

## **Submission to House of Commons Standing Committee on Finance study on Income Inequality in Canada April 2013.**

Submitted by:

Parent Support Services Society of BC

204 5623 Imperial Street

Burnaby, BC, V5J 1G1

[www.parentsupportbc.ca](http://www.parentsupportbc.ca)

### **Canada Pension Plan Disability & Children's Benefits**

#### **What is CCPD?**

CCP Disability is part of the Canada Pension Plan. It provides financial assistance to CPP contributors who are unable to work because of a severe and prolonged disability. Benefits are paid monthly to eligible applicants and their dependent children.

#### **Who qualifies?**

CCPD is available to people who have made enough contributions to CPP and whose disability prevents them from working at any job on a regular basis.

#### **What is CPP Children's Benefits?**

The CPP Children's Benefits provides a monthly benefit to the dependent children of disabled or deceased contributors. Grandchildren who are being raised fully by their grandparents (or children being raised by relatives) can be eligible for a children's benefit as long as the caregiver is receiving a CPP disability benefit. CPP pays benefits for children if they are:

- under 18 years of age. These benefits are paid to the individual who has the care and custody of the children; or,
- between 18 and 25 years old and attending school on a full-time basis. This benefit is paid directly to the child.

#### **Important facts...**

- **CPP disability benefit is not necessarily a permanent benefit.**

It is intended partially to replace employment income for as long as the disability stops the recipient from working. Service Canada will occasionally review the health and work status of people receiving a CPP disability benefit, to ensure that they continue to be

eligible. A CPP disability benefit can be cancelled following a reassessment. **When a CPP disability benefit is cancelled, any related children's benefits are also cancelled.**

**When the recipient turns 65, the CPP disability benefit automatically changes to a retirement pension and the children's benefits are lost.** This has a significant impact on children being raised by a grandparent or other relative as well as the caregivers themselves. Their disability does not magically disappear when they turn 65 and the needs of the children they are raising definitely increase as they too age. The majority of the grandparents did not plan to take on responsibility for young children as they grew older but have done so out of love and necessity. Many in Canada are raising children from infancy to adulthood and the caregivers can range from their forties to their eighties. It is estimated that the majority of the caregivers sink near or into poverty once they retire as any retirement savings have already been depleted providing for the children.

We ask that you explore the inherent inequity these unique families face due to their age, disability and parenting responsibilities. We can only imagine that when the legislation was designed, there was little to no thought that aging grandparents would be responsible full time for young children. This is a demographic on the rise.

Respectfully submitted by:

Carol Ross, MSW  
Executive Director  
carol.ross@parentsupportbc.ca