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Comments on the Canada Disability Benefit Act Draft Regulations as outlined in the Canada Gazette, Part I, Volume 158, Number 26: Canada Disability Benefit Regulations

Presented to the Department of Employment and Social Development Canada

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March of Dimes Canada Submission on the Canada Disability Benefit Draft Regulations

In this submission, March of Dimes Canada (MODC) shares its comments on the Canada Disability Benefit (CDB) draft regulations, as published on June 29, 2024 in the *Canada Gazette* Part I, Volume 158, Number 26.

This submission is informed by MODC's *Benefit Without Barriers* report, input collected from members of MODC's Disability Advocacy Network, and four virtual focus groups held in August 2024 comprising 24 people with disabilities or allies and family members of people with disabilities. Focus group participants were provided key discussion topics in advance and were later compensated for their time and expertise shared during the two-hour sessions.

While the CDB draft regulations encompass a wide array of details on the administration and implementation of the benefit, we have limited our comments to specific areas of expertise and input received from our community.

Summary of Comments

1. **Access to the CDB only through the Disability Tax Credit (DTC) remains a barrier.** The Government of Canada must improve access to the DTC and explore alternative ways to verify disability status for CDB eligibility, including harmonizing eligibility with existing provincial and territorial disability benefits.
2. **The CDB implementation process must be accompanied by a nationwide awareness campaign** to make sure people with disabilities know about the new benefit and any access requirements.
3. **The proposed CDB amount will not lift people with disabilities out of poverty** and must be reassessed and increased.
4. **Income assessments should be based on the individual's income** and should not include their common-law partner's or spouse's income.
5. **The proposed income thresholds are too low**, making many low-income people with disabilities ineligible for the CDB. The thresholds, including the income exemption thresholds, must be raised.
6. **The disability community feels unheard.** People with disabilities in our community feel that the Government of Canada has not listened to them and is not upholding its commitment to "nothing about us without us." It is essential that people with disabilities are heard and treated with dignity.

About March of Dimes Canada

MODC is a leading national charity committed to championing equity, empowering ability, and creating real change that will help people with disabilities across the country unlock the richness of their lives. Together with our partners, we serve, connect, and empower people with disabilities to participate fully in life and in their communities on their own terms. Our work is grounded in the voices of the people we serve, built on a foundation of service, and is backed by more than 70 years of success.

Detailed Comments on the CDB Draft Regulations

1. Access to the CDB only through the DTC remains a barrier.

Ref. CDB Regulations: Eligibility Criteria – Section 2 (1)(b)

Many people with disabilities who rely on federal, provincial, territorial or private insurance disability income supports do not currently have the DTC because it is generally viewed as being only beneficial for those with employment income. In our focus groups, people with disabilities said barriers to obtaining the DTC include general lack of awareness and limited access to supportive and well-informed healthcare practitioners. Additionally, inconsistent access to, and high fees for, health practitioners to complete the form are a concern, although some focus group participants acknowledged that the Government of Canada plans to address this barrier and has allocated funding for this purpose in Budget 2024.

Using the DTC to verify disability status has been consistently identified as a significant barrier to accessing the CDB. During the legislative and policy development processes, most disability community organizations strongly recommended against using the DTC as the sole means of determining eligibility. Without substantial DTC reform and/or nationally harmonized eligibility criteria for disability income supports, using the DTC as the sole eligibility mechanism for the CDB will ensure barriers to accessing the CDB remain fully in place. This approach contradicts Canada's Disability Inclusion Action Plan and we recommend the Government of Canada immediately begin work to explore alternative methods of verifying eligibility for the CDB.

Focus group participant said:

“I watched the committee hearings in the House of Commons and the Senate last year, and literally nobody recommended the Disability Tax Credit as an eligibility criteria for the CDB. What was suggested time and time again was proxy eligibility using provincial disability lists.”

Barriers to accessing the DTC – and subsequently the CDB – are particularly difficult to overcome, especially for:

- People experiencing homelessness or housing insecurity.
- People with intellectual disabilities.
- Newcomers and those whose first language is not English or French.
- Indigenous people.
- Those living in rural, remote, and northern areas.

