

# PLAIN LANGUAGE POSITION ON FINANCIAL SECURITY AND INCOME SUPPORT



This paper is about money for people with intellectual and developmental disabilities. This paper outlines what Inclusion Canada thinks and believes about being secure with money and income support.

## What is the issue with money and income support?

People with intellectual and developmental disabilities need to have money and resources. They need money for their own needs. They need to have enough money so they can take part in all areas of life. They need money so they can live the same kind of lives as people without disabilities. Sometimes they need income support from government to do this.

Income support needs to give people enough money to live on. It must be able to change when people need it to. There also needs to be more than just income support. People with intellectual and developmental disabilities also need other things. They need other disability supports. They need help to figure out other programs and benefits. They need help so they can take part in society in a meaningful way and have a life with dignity.

## Background information

Many people with disabilities in Canada live in poverty. So do their families. This should not happen in a rich country like Canada.

People with disabilities are more likely to be poor than people without disabilities.

- Adults with intellectual disabilities living on their own are often poor. Their poverty rate is 73%.
- Similar adults without disabilities are less likely to be poor. Their poverty rate is only 23%.

Another issue they face is housing. People with intellectual disabilities do not have enough safe and affordable housing. They have a harder time finding homes than people without disabilities.

- Almost 19% of people with intellectual and developmental disabilities need better housing. This means their current home does not meet their needs.
- This is higher than other people in the country. Only 9% of them need better housing.
- This is higher than people with other disabilities. About 17% of them need better housing.

Some people do not have a home. There are 35,000 homeless people in Canada. Many of them have an intellectual or developmental disability. Research shows that they are more likely to be homeless than other people.

Work and money are also issues that affect people with intellectual and developmental disabilities. Many have to use income support from government. They have a hard time finding jobs.

- Only 26% of people with disabilities have paying jobs. This is much lower than the

national average of 76%.

- When people with intellectual disabilities work, they don't get paid much. They make about 33% of what people without disabilities make. This works out to about \$16,000 compared to about \$49,000.

People with a disability in Canada will probably end up poor. They do not have the disability supports they need. They do not have jobs. They do not get enough income support. This means they often live in poverty. They are also isolated. They are left out of society.

Financial programs that help people are hard to use. They are confusing. They do not always help the people who need it. They can be hard for people who have no family to help them. They can be hard for people who do not understand money and numbers.

Canada needs a new income support program. There is one being talked about right now. It is called the 'Canada Disability Benefit.' This program needs to include everybody. It needs to make sure people with intellectual and developmental disabilities have enough income and support to live like people without disabilities in Canada. They need to have enough money and resources to take part in all areas of community life.

## Discussion

### **The Impact of COVID-19 on Financial Security**

It is hard to be a person with a disability during COVID-19. Some cannot afford to live. The pandemic showed how unfair things are for people with disabilities. Here are some examples.

- During COVID-19, the Canada Emergency Response Benefit was provided. The amount of this benefit was 50% more than disability income.
- During COVID-19, some jobs were affected more than others. Many lower wage jobs were lost or hours were cut back. This affected people with intellectual and developmental disabilities. They were more likely to lose their jobs during the pandemic. They were also most likely to have their hours cut. This pushed people further into poverty.
- During COVID-19, the use of internet and cell phones increased. Many services moved online. This was good in some ways. It helped to keep people in contact. But many people with disabilities could not afford the increase in cost. It showed how this cost can exclude people.

### **Lack of Information**

There is not enough information about people with intellectual disabilities. The following information needs to be found out.

- What is their quality of life?
- How much money do they make?
- What are their poverty rates?
- How many people in Canada have an intellectual or developmental disability?

We do not know how many people in Canada have intellectual or developmental disabilities. Statistics Canada finds it hard to get a correct number. They usually estimate a number. It is usually lower than the real number.

All levels of government need to work together to find out this information. They need to get a better understanding of the living situations of people with intellectual disabilities.

### **Road to Poverty**

People with intellectual disabilities need income security. This is about more than just money. It is also about a lack opportunity. It is about not having a choice. Sometimes people have to choose between buying food or paying bills. Sometimes they have to buy bad food. Sometimes they have to ask doctors for free medicine samples. This is because they are poor. Poverty takes away people's dignity.

There are many reasons that people with intellectual and developmental disabilities are poor or at risk of living in poverty. A solution needs to take in many factors. Here are some of the things it needs to address.

- There are not enough supports for people with disabilities.
- Sometimes people with disabilities do not understand money. They do not understand how to budget. They need to be taught. This is called financial literacy.
- People with disabilities need help finding jobs. Jobs need to be accessible.
- People with disabilities need more money to live.
- Education needs to be more inclusive.

Making education inclusive is important. A major reason why people with intellectual disabilities can't get jobs is because they don't have a good education. There are many issues with education. Here are a couple of examples.

