

# Disability Policy in Canada: building blocks or blocked building?

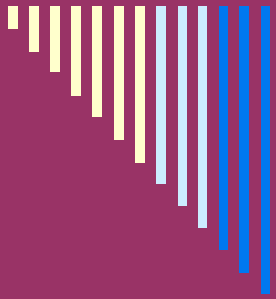
*Michael J. Prince*

CACL Forum

Crowne Plaza Hotel, Ottawa

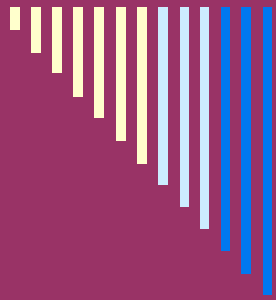
November 23, 2007

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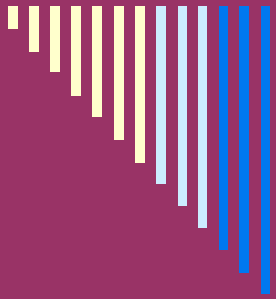
# My objectives today

- To look at what has been happening in the “three building blocks” of supports, employment, and income for persons with disabilities
- To identify some reform proposals, issues and ideas



# Presentation outline

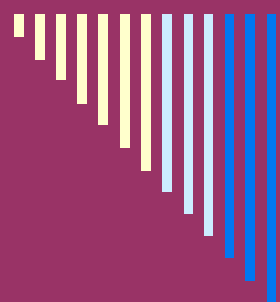
- Disability related supports
- Employment
- Federal income and tax reforms
- Income reform proposals
- Conclusions



# Profile of need for supports

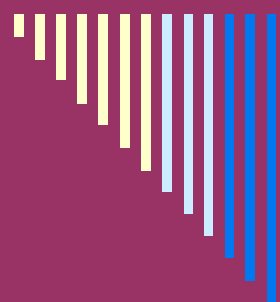
- About 2 million Canadian adults lack one or more of the disability supports they need.
- Half of children with disabilities who need specialized aids do not have all the aids they require.
- Families supporting a family member with a disability have lower household incomes than other families.

PALS, 2001



# Gaps in meeting needs for supports

- ❑ Main reason for unmet needs of disability-related supports in Canada is *cost concerns*
- ❑ This costs concern is especially prevalent for people with severe disabilities
- ❑ A second reason for unmet needs is the *lack of information on availability*



## Demand for supports will only grow

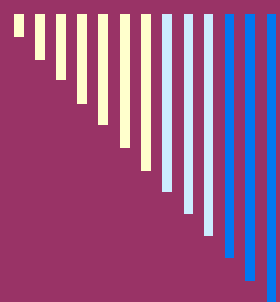
- ❑ Aging population of Canada
- ❑ Pressures on smaller sized families
- ❑ Public expectations for flexible, available and accountable services
- ❑ Further deinstitutionalization
- ❑ Labour market needs for skilled people



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# Advocacy style on supports

- ❑ Disability organizations frequently target the federal government for action on disability-related supports
- ❑ Ottawa has been resistant to these claims for federal involvement
- ❑ Even less likely now under Harper's "open federalism" approach
- ❑ Need to direct greater attention to provincial/territorial public sectors

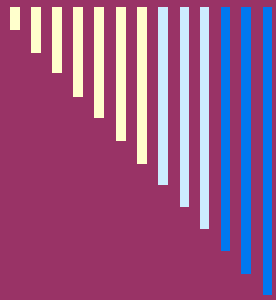


# Torjman's 5-point plan for reforming disability supports

1. Providing information – single access
2. Easing access to supports – review eligibility rules
3. Improving delivery of programs – consolidate programs, fill gaps
4. Developing citizen-centred – more individualized funding, peer support
5. Changing the broader context – legislation for accessibility

S. Torjman, "Five -Point Plan for Reforming Disability Supports" (2007) at [www.caledoninst.org](http://www.caledoninst.org)





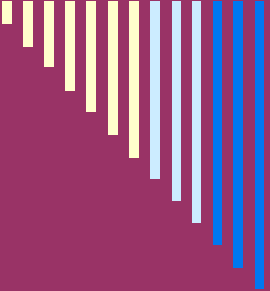
## This plan as a set of ideas

- ❑ Focus on provincial/territorial levels; not waiting for Ottawa
- ❑ No new major public investments are required; some actions now
- ❑ The five elements range from the most modest (information) to more ambitious (legislation on accessibility)
- ❑ Can emphasize technical aids and devices; personal services; or environmental changes