Reducing the administrative burden as much as possible for health care practitioners and applicants is fundamental to encouraging DTC take-up. People with disabilities or their families often find themselves re-telling their story and having to continuously advocate for themselves. They may need to change doctors, and doctors sometimes move or retire, which means people with disabilities must find new health practitioners who are willing to advocate for their patients and fill out forms.

Focus group participants said:

“When I first applied for it, my doctor refused to actually fill out the form. She said I would not qualify for it because she stated that you had to be bedridden in order to get on the disability tax credit.”

- The participant continued to advocate for himself and eventually reapplied and received the DTC.

“I had to reapply for the Disability Tax Credit every five years for the last 20 years. And every time a doctor fills out that 16-page form, I get a bill for \$150.”

Requiring the DTC to access the CDB is essentially an application within an application. As mentioned earlier, the Government of Canada must consider other existing ways to verify disability status. As long as the DTC remains a core eligibility requirement, government must do its best to provide resources to ease application process. This includes providing approved health care practitioners with education and resources to understand their role in supporting DTC access and make it as easy as possible to effectively complete applications.

2. The CDB implementation process must be accompanied by a nationwide awareness campaign.

Ref. CDB Regulations: Application for Benefits – Section 4

The CDB's stated policy goals are to lift people with disabilities in Canada out of poverty, much like the Canada Child Benefit and the Guaranteed Income Supplement have achieved for their target populations. However, benefit take-up remains a stubborn issue in Canada, with at least \$1.7 billion in unclaimed benefits each yearⁱ, often due to lack of awareness and support, as well as issues of trust in government and low financial literacyⁱⁱ.

Benefit take-up for people with disabilities who have low incomes is a particular concern as they experience additional barriers to accessⁱⁱⁱ. We know that existing statutory benefits at both the federal and provincial/territorial levels of government can provide much-needed income support. For example, in Ontario, a single person receiving ODSP and renting a home in an urban area would receive over \$1,850 each year in statutory federal and provincial benefits^{iv}. With the planned CDB, that will increase to over \$4,250 for a person receiving the maximum benefit of \$200 per month. Clearly, substantially increasing awareness and education about available benefits through trusted sources across many community touchpoints is vital.

Focus groups participants stressed that outreach is necessary in different provinces and territories to educate people with disabilities and their families on how the DTC works and how to apply. We also heard that emphasis must be placed on reaching people where they are, such as those who are unhoused or experiencing housing insecurity. The Government of Canada must improve awareness, education, and plain language resources to support those who must apply for the DTC and make significant efforts to reach people where they are.

We asked participants what would make it easier to access the CDB once it's implemented. We heard recurring themes, such as ensuring equitable access to the benefit and minimizing burden placed on applicants. These were in line with the concerns shared in the *Benefit without Barriers* report that MODC and Prosper Canada published in 2023.^v

Focus group participant said:

“There's a whole lot of people in my building, and I can tell you that probably about 75 per cent of the people that live here have some disability. And they know nothing about this new Canada Disability Benefit. They don't know anything about how to qualify for the Disability Tax Credit, because there's nobody there to help them. So something publicly where people can go and get help in person would be a huge benefit.”

People with disabilities are going to experience different journeys, with different barriers, and different outcomes. It is within the Government of Canada's power to lead a strategy that will drive more consistency and better accessibility to not just the DTC and the new CDB, but all existing benefits. It is also worth noting that the Government of Canada does not need to take on this strategy alone. Community organizations across Canada (MODC included) are willing and eager to partner with government to help spread the word and increase access to resources for people with disabilities.