- Students with disabilities are separated from others. They are put in special education classrooms. They are isolated from the rest of the school. They don't learn the same information as other students. This sort of education will not help them get good jobs as adults. They are more likely to be unemployed. They are more likely to be left out of society.
- Very few adults with an intellectual disability can get more education after high school. When they can go to university or college or get training, they have better chance at getting a job. One study showed that 80% who had education after high school got a job when they finished their studies.

Without a good education or job, living in poverty is the most likely outcome for most people with intellectual and developmental disabilities.

People with disabilities are also kept out of the job market. They have to rely too much on social assistance in Canada. Social assistance is supposed to be a last resort. It was not made to be long term support. This means it is not a good system to live on. People with disabilities in Canada need a better system. They need one made to meet their needs so they can live a good life.

### **Provincial and Territorial Programs**

Across Canada, social assistance levels are too low. In every province and territory, social

assistance amounts are below the poverty line. This means the programs do not give enough money to pay for basic needs like housing and food.

These programs are also affected when people get jobs. When people with intellectual disabilities do find good jobs, it can affect their income support. Some programs take away income support when people get a job. Sometimes they lose \$1 from their income support for every \$1 they make at work. People with disabilities are treated unfairly for trying to make their lives better. Some governments even took back the COVID Disability Benefit money from people on income support.

Provinces and territories also provide other kinds of supports besides income. Here are some of those supports.

- Essential disability support
- Direct funding
- Health related benefits
- Training
- Employment

Many of these are linked to income support. Sometimes a person with a disability needs a lot of support. They might try to get support from the provincial government. They might also try to get support from the federal government. This can cause issues. Sometimes support programs conflict with each other. This means only one can be used at a time. This is not fair.

Government supports need to reach the people that need them. One support program should not affect another. New programs should not affect old ones. Different levels of government need to work together to make sure this happens.

Inclusion Canada thinks that all levels of government need to maintain and improve these supports. They need to work together. They need to have agreements to reach this goal.

## **Federal Programs**

### **Federal Income Tax and Easier Access to Benefits**

The online system for filing taxes is very hard to figure out. People with intellectual and developmental disabilities can have a hard time using it. It is hard when they only have income support to report on their taxes. The pandemic made things even more difficult. Most free tax clinics were closed because of COVID-19. People with disabilities could not get the help they needed to file their taxes.

This could be fixed. There could be an automatic tax filing for people with low income. The federal government already has this information. This would help many people. It would help people who do not earn a lot of money. It will also help people on income support.

It would help make sure they do not miss out on any available benefits. This includes the Canada Child Benefit. It also includes the Guaranteed Income Supplement. There are many other benefits people could get if they file their taxes every year. There is over \$50 billion available from these programs. These can help reduce poverty for people with low income.

The federal government said they will make an automatic tax filing system. They promised this in 2020. It will improve the financial health of many people with intellectual disabilities. It will lead to better outcomes.

### **Disability Tax Credit**

The Disability Tax Credit (or DTC for short) is a financial benefit. It can help many people with a disability and their families. This tax credit is about the increased costs that come with having a disability. It can help people reduce the amount of taxes they have to pay.

But there are problems with the Disability Tax Credit. These have been shown in research and reports. Some people with disabilities have even given up trying to apply. These are the main problems.

- The application process is complicated.
- The application process is not the same across the country.
- A doctor or medical professional has to fill out parts of the application.
- There are fees to have a medical exam.
- The approval process is not the same across the country.
- The definition of 'disability' is not a good one.

Inclusion Canada wants a better definition of disability to be used. The one used in the *Accessible Canada Act* is better. This definition is also in the Convention on the Rights of Persons with Disabilities. It should be used in the Disability Tax Credit.

There are also other benefits linked to the tax credit. People need to be approved for the tax credit before they can get these. This means they miss out on those benefits.

The process to be able to get the DTC needs to be changed. The other benefits linked to the DTC must be available in other ways. Until these problems are solved, millions of people with a disability will not be able to get the Disability Tax Credit. They will also not be able to get other benefits that are linked to the tax credit. This includes the Registered Disability Savings Plan.

### **Registered Disability Savings Plan**

A Registered Disability Savings Plan (or RDSP for short) is a way for people with disabilities to save money for the long term. People with low income can get federal grants and bonds to add to the savings. These grants and bonds are based on how much money the household earns.

But there are a lot of rules and conditions. The program is hard to figure out. Not many people with disabilities are using it. It is possible that they are missing out on many thousands of dollars in benefits.

The biggest problem with the disability savings plan is getting money out of it. First, there is a 10-year holdback rule. This means there has to be 10 years between the last time money was put into it and the first time money is taken out of it. Second, there are limits on how much can be taken out of the RDSP. If money is taken out before a person is 60 years old then there will be a penalty to pay.