# Large-scale reform ideas on disability supports

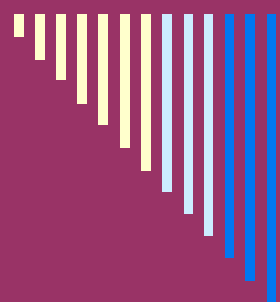
- Involve federal/provincial/territorial action
- Various devices available in principle:
  - Earmark funds through Canada Social Transfer
  - New Personal Supports Fund
  - Reform LMAPD into a broader transfer program for various kinds of supports
  - Re-investment strategy linked with new federal basic income program



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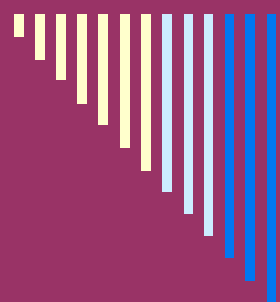
## Prospects for these large-scale reforms?

- Harper government's declared intention to limit the use of the federal spending power in areas of exclusive provincial jurisdiction, suggests that many of these large-scale reform ideas are not politically acceptable
- But some options remain feasible



# Employment participation rates

- About 45% of adults with disabilities are in the labour force, compared to about 80% for non-disabled population
  
- Participation varies by severity of disability: 63% for mild and 28% for severe and very severe disabilities
  
- Participation varies by age among people with disabilities:
  - 55% for those aged 25-54
  - 27% for those aged 55-64



# Marginalized in the mainstream

- ❑ Work in similar industries
- ❑ Work in similar occupations, *But*
- ❑ Higher unemployment rates
- ❑ Higher unmet needs for training
- ❑ Less likely to work full-time, full-year
- ❑ Lower median employment income
- ❑ Lower access to medical, disability and life insurance coverage



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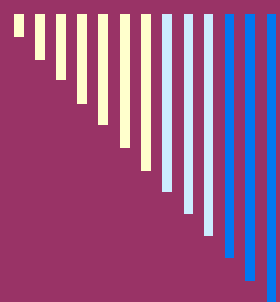
# Employment trends

- ❑ In 2003, wages and salaries were the main source of income for 54% of adults with disabilities compared to 74% for those without disabilities
- ❑ The average earned income for adults with disabilities is about 85% of that for adults without disabilities.
- ❑ People with disabilities are more likely to have very low earnings. In 2004, 17% had annual earnings of under \$5,000 compared to 12% of people without disabilities.



# Federal employment program investments (Millions \$)

	2005-06	2006-07	2007-08	2008-09
Labour Market Agreements for PD	221	223	223	223
Opportunities Fund	29	30	30	30



# Reform ideas on employment

- ❑ Establish specific targets for persons with disabilities in the LMAPD and for *El Part II* that deals with employment benefits and services
- ❑ Expand the budget for Opportunities Fund
- ❑ Procurement policies
- ❑ Governments as “model employers”
- ❑ Information campaigns
- ❑ Tax credits to encourage hiring, training and apprenticeships

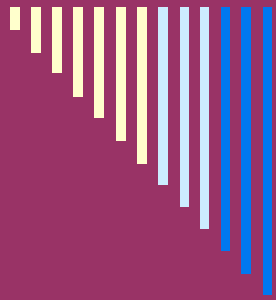




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## Further reform ideas

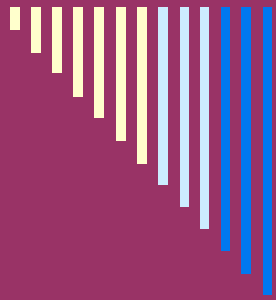
- ❑ Expand workplace adaptations and supports – reduced hours, modified job duties, structural adaptations
- ❑ Demonstration projects under EI benefits and support measures (wage subsidies, earnings supplements)
- ❑ Review vocational rehabilitation program in CPP Disability
- ❑ Create employer councils



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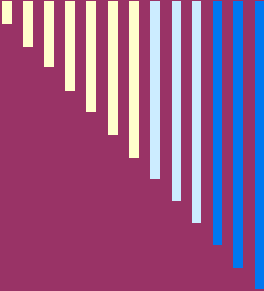
**For more information ...**

*Improving the Odds:  
Employment, Disability and  
Public Programs in Canada*  
(Toronto: Roeher Institute,  
2004).



