

**Written Submission for the Pre-Budget
Consultations in Advance of the Upcoming
Federal Budget 2024**



By Inclusion Canada

- **Recommendation 1:** The Government of Canada should immediately set aside adequate funds for the Canada Disability Benefit (CDB) beginning in 2024-25.
- **Recommendation 2:** Set a sufficiently high income threshold for the reduction of the benefit at \$35,000 to ensure the CDB is effective, equitable, and accessible.
- **Recommendation 3:** The CDB should go to people who receive Federal, First Nation, Provincial, or Territorial disability income security or disability benefits, ensuring nobody eligible loses out.
- **Recommendation 4:** Implement a three-year fiscal plan for the CDB, ensuring its careful planning and execution, with a firm commitment to deliver the benefit by 2024-25. Clear and strong statements from the Finance Committee in their report to the government on the budget are crucial for its successful implementation.
- **Recommendation 5:** Emphasize simplicity in benefit design, implementation, and identification of eligible individuals, while challenging the narrative of over-complication.

Introduction

Inclusion Canada, a national federation advocating for the rights and interests of people with intellectual disabilities and their families, submits this pre-budget consultation document with the aim of influencing the development of a comprehensive and inclusive federal disability benefit program. Our vision is to create an inclusive and accessible society where people with disabilities are valued equally and participate fully. The upcoming federal budget presents an historic opportunity to make significant strides toward this vision.

Drawing from the words of the Hon. Carla Qualtrough, we endorse the sentiment that "in Canada, no person with a disability should live in poverty." This declaration is a testament to the values that have driven past governments to reduce poverty and create benefits for seniors and children - values of equality, fairness, and inclusion.

The Canada Disability Benefit (CDB) is the latest national income security initiative by the federal government to address poverty and make life more dignified and affordable for working-age adults with disabilities. Following the enactment of the *Poverty Reduction Act* and the adoption of Canada's Official Poverty Line, the CDB is the first new permanent transfer to persons with disabilities. This benefit is about enabling participation, expanding inclusion, and enhancing opportunities for thousands of people with disabilities. It is about lifting persons with disabilities out of poverty, just as was done, and is still being done today, by the Old Age Security (OAS)/Guaranteed Income Supplement (GIS) programs for seniors and the Canada Child Benefit (CCB) for families with children.

To seriously reduce poverty among people -- whether seniors, children, or persons with disabilities -- requires an ongoing and substantial commitment of federal expenditures. In every jurisdiction throughout the country, people with disabilities reliant on social and disability assistance programs are struggling to live in conditions of deep poverty. More than 40% of people who live in poverty in Canada have a disability. Even worse - 75% of adults between 18 and 64 with an intellectual disability who live alone live in poverty.

We urge the government to consider these points in the upcoming budget deliberations to ensure that the CDB is a substantial funding commitment to lifting Canadians with disabilities out of poverty.

Our budget recommendations will improve the quality of life for persons with intellectual disabilities and their families in Canada. However, to be clear, all items in Budget 2024 should be passed through a disability inclusion lens. A disability inclusion policy lens requires Government officials to consider the impact that all budget items (not just disability-specific policies) will have on persons with disabilities.

Recommendation 1: The Government of Canada should immediately set aside adequate funds for the Canada Disability Benefit (CDB) beginning in 2024-25.

The CDB represents a significant step forward in addressing the economic challenges faced by Canadians with disabilities. To ensure its effectiveness, it is crucial that the CDB is adequately funded. Therefore, our primary recommendation to the Standing Committee on

Finance is to urge the finance minister and the Government of Canada to make a budgetary provision that ensures the immediate and adequate funding of the CDB beginning in the 2024-25 fiscal year.

Inclusion Canada recommends that the CDB be based on the Market Basket Measure (MBM), Canada's official measure of poverty, to ensure people with disabilities are, at a minimum, lifted to the poverty line with the aim of bringing them above the poverty line with an adequate standard of living.

The CDB should be paid on an individual basis, not to the family or household. This would allow people with disabilities to have autonomy, independence, and dignity and ensure individuals are entitled to the benefit regardless of their relationship status or whom they live with.

The CDB should also be income-tested. This can ensure that the benefit is targeted effectively and efficiently, providing support to those who need it most.

Furthermore, the CDB should be non-taxable and indexed to inflation. This approach maximizes the impact of the benefit and ensures that recipients receive the full support to which they are entitled.

To ensure that the CDB is effective in lifting persons with disabilities out of poverty, the federal government should provide a top-up to the provincial and territorial social/disability assistance to ensure that all persons with disabilities receive a minimum of \$2400 monthly benefit amount.

Based on the number of people on provincial and territorial social assistance (1.3 to 1.4 million) and the proposed top-up amount, we estimate the total ask for the 2024 budget to be between \$24.18 billion and \$26.04 billion. This estimate assumes that the federal government needs to provide a minimum of \$1550 per person per month to meet the target of \$2400 minimum per month.

Lifting people out of poverty requires a substantial financial commitment. In 2024-25, federal spending on the OAS program (that includes the Guaranteed Income Supplement) is projected to be \$81.2 billion for more than 9.2 million recipient seniors. (Over the three years, it is estimated at a total of \$258.9 billion).