But many people with a disability do not live as long as other people. They may not get to use

their savings when they need them. There needs to be fewer rules about using the disability savings plan. It needs to be easier to use. People with RDSPs should not have to live in poverty until they are 60 years old.

### **Canada Disability Benefit**

Inclusion Canada is encouraged by the Canada Disability Benefit (or CDB for short). The federal government committed to this benefit. They said this in the 2020 Speech from the Throne. They said it again in the 2021 Federal Budget.

This benefit could help in many ways. It could help people with intellectual and developmental disabilities to get out of poverty. It could help them be more equal to others. It could help them to be treated more fairly.

Inclusion Canada has prepared a proposal. It is called *Canada Disability Benefit: A Vision and Design Outline*. It talks about the important things the new benefit should do. It talks about the guiding principles it should follow. Inclusion Canada wants to make sure the benefit greatly improves the lives of people with intellectual and developmental disabilities in Canada.

### **Provincial and Territorial versus Federal Responsibilities**

Provinces and territories play a big role in income support. They provide most income support programs. We will work with our members and partners across the country. We will continue to call on provinces and territories to do a better job. We will call on them to improve income and disability support programs.

But we still think the federal government has a larger role in this area. Our Calls to Action are meant for the federal government and federal areas of responsibility.

## **Inclusion Canada's Call to Action**

The federal government has a responsibility. They must help improve income security for people with intellectual and developmental disabilities. They must make sure they have enough money to live now and in the future. These are some actions that can be done by the federal government right now.

### **Maximum Impact Actions**

- 1) **Make a Canada Disability Benefit.** It must give people with disabilities a liveable income. It needs to be accessible. It needs to respect people's dignity. Inclusion Canada has ideas for this benefit. They are in a document called *Canada Disability Benefit: A Vision and Design Outline*.
- 2) **Update and improve existing support programs.** More people need access to support programs. This includes people who have chronic disabilities or disabilities that come and go. Use a more inclusive definition of disability in the Disability Tax Credit. Use the definition of disability from the *Accessible Canada Act*. An inclusive definition of disability is important. It will make benefits easier to access.

- 3) **Make it easier to withdraw money from RDSPs.** Make it easier for people to get their savings. Change the 10-year holdback rule. Let government contributions be owned by people after a certain amount of time. Change the formula for Lifetime Disability Assistance Payments (LDAP). Make it pay out more from the Registered Disability Savings Plan once these have begun.

### Medium Impact Actions

- 4) **Separate the RDSP and Disability Tax Credit.** Anybody who qualifies for the Disability Tax Credit should also qualify for an RDSP. People with intellectual and developmental disability who get provincial and territorial disability support could be automatically put into the RDSP program.
- 5) **Make it easy to apply for the Disability Tax Credit.**
  - Remove all barriers to applying. It costs money to get doctors to help with the application. The federal government could pay for this directly. Or they could provide grants to cover the costs. The grants could go to non-profits in the poverty and disability areas to help people get the DTC.
  - There are many companies that have a service helping people with disabilities fill out DTC applications. They charge money for this. There are rules around how much they can charge. These rules need to be enforced so they are followed.
- 6) **Increase the Disability Supplement for the Canada Worker's Benefit.** When people with disabilities find good jobs their disability benefit payments drop. This needs to stop. This will help encourage people with disabilities to find work.
- 7) **Make sure everybody has internet and cell phone access.** Everybody needs these in today's world. Make sure people have access to internet they can afford. Give people affordable cell phone service. Providers across the country should give discounts to low-income earners.
- 8) **Automatically approve specific populations for the Disability Tax Credit.** Every person with a disability should get it. They should not have to apply for it. This will also automatically make them get other benefits. This will help people with a disability. It will help people who are injured from work. It will also help people who qualify for CPP-Disability or other programs.
- 9) **Make the Disability Tax Credit refundable.** This would apply to people with low and middle income. It would encourage more people to apply. It will also give them access to other benefits.

### Systemic Impact Actions

- 10) **It is important to do Gender Based Analysis Plus or GBA+.** This is a process of looking at how different groups of people are affected by different programs and policies. It is also important to use a disability lens. This will be used to look at the effect of government programs, policies and plans. It will also be used when collecting information about people with disabilities.

Government needs to collect better data about people with disabilities. They need

information about their levels of income and their families. They need information about who they live with. They need information about what type of disabilities people have. Government should track this data over time. This will help make sure benefits go to people who need them most.

- 11) **Change how people get government benefits.** People with disabilities should not have to do a tax return to get the benefits that they are qualified for. The Canada Revenue Agency (CRA) needs an auto-file system. This will make sure people get their benefits. People need the Disability Tax Credit starting when they are 16 years old.