## Federal disability-related income programs as of 2002

- Attendant Care Deduction
- Canada Study Grant
- CPP Disability Benefits
- Caregiver Credit
- Child Tax Benefit
- Disability Tax Credit
- EI Sickness Benefit
- GST Credit
- Infirm Dependant Credit
- Medical Expense Tax Credit
- Refundable Medical Expense Supplement
- Veterans Pensions and War Allowances



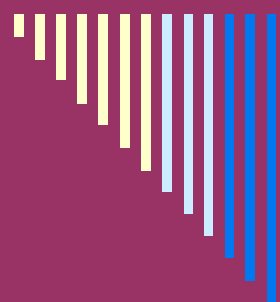
## ***Additional* federal disability-related income programs as of 2007**

- Canada Access Grants for college and university students
- Child Disability Benefit
- Children's Fitness Tax Credit
- Child Tax Credit
- Disability Supports Deduction (replaces Attendant Care Deduction)
- EI Compassionate Benefit
- Registered Disability Savings Plan
- New Veterans Charter with Disability Awards and Allowances
- Working Income Tax Benefit and Disability Supplement



# Changes to existing federal income programs

- ❑ Increases in maximum amounts: Child Disability Benefit
- ❑ Extended scope of allowable expenses: Disability Tax Credit
- ❑ Restricted coverage: Employment Insurance
- ❑ Streamlined access: Old Age Security
- ❑ Eased contribution requirement for benefits: CPP Disability for long-time workers
- ❑ Strengthened penalty provisions for fraud: OAS and CPP
- ❑ A non-change as policy: GST Credit kept at 7%



## Still other new federal income benefits

- ❑ Apprenticeship Job Creation Tax Credit
- ❑ Canada Employment Credit
- ❑ Full Exemption of Postsecondary fellowships, scholarships and bursaries
- ❑ Tax Credit for Public Transit Passes
- ❑ Textbook Tax Credit
- ❑ Trades people's Tool Expenses Deduction



# Canada Social Transfer

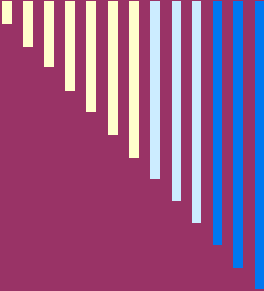
- ❑ Federal block transfer to provinces/territories for three areas: post-secondary education, children, social services and social assistance
- ❑ Prime vehicle of federal support for social assistance safety net
- ❑ As of 2007-08, cash transfers allocated on an equal per capita basis, set in legislation to 2013-14 and, as of 2009-10, will grow by an annual 3% escalator
- ❑ Harper government's emphasis in the CST is for post-secondary education



# Canada Social Transfer cash support (Millions \$)

<i>Priority Areas</i>	<i>2007-08</i>	<i>2008-09</i>	<i>Change</i>
Children	850	1,100	250
Post-secondary	2,435	3,235	800
Social assistance	6,202	6,202	--





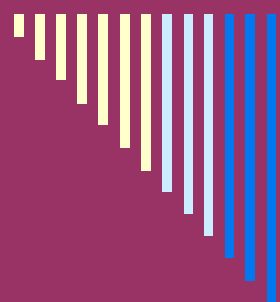
## Declines in welfare incomes for persons with a disability, 1997-2005

NL	- \$1,327	-12.0 %
PEI	-1,921	-19.2
NS	-1,525	-14.6
NB	-124	-1.5
QUE	-137	-1.3
ONT	-1,855	-13.3
MAN	-1-132	-11.6
SASK	-541	-5.7
ALTA	-215	-2.7
BC	-693	-6.1



## Deepening benefit inadequacy and financial insecurity

- ❑ From 1997 to 2005, welfare incomes for a single person with a disability fell in all 10 provinces
- ❑ In half the provinces, substantial declines of between 12% to 19% in the real value of social assistance and related welfare support
- ❑ In 7 provinces, the 2005 welfare incomes for persons with a disability was *the lowest level since 1986* when data were first collected by National Council of Welfare
- ❑ For most provinces, the year of highest welfare benefit levels for persons with disabilities was in the early 1990s