A nationwide benefit take-up strategy would also be an opportunity for the Government of Canada to streamline tax filing to ensure all people with disabilities with simple tax filing situations are submitting annually. "In Canada many benefits aimed at people living on low incomes are administered through the income tax system. This means filing taxes is a critical step in accessing benefits that have the potential to boost household incomes."^{vi}

Robson and Schwartz estimate approximately 10 to 12 per cent of people in Canada do not file a return and therefore miss out on the benefits for which they are otherwise eligible.^{vii} Scotland provides a benefit take-up strategy model, where they prioritize ensuring that people are aware of and encouraged to access financial support they are entitled to.^{viii} Scotland's take-up strategy was first published in 2019 and has evolved since, with valuable insights for policymakers and stakeholders.^{ix}

3. The proposed CDB amount will not lift people with disabilities out of poverty.

Ref. CDB Regulations: Amount of Benefit – Section 6 (1)

People with disabilities in Canada are falling further behind every day. Cost of living increases, combined with the hidden costs of having a disability – such as prescription drug costs and buying assistive devices – are pushing an already marginalized population closer to the edge. People with disabilities, their families, and allies have made it clear that the proposed \$200 per month maximum benefit under the CDB is unacceptable and will do little to lift people out of poverty.

Focus group participants expressed the daily challenges of living on low income, including skipping meals and necessary medical treatments, being forced to deal with precarious housing, and not having enough money to buy food for the entire month. Additionally, participants said income levels at which the CDB will begin to reduce is of little help, because despite having very low income, they may not even qualify for the full \$200.

Focus group participants said:

“I can't save for the kids' education. Can't pay for sports. Can't go to a movie - that's \$150 for a family. Dinner is \$200. We cannot do anything ... and the income threshold is not going to help. Because this doesn't even give us the full \$200 and we're far below poverty. So how is this benefit supposed to get people out of poverty?”

“The \$200 is not going to make up for the artificial inflation that we're seeing in grocery stores and it's not going to make up for the inflated housing prices.”

Many were puzzled that while \$2,000 a month was deemed a basic income for people in Canada during COVID-19 pandemic, people with disabilities, who on average incur an additional 30 per cent in costs, are not receiving the same amount.^x For example, the current monthly maximum payment for recipients of the federal Canada Pension Plan – Disability (CPP-D) is \$1,606.78. Adding the maximum CDB of \$200 would bring a recipient to \$1,806.78, leaving them with an income well below that of the \$2,000 people in Canada received as a basic income during the pandemic.^{xi}

Focus group participant said:

“I think we need to start looking at what livable incomes are, if we start looking at what the average spend is on groceries, and if we look at what average market rates are for rentals of one-bedroom apartments, especially in major cities across Canada, we'll find that [the CDB] is severely lacking.”

What the government has proposed in these draft regulations will, if implemented, waste the opportunity for a “once-in-a-generation” federal benefit. The government must do better. While the Government of Canada has characterized the budgeted amount for the CDB as an “initial step”^{xii}, no commitments for future investment in the benefit have been communicated. People with disabilities in Canada simply don't have time to wait for their government to prioritize their ability to be full participants in our economy and to thrive in our society. Urgently implementing the CDB and increasing the benefit amount must remain a priority for government.

4. Income assessments should be based on the individual’s income to ensure their autonomy and respect for their rights.

Ref. CDB Regulations: Amount of Benefit – Section 6 (3) and (4)

During the legislative process for Bill C-22, both the House of Commons and Senate committees conducting hearings consistently heard from individuals and stakeholders that income assessment for the CDB must be based on individual income. This would modernize the federal government’s approach to assessing benefits for people with disabilities in alignment with the Disability Inclusion Action Plan, and more importantly, ensure Canada meets its treaty obligations under the United Nations Convention on the Rights of Persons with Disabilities.

People with disabilities in Canada deserve for their rights as individuals with dignity and autonomy to be respected. Existing policies for income supports at provincial, territorial, and federal levels, essentially stipulate that when in a relationship where one partner has a working income, even if it is below average, the government will significantly claw back an applicant’s benefits. Since 2015, we have had a government in power that characterizes itself as seeking gender equity, however, this principle of assumed co-dependency remains a determinant in many income supports and does the very opposite of promoting independence and autonomy. As participants highlighted, “It disincentivizes disabled individuals from entering into healthy relationships or traps them in unhealthy/abusive situations.” “It isolates us.”

This only encourages dependency and cycles of poverty and potential abuse. Instead, a human rights-based approach recognizes the importance of individual autonomy and independence. For this reason, it has been made repeatedly clear that the CDB must be based around the individual with the disability, rather than their family as whole. Notably, it would prevent coercive dependence and would limit financial abuse, both of which especially impact women.

