from the program and should contribute to funding it. Employees benefit directly from access to care, employers benefit from having a healthy worker pool, and government benefits from savings in acute care costs. To ensure equitable access and uptake by low-income workers who are most vulnerable, employee contributions must be calculated on a sliding scale geared to income. A similar model was successfully implemented in San Francisco where healthcare was provided to all uninsured individuals aged 18-64. The program was funded through a combination of federal, state, and local healthcare budgets along with patient and employer contributions. The program reported a high client satisfaction rate (97%) and reduced unnecessary emergency department visits by 8% for those covered<sup>33</sup>.

Additional consideration will be required to identify who would be best positioned to administer a portable benefits program based on the program design, eligibility, and funding/cost-sharing model utilized. The focus, however, must be on providing the most comprehensive, affordable, accessible, high quality, benefits program possible to workers and their families. Cost savings could be realized by implementing the program with administrative structures that are already in place, such as OHIP. More in-depth research and analysis on portable benefits model design and implementation have been completed by organizations in the United States, such as the [Aspen Institute](#), which can be leveraged for developing a model for Ontario.

**Recommendation 5: Consult extensively with workers who may be included in a portable benefits program on the design and implementation of the program.**

Many studies have illustrated the importance of including people with lived/living experience in the development of policies and programs that will have a direct impact on their lives. Critical issues and/or considerations regarding portable benefits that others cannot foresee may be uncovered through meaningful, direct, and extensive engagement with workers who are precariously employed and do not have access to benefits. Furthermore, many of these workers are from equity-seeking groups, such as racialized individuals and newcomers, who historically

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<sup>31</sup> Vasiliadis, H. M., Dezetter, A., Latimer, E., Drapeau, M., & Lesage, A. (2017). [Assessing the Costs and Benefits of Insuring Psychological Services as Part of Medicare for Depression in Canada](#). *Psychiatric services (Washington, D.C.)*, 68(9), 899–906.

<sup>32</sup> Canadian Mental Health Association Ontario and Centre for Addiction and Mental Health (2010). [Employment and Education for People with Mental Illness](#).

<sup>33</sup>Healthy San Francisco (2022). <https://healthysanfrancisco.org/>

have not been consulted in the development of government programs. [A report by the Public Policy Forum](#) on portable benefits agrees, recommending that government consults extensively with stakeholders to understand their diverse interests and needs<sup>34</sup>. UWGT strongly urges government to deepen its consultations with these workers and use their feedback and advice to shape the program and its implementation to ensure its success and benefit to precarious workers.

## **Conclusion**

More workers are finding themselves precariously employed without access to the health and wellness benefits they need to keep themselves and their families healthy and productive. Access to benefits is critical not only to workers' financial and health security but also to address the labour shortages and stressed healthcare and social services systems currently in Ontario. A program where all workers, and their dependents, can receive affordable and comprehensive benefits without impeding their ability to be recognized as employees under the law would have positive impacts for workers, their families, employers, the healthcare system, and the economy.

UWGT thanks the Panel for this consultation and would appreciate the opportunity to provide further input and feedback as the portable benefits program is developed and implemented.

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<sup>34</sup> Johal, S and W. Cukier (2019). [Portable Benefits: Protecting People in the New World of Work](#). Public Policy Forum.