



5 August 2014

Federal Budget 2015: Disabling Poverty/Enabling Citizenship

EXECUTIVE SUMMARY

The Council of Canadians with Disabilities' (CCD) Budget 2015 recommendations would reduce disability poverty and enable citizenship by putting more money in the pockets of Canadians with disabilities through reform of disability tax measures and by promoting access and inclusion through the implementation of the UN Convention on the Rights of Persons with Disabilities (CRPD). CCD's recommendations are consistent with the spirit of the legacy of the late Hon. J. Flaherty who understood the need to reduce the level of poverty of Canadians with disabilities.

Request to Appear - CCD, a national cross-disability organization of people with disabilities working for access and inclusion, seeks to appear before the Finance Committee in either Halifax or Winnipeg to address:

- A. Improving taxation;
- B. Maximizing jobs;
- C. Ensuring prosperous communities;
- D. Supporting vulnerable Canadians.

ALLEVIATING POVERTY

Canadians with disabilities face a disproportionate level of poverty, with some living on less than \$10,000 a year. Poverty means foregoing essentials. A Canadian with disabilities living in poverty may:

- Live without needed technical aids (e.g., a hearing aid);
- Eat poorly because the food budget goes to renting accessible accommodations;
- Cut back on needed medication because it is too costly.

Poor Canadians with disabilities make such choices daily. While developing Budget 2015, the Federal Government must remember people with disabilities living in abject poverty, particularly those facing multiple oppressions such as sexism, racism, homophobia, and ageism.

Continuing the Flaherty Legacy – CCD urges continued progress on the disability policy begun by Mr. Flaherty, whose policy reforms positively impacts Canadians with disabilities by cementing a federal policy and spending role in crucial areas of income security, labour force participation and accessibility for persons with disabilities.

Disability In Canada – The 2012 Canadian Survey on Disability (CSD) reports about 3.8 million people, or 13.7% of Canadians aged 15 and older, disclosed activity limitations caused by an impairment.

The prevalence of disability climbs with age. One in 10 Canadians, aged 15 to 64, reported having a disability in 2012, compared with just over one-third of seniors (aged 65 and older). Women have a higher prevalence of disability than men (14.9% versus 12.5% respectively).

Nationally, social assistance disability income spending is rising faster than other programs overall. Between 2005-06 and 2010-11, it grew from \$23.2 billion to \$28.6 billion, an increase of nearly 30%.¹

18.4% of working-age women with disabilities in low income households are lone parents compared with 9.9% of their counterparts who live above the Low Income Cut-Offs (LICO) and 7.9% of women without disabilities. Only 4% of men with disabilities who live on low incomes are lone parents.²

Among working-age women with disabilities living in low income households, half (49.5%) received social assistance in the past 12 months compared with fewer than one in ten (8.6%), whose household income was above the LICO.³

A. Improving Canada's Taxation and Regulatory Regimes

CCD's research initiative, Disabling Poverty/Enabling Citizenship developed the following recommendations:

Recommendation 1. Establish a Refundable Disability Tax Credit (DTC). CCD recommends the conversion of the DTC to a refundable disability tax credit, which would extend compensation for the extra costs of disability to the lowest-income people with disabilities living in poverty⁴.

1.1 Make the DTC equal to the maximum current value of \$2,000 per year.⁵

1.2 Everyone eligible for the DTC should get the full value of the \$2,000 credit regardless of their income or employment status.

Recommendation 2. Streamlined Automatic Approval of DTC Once CPP-D Eligibility Determined. CCD recommends that every person with a disability of a year's duration who has Canada Pension Plan-Disability (CPP-D) should automatically be qualified for the DTC.⁶

Recommendation 3. Extend Protection of Employment Insurance Sickness Benefits. CCD recommends extension of the duration of the Employment Insurance (EI) sickness benefit from the current maximum

¹ Stapleton, John, et.al. (2013) What is Happening to Disability Income Systems in Canada?

<http://www.ccdonline.ca/en/socialpolicy/poverty-citizenship/income-security-reform/disability-income-systems>

² CURA, Gender, Disability and Low Income. <http://www.ccdonline.ca/en/socialpolicy/poverty-citizenship/demographic-profile/gender-disability-low-income>

³ CURA, Gender, Disability and Low Income. <http://www.ccdonline.ca/en/socialpolicy/poverty-citizenship/demographic-profile/gender-disability-low-income>

⁴ Disabling Poverty and Enabling Citizenship: Recommendations for Positive Change. May 15, 2014. p.3.