# Disability income reform ideas and action plans

Reports in circulation:

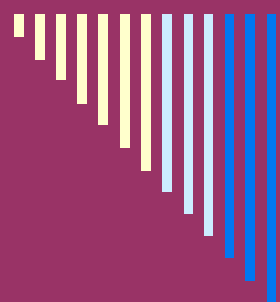
- ❑ On expanding EI sickness benefits (2006)
- ❑ Task Force on modernizing income security for working age adults (2006)
- ❑ National Council of Welfare's national anti-poverty strategy (2007)
- ❑ Saskatchewan Disability Income Coalition (2007)



# FPT working group on benefits for persons with disabilities

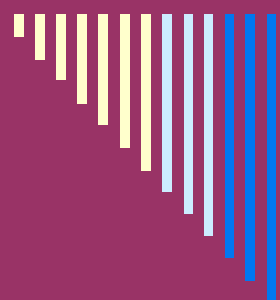
Over 2003-2005, examined a set of four options:

1. New federal transfers to provinces and territories for disability supports
2. New federal refundable tax credit for people with severe disabilities
3. Earned income supplement for low income workers with disabilities
4. New Canadian disability income program with reinvestment by provinces and territories into disability-related services and supports



# Caledon Institute of Social Policy: proposed reforms

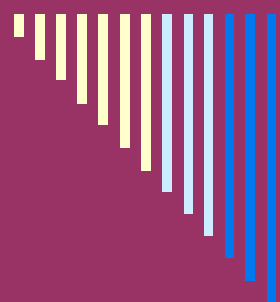
- ❑ Make the nonrefundable Disability Tax Credit a refundable benefit to help low-income persons with disabilities
- ❑ Replace welfare benefits for most persons with disabilities with a new income-tested federal Basic Income program, delivered through the tax system, for those adults with severe and prolonged disabilities
- ❑ Benefit value of Basic Income equivalent to maximum OAS/GIS for low-income seniors
- ❑ Enables provinces/territories to reinvest resulting savings into disability supports and services



## National Action Plan on Disability: CACL, CAILC, CCD and others

Four key areas identified:

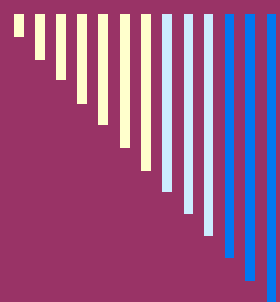
- ❑ Investments in disability related supports
- ❑ Initiatives to alleviate poverty
- ❑ Measures to increase access to labour force
- ❑ Initiatives to promote access, inclusion and full citizenship



# On initiatives to alleviate poverty

## First steps:

1. Make the DTC refundable
2. Make those eligible for CPPD automatically eligible for the DTC
3. Make CPPD benefits non-taxable
4. Expand EI Sickness benefits to 52 weeks
5. Ensure new federal benefits such as RDSP are not clawed back by provinces/territories from those recipients on social assistance



# On initiatives to alleviate poverty

## Future steps:

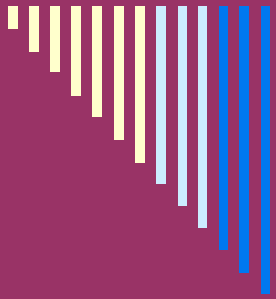
- An expanded role by the federal government in income support for Canadians with disabilities thus freeing up resources at the provincial/territorial level for re-investment in disability supports and services
- Phased in over the medium to longer term





# Conclusions

- ❑ Convergence of thinking on desired changes: get people with disabilities off welfare, provide better income especially for those with severe impairments, enhance employment opportunities
- ❑ Recent pattern of numerous, separate add-ons is problematic
- ❑ Need for policy mix of tax measures, income benefits, legislation, information, and services
- ❑ Expanding supply of supports linked with improving income benefits and fostering labour force inclusion



# Conclusions

- ❑ Intergovernmental collaboration required although with clear distinction of roles
- ❑ Federal government take the lead on income security for Canadians with disabilities
- ❑ Provincial and Territorial governments responsible for disability-related services and supports
- ❑ Engagement by disability community is crucial in these policy development processes, to let the grassroots blossom