Focus group participants said:

“I have been married before, and I’ve divorced. This is one of the reasons why. This isn’t a problem with just this disability benefit. It’s a problem with ODSP, too. This is one of the reasons why I do not get into a relationship, because I don’t want my partner to be saddled with having to take care of me.”

“You’re telling me that I have to force the spouse to lower their income because I’m disabled? Nobody talks about that, we’re not in 1945. The relationship dynamic and people’s views of money and roles of money in the relationship have changed, but the policies are not changing for that.”

“I know of a couple who actually divorced and became roommates so that they could have their benefits, and that is so discriminating, to have to divorce to have enough money to live on.”

5. The proposed income thresholds are too low.

Ref. Canada Disability Benefits Regulations: Eligibility Criteria – Section 2 (1)(b)

The income threshold for full CDB eligibility, i.e., \$23,000 for a single person, is unreasonably low. Not only is the currently budgeted maximum amount of \$200 too low, but many people with disabilities whose income may be higher than \$23,000 due to other sources of income, such as employment, will not qualify for the full amount despite their income being significantly below a livable standard.

In some cases where people with disabilities can work and pursue financial independence, they quickly begin to lose access to free services and benefits such as tax filing due to low thresholds and stern eligibility criteria. With reduced income supports because of claw backs, overcoming poverty is extremely difficult.

In terms of the working income exemption, the government must increase income exemptions from the proposed \$10,000 to at least match what is offered through British Columbia’s Person with Disabilities (PWD) program, where the working income exemption is \$16,200.^{xiii}

6. The disability community feels the Government of Canada has not truly listened to them.

The voices of the people with disabilities are at the centre of this submission. As such, our final point is to directly communicate their advice to government as the CDB regulations are finalized.

At the end of each focus group, we asked participants “If you could say anything to government right now, what would you say?” Participants felt that the government has failed to act on its promise of centering “nothing about us without us” in all aspects of policy, legislation, and regulations impacting people with disabilities in Canada.

Focus group participants said:

“I would say [to the government] do better and listen to us. The whole concept of 'nothing about us without us' means nothing if they don't actually act on what we're saying we need.”

“The government has never put in more effort in educating than they do debating and arguing with each other and in office. They'd rather argue with the camera in their face than actually educate people on what we have.”

“People with disabilities in our country deserve to live indoors, and they deserve to eat food, and they deserve to have dignity outside of MAID.”

“Until it impacts them [politicians] or someone in their family, they will never understand what it's like to struggle as a person with a disability in Canada. So, if they would just empathize with us and put themselves in our shoes...there's something else that can be done.”

“We are valuable members of society. Please treat us with dignity.”

Conclusion

Significant improvements are needed to the CDB regulations before they are finalized for this benefit to meet the needs of people with disabilities. The reliance on the DTC as the only way to verify disability status poses barriers, and the proposed benefit amount falls short of lifting people with disabilities out of poverty. Issues with income thresholds, joint income assessments, and administrative burdens further hinder access to much-needed support. Focus group participants we heard from emphasized the need for a nationwide awareness campaign and stressed that the government must genuinely listen to the disability community's concerns.

To truly support people with disabilities, the government must address these gaps, prioritize the voices of those impacted by these policies, and create a benefit that effectively alleviates poverty and promotes dignity.

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- ⁱⁱ Bajwa, Uttam. “Income tax filing and benefits take-up: Challenges and opportunities for Canadians living on low income.” Toronto: Prosper Canada. 2019.
- ⁱⁱⁱ Ibid.
- ^{iv} CRA Benefits Calculator result for a single person with no children, paying \$800 per month in rent, living in an urban area in Ontario.
- ^v March of Dimes Canada and Prosper Canada. “A Benefit without Barriers” (2023) March of Dimes Canada. <https://www.marchofdimes.ca/en-ca/aboutus/govrelations/ourwork/Pages/Canada-Disability-Benefit.aspx> . Accessed September 13, 2024.
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- ^{xi} Government of Canada. “Canada Pension Plan disability benefits – How much you could receive” Government of Canada, <https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-disability-benefit/benefit-amount.html> . Accessed September 18, 2024
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