



Memorandum

To: Service Providers

From: Windsor Regional Employment Network

Date: August 14, 2024

Subject: Clarification on Stipends as an IES General Jobseeker Financial Support

Dear Delivery Partners,

This memorandum provides clarification on stipends as an Integrated Employment Services (IES) general jobseeker financial support and to provide guidance on documentation and reporting requirements.

Job seeker – Stipends were introduced as an Employment Action Plan (EAP) Item in the IES EAP Plan Item directory for fiscal 2024-2025, and the following definition was adopted:

Job seeker – Stipends: *payment to a case managed IES client of a fixed sum of money determined in advance by the Windsor Regional Employment Network (WREN) or Service Provider (SP), and that acts as a financial incentive for the client to prepare for employment.*

The maximum stipend per client is \$1,500.

Determination of Eligibility and Policy Parameters

To support consistency with the determination of eligibility and the delivery of stipends, the following policy parameters must be considered:

1. Client barriers to obtaining employment

- Stipends are for clients who have significant employment barriers. For example, barriers could include limited labour market experience; low levels of education or literacy; lack of motivation and/or facing discrimination.

2. Incentive to complete lengthy (multi-day) pre-employment service activities

- Stipends are intended as a financial incentive for clients to increase the likelihood of clients participating in and completing lengthy (i.e., multi-day) pre-employment service activities to get ready for employment.
- Stipends may not be used to support onboarding and retention services, as this would result in a *de facto* wage subsidy for the employer.



3. Relevance to client's Employment Action Plan (EAP)

- The Service Providers decision to issue a stipend will consider the importance of the client completing the activity as a step towards achieving the employment goal noted in their EAP.
- The employment activity is to be approved in advance by the WREN prior to issuing a stipend.

4. Must be temporary support with negotiated terms and amount not to exceed \$1,500

- Stipends are to be a temporary financial support only and the terms and total amount must be negotiated in advance, e.g., a stipend may be conditional on the client fully attending the activity from start to finish with provisions for returning the funds if the activity is not complete and/or paying through installments rather than an upfront lump sum.
- The stipend amount should be based on both the client financial support required to complete the activity (e.g., transportation, daycare expenditures) as well as any financial incentive reasonable and proportionate for encouraging clients to successfully complete the activity.
- The stipend amount may not exceed \$1,500 per client EAP.
 - **Note:** *Stipends are not meant to be used as an alternative source of income support or to compensate the client for work. It is also not meant to be recouped as the stipend does not pay for specific fixed costs and does not require itemized receipts.*

Documentation and Reporting Requirements

For each stipend issued, the Service Provider must record and retain all documentation in EOIS-CaMS, as per existing processes. Documentation is to include:

- calculation of stipend amount including explanation of how stipend amount is determined based on WREN policy;
- explanation how the funded activity will contribute towards achieving the employment goal noted in the client's Employment Action Plan (EAP).
- receipt signed by client upon receiving stipend payment(s); and
- verification that funded activity was completed by the client, e.g., copy of training session attendance form.

Special Notes

Stipends are **taxable income** for clients. Service providers must comply with applicable tax laws and regulations administered by the Canada Revenue Agency and issue the appropriate taxation documents to participants.

For IES clients receiving Ministry of Children, Community and Social Services (MCCSS) **social assistance income support** (i.e., Ontario Disability Support Program or Ontario Works income support



clients), the Service Provider must inform the client that the stipend amount is a training allowance and partially exempt (like earnings) for the calculation of eligible social assistance financial benefits.

To support consistency of case management, the below can be found on our [Service Provider Resources](#) page. As further details are confirmed, all relevant documents and resources will be updated.

- Policies & Guidelines
- Memos
- CaMS Forms
- Job Aids & User Guides
- Intake & Referral Processes
- Employment Related Financial Supports
- Marketing, Branding & Communications
- Translated Materials
- Better Jobs Ontario
- Labour Market Information & Industry Resource

Please contact your Quality Assurance Coordinator with any questions, concerns, or support inquiries. Thank you for your patience as we continue to shape our processes to meet the needs of our network.

Sincerely,

The Windsor Regional Employment Network