⁵ Disabling Poverty and Enabling Citizenship: Recommendations for Positive Change. May 15, 2014. p.3.

⁶ Disabling Poverty and Enabling Citizenship: Recommendations for Positive Change. May 15, 2014. p.3.

duration of 15 weeks to 50 weeks for those eligible who have a prolonged or episodic serious illness or health condition.⁷

Recommendation 4. Expand the Working Income Tax Benefit (WITB) Disability Supplement. CCD suggests the following reforms:

4.1 Lower the annual earnings threshold at which benefits begin to be paid to better support low income wage workers.⁸

4.2 Phase-out more gradually the income level at which the maximum benefit is payable, so as to better support low income working families.⁹

4.3 Increase the value of the Disability Supplement, so as to better acknowledge the additional costs for employees living with disabilities.¹⁰

Recommendation 5. Improve Access to the Registered Disability Savings Plan (RDSP). CCD recommends changes to the policy design and administration of the RDSP with regard to the contractual competence and legal authorization requirements for opening a RDSP. These requirements pose a barrier to eligible beneficiaries with intellectual disabilities.¹¹

Recommendation 6. Enhance the Canada Disability Child Benefit. CCD recommends the sequenced adoption of the following reforms:

6.1 Increase the maximum amount of the benefit and ensure that it is not clawed back by provincial social assistance programs.¹²

6.2 Raise the current income level for which the benefit is phased-out, thus extending the benefit to more moderate-income families.¹³

6.3 Extend the coverage to youth over age 18 who have severe and prolonged impairments. This extension could be introduced in two stages; first, to add those eligible from ages 19 to 24, and then in a subsequent budget year, include those eligible ages 25 to 30. The program could be renamed as the Canada Disability Child and Youth Benefit.¹⁴

⁷ Disabling Poverty and Enabling Citizenship: Recommendations for Positive Change. May 15, 2014. p.3.

⁸ Disabling Poverty and Enabling Citizenship: Recommendations for Positive Change. May 15, 2014. p. 3.

⁹ Disabling Poverty and Enabling Citizenship: Recommendations for Positive Change. May 15, 2014. p. 4.

¹⁰ Disabling Poverty and Enabling Citizenship: Recommendations for Positive Change. May 15, 2014. p. 4.

¹¹ Disabling Poverty and Enabling Citizenship: Recommendations for Positive Change. May 15, 2014. p. 4.

¹² Disabling Poverty and Enabling Citizenship: Recommendations for Positive Change. May 15, 2014. p. 4.

¹³ Disabling Poverty and Enabling Citizenship: Recommendations for Positive Change. May 15, 2014. p. 4.

¹⁴ Disabling Poverty and Enabling Citizenship: Recommendations for Positive Change. May 15, 2014. p. 4.

B MAXIMIZING JOBS

The Canadian government holds that sustained employment provides the best income security. Unfortunately, barriers continue to exclude many people with disabilities from work.

A Consensus Exists: Creating greater employment opportunities for persons with disabilities is the right thing to do and it makes economic sense. An achievable win/win opportunity exists.

Critical to successfully addressing the massive unemployment and under-employment of persons with disabilities is collaboration and coordination between and among all stakeholders - federal/provincial/territorial (F/P/T) governments, employers, unions and persons with disabilities and their organizations. Success will only be achieved if systemic barriers are removed and individual disability accommodations are assured. Additionally, programs are required that create new incentives to assist people with disabilities acquire skills and training and employers both large and small must be encouraged to make their labour force more inclusive.

Recommendation 7. Develop a New Approach – Transformation and Incentives.¹⁵ CCD applauded Budget 2014's measures to promote employment of people with intellectual disabilities. CCD recommends a new approach to the employment of **ALL** persons with disabilities. Central to a new approach would be stakeholder engagement, including the representative organizations of people with disabilities. (The following recommendations are based upon CCD's document "Transforming Systems – a New Approach Employment and Persons with Disabilities", endorsed by 13 CCD member groups, which was sent to the Hon. Jason Kenney prior to his meeting with P/T Ministers responsible for employment and labour market training in November 2013.)

7.1 First priority for "new investments" should be given to youth with disabilities (18-30) in transition – moving from school to work. Support must not be diminished for others seeking to enter the labour market – e.g., older persons just experiencing disability, and those seeking to re-enter the labour force.