For the same fiscal year, federal spending on the Canada Child Benefit (CCB) is projected at \$27.4 billion for more than 3.3 million recipient families. (Over the three years, it is estimated at a total of \$85.2 billion).

To be truly effective in supporting the financial security of adults with disabilities, the CDB, like the OAS/GIS and the CCB, must be significant income supplementation.

Additionally, for this to work, there must be agreements with provinces and territories that there are no clawbacks to existing provincial/territorial social and disability support benefits. There must not be inadvertent reductions in existing income benefits because of this new national top-up.

The CDB must be adequate, as defined in the *Canada Disability Benefit Act*. This means that the benefit must be sufficient to meet the basic needs of recipients and help lift individuals out of poverty. The adequacy of the benefit is crucial to its effectiveness and its ability to make a meaningful difference in the lives of Canadians with disabilities.

Recommendation 2: Set a sufficiently high income threshold for the reduction of the benefit at \$35,000 to ensure the CDB is effective, equitable, and accessible.

Setting the threshold for reduction at a level higher than the GIS acknowledges the substantial costs that can significantly affect a person's financial situation when living with a disability. By setting the threshold for reduction at a higher level, we can ensure that the CDB provides adequate support to recipients, considering these additional costs of living with a disability.

Recommendation 3: The CDB should go to people who receive Federal, First Nation, Provincial, or Territorial disability income security or disability benefits, ensuring nobody eligible loses out.

By making the CDB a supplemental benefit, we can ensure it provides meaningful support to a wider range of individuals. This includes people who may not be eligible for other Federal benefits but still face significant economic challenges due to disability. This approach aligns with the principle of inclusivity, which is crucial for the effectiveness and credibility of the CDB.

Furthermore, it is crucial to ensure that the introduction of the CDB does not inadvertently result in a reduction of overall support for individuals with disabilities. This requires careful coordination with First Nations, provincial and territorial governments, as well as a clear commitment to ensure there is no reduction in existing benefits.

Recommendation 4: Implement a three-year fiscal plan for the CDB, ensuring its careful planning and execution, with a firm commitment to deliver the benefit by 2024-25. Clear and strong statements from the Finance Committee in their report to the government on the budget are crucial for its successful implementation.

The implementation of the CDB should be planned and executed meticulously to ensure its success. This involves careful consideration of the benefit's design, eligibility criteria, delivery mechanisms, and coordination with other benefits and programs. It also necessitates ongoing consultation and engagement with the disability community to ensure the CDB is responsive to their needs and circumstances.

A firm commitment should be made that the benefit will be delivered by 2024. This timeline provides a clear target for the CDB's implementation and signals the government's

dedication to this initiative. It also offers certainty for potential recipients and stakeholders, enabling them to plan and prepare for the CDB's introduction.

Inclusion Canada suggests a three-year fiscal plan that would allocate a specific amount of money for 2024/25 for a benefit to flow, with projected numbers for 25/26 and 26/27 indexed to inflation. This plan would provide a clear roadmap for the implementation of the CDB and ensure that sufficient funding is allocated to the benefit.

Recommendation 5: Emphasize simplicity in benefit design, implementation, and identification of eligible individuals, while challenging the narrative of over-complication.

Inclusion Canada believes that the principle of simplicity should guide the design and implementation of the CDB. By keeping the benefit design simple, focusing on poverty reduction and broad eligibility, challenging the narrative of over-complication, and setting a higher income threshold, we can ensure the CDB is effective, equitable, and accessible.

The principle of simplicity is critical to ensuring that the benefit is easily understood by potential recipients and that it is efficiently administered and effective in achieving its primary goal of lifting Canadians with disabilities out of poverty. A straightforward benefit design will facilitate access, reduce administrative burdens, and ensure the benefit reaches those who qualify.

Conclusion

Recommendations presented in this submission provide a roadmap for the design and implementation of the CDB guided by the principles of simplicity, equity, and effectiveness and ensure no reduction in existing benefits.

Key design principles for the Canada Disability Benefit:

- ✓ Monthly benefit informed by adequacy criteria contained in the *Canada Disability Act, 2023*
- ✓ Paid on an individual basis
- ✓ Inclusive coverage of eligible population across programs and jurisdictions
- ✓ Non-taxable
- ✓ Income-tested
- ✓ Indexed automatically to cost-of-living
- ✓ Complements access to other supports and services, with no reductions in p/t supports.

This will require a significant investment to ensure the CDB effectively lifts persons with disabilities out of poverty and provides them with a decent standard of living.

Investing in social policy and poverty reduction is not only socially responsible but also economically responsible. Health and social disparities from poverty are costly to governments long-term. Once implemented, the CDB is expected to begin to lift people with disabilities out of poverty and give people greater access to nutritious and healthy food, better access to housing, an ability to focus on finding employment, foster social inclusion, increase local spending, decrease public health care system costs, and increase tax revenue. Keeping people in poverty is expensive.

Inclusion Canada looks forward to providing more detailed input on program design as part of the regulatory process to make the CDB a reality. Together, we can create a benefit that truly meets the needs of Canadians with disabilities and helps to build a more inclusive and equitable country.

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