7.2 Develop a range of employment initiatives and supports which includes longer term supports for those with more complex needs (multiple disabilities, greater experience of discrimination, Aboriginal People, and women).

7.3 The Federal Government must become a model employer with a target of ensuring persons with disabilities comprise 7% of the Federal labour force and prioritize hiring new employees with disabilities.

Recommendation 8. The Labour Market Agreement for Persons with Disabilities (LMAPD) and the Opportunities Fund must be transformed and expanded.

¹⁵ CCD. "Transforming Systems – a New Approach Employment and Persons with Disabilities." November 1, 2013. <http://www.ccdonline.ca/en/socialpolicy/employment/Transforming-Systems1Nov2013>

8.1 Establish a collaborative supported task group representative of the disability community and other stakeholders to “transform” the LMAPD.

8.2 Targets for the employment of persons with disabilities must be established within Labour Market Agreements with the provinces and territories.

8.3 Expansion should include new funding allocations for regional demonstration projects engaging all stakeholders. This fund should grow over time, recognizing that LMAPD funding has remained static in real terms for many years.

8.4 Consideration should be given to an expanded federal contribution providing a 75%/25% split in cost-shared funding for designated new “transformative” employment initiatives.

8.5 Transformation includes funding service delivery mechanisms that respond both to current labour market needs and the contemporary aspirations and needs of persons with disabilities.

8.6 Performance indicators must be established within LMA reporting mechanisms to highlight the employment initiatives regarding persons with disabilities.

C. ENSURING PROSPEROUS COMMUNITIES, INCLUDING THROUGH SUPPORT TO INFRASTRUCTURE

Budget 2007's Enabling Accessibility Fund is making a modest difference in access for persons with disabilities. New infrastructure initiatives could make a significant long-term contribution by removing barriers to transportation systems, communication technologies, and community spaces.

Market forces have not responded sufficiently to ensure access for persons with disabilities. In fact new barriers are being created. Canadians with disabilities can make significant contributions to society but they cannot do so if new barriers continue to be created. The Government of Canada must regulate access to transportation and to communication technologies.

We call upon the Government of Canada to reinforce to industry the importance of full inclusion of people with disabilities. Government should implement a procurement policy that insists that all goods and services purchased, particularly information technology, be fully accessible.

Recommendation 9. CCD recommends that infrastructure investments enhance accessibility for Canadians with disabilities.

9.1 CCD recommends the creation of a national Universal Design Institute to share best practices in removing barriers and creating access. This Institute would be a significant resource for employers, governments and civil society.

D. SUPPORTING VULNERABLE CANADIANS

Due to barriers, many Canadians with severe disabilities remain permanently behind the welfare wall. Welfare has been referred to as "the meanest and most archaic of Canada's social programs."¹⁶

Recommendation 10. A New Basic Income (BI) for People with Severe Disabilities. In the long-term, CCD recommends the federal government in cooperation with P/T governments develop a basic income program, replacing social assistance for working-age Canadians with severe disabilities. The BI would be modeled after the Old Age Security and the Guaranteed Income Supplement.¹⁷

10.1 The BI (along with a refundable disability tax credit) would free-up funding for disability-related supports, permitting the provinces and territories to establish more comprehensive systems of supports and services for persons with disabilities.¹⁸

CONCLUSION

CCD understands the federal jurisdiction's limitations and that responsibility for many disability issues rests in P/T jurisdiction. However, the Government of Canada has mechanisms within its purview which it can use to improve the lives of persons with disabilities.

CCD urges the Canadian Government to:

- Use tax and other measures to reduce the poverty of persons with disabilities.
- Use its legislative and regulatory powers to ensure that persons with disabilities are included fully in Canadian programs and services.
- Collaborate with the P/T on labour market strategies and broad social policy initiatives to address the needs of persons with disabilities.

CRPD implementation can be the basis of collaborative F/P/T policy development.

¹⁶ Mendelson, Michael, et. al. "A Basic Income Plan for Canadians with Severe Disabilities." <http://www.ccdonline.ca/en/socialpolicy/poverty-citizenship/income-security-reform/basic-income-plan-for-canadians-with-severe-disabilities>

¹⁷ Disabling Poverty and Enabling Citizenship: Recommendations for Positive Change. May 15, 2014. p. 5.

¹⁸ Disabling Poverty and Enabling Citizenship: Recommendations for Positive Change. May 15, 2014. p. 5.