

Minister of Public Services  
and Procurement  
and Accessibility



Ministre des Services publics  
et de l'Approvisionnement  
et de l'Accessibilité

Ottawa, Canada K1A 0S5

JUL 17 2019

Bryan May, Member of Parliament  
Chair, Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities  
The House of Commons, Canada  
Ottawa, ON  
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Dear Mr. May:

Pursuant to Standing Order 109 of the House of Commons, I am pleased to respond, on behalf of the Government of Canada, to the recommendations made by the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA) in its Report entitled *Taking Action: Improving the Lives of Canadians Living with Episodic Disabilities*, tabled in the House of Commons on March 22, 2019.

The Government of Canada thanks the members of the Committee for their study and for providing recommendations to address the needs of persons with episodic disabilities in government policies that support persons with disabilities more broadly. The Government of Canada also thanks the witnesses and those who provided written submissions, including individuals with lived experience of episodic disabilities, representatives of national non-government organizations, expert researchers, and departmental officials.

The Government of Canada has given consideration to the eleven recommendations developed by HUMA and presented in its Report. These recommendations will help inform future government policy and programs as we work to support the economic and social inclusion of persons with disabilities, including episodic disabilities. The recommendations have been grouped below in this response around three corresponding themes: 1) supporting labour force attachment; 2) improving financial security; and, 3) working with Provincial and Territorial governments.

HUMA's study comes at an important time for Canadians. The Government of Canada is committed to building an inclusive, accessible society that empowers all Canadians, including those with episodic disabilities, to fully participate and contribute in their communities. The Government of Canada has made great progress to support this objective, including the appointment, in November 2015, of a Minister dedicated to disability and accessibility issues. The Government of Canada agrees that it is time to take action to improve the lives of Canadians with disabilities, including episodic disabilities, because they continue to face significant challenges, including higher rates of poverty and lower overall levels of income, lower levels of educational attainment, and lower employment rates compared to other Canadians. The Government of Canada recognizes that many persons with episodic disabilities have education, skills and experience that would enable them to make significant contributions in the workplace.

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However, many also have prolonged, but unpredictable, episodes of illness and disability that may have a negative impact on workforce participation and income security, especially if they are not accommodated and supported. The Government of Canada further recognizes that persons with disabilities often continue to face systemic and attitudinal barriers to achieving their full potential.

The Government of Canada supports the social and economic inclusion of persons with disabilities, including persons with episodic disabilities, through several programs that help people to find and keep quality jobs and provide support when employees need time off to restore their health.

It is important to note the role that the *Accessible Canada Act* will play in supporting the recognition of episodic disabilities in government programs and services more broadly. On June 21, 2019, the Government of Canada passed legislation to benefit all persons, especially persons with disabilities, through the realization of a Canada without barriers, including by the identification, removal and prevention of barriers to accessibility wherever people interact with areas under federal jurisdiction. The definition of disability under the *Accessible Canada Act* incorporates the temporary or episodic nature of disabilities, meaning that the objectives of this legislation apply to barriers that hinder persons with episodic disabilities' full and equal participation in society. The priority areas of the *Accessible Canada Act* were developed following the most inclusive and accessible consultation ever undertaken by the Government of Canada and include: employment; the built environment; information and communication technologies; communication, other than information and communication technologies; the procurement of goods, services and facilities; the design and delivery of programs and services; and transportation. The Government of Canada has proposed funding of approximately \$290 million over six years to support the implementation of the new legislation. This includes approximately \$53 million over six years to be invested in support of a Public Service of Canada Accessibility Strategy. This Strategy includes a commitment to hire at least 5,000 persons with disabilities, including episodic disabilities, within the federal public service over its first five years and will serve as a roadmap that enables the Government of Canada to meet and exceed its new accessibility obligations under the legislation.

### ***Supporting Labour Force Attachment***

Increasing accessibility removes an important barrier to accessing employment opportunities; however, employment supports are necessary to ensure that persons with disabilities are fully included in the labour market. Through our partnerships with Provincial and Territorial (P/T) governments, the new Workforce Development Agreements consolidate and replace the Canada Job Fund Agreements, the former Labour Market Agreements for Persons with Disabilities and the former Targeted Initiative for Older Workers. These new agreements provide P/Ts with \$722 million annually, as well as an additional \$900 million over six years (2017-2018 to 2022-2023) for the development and delivery of employment and skills training programming to help Canadians find and keep good quality jobs. During this period, an estimated \$1.44 billion in federal funding will be allocated for employment and training programs for persons with disabilities, including episodic disabilities.

Through the Opportunities Fund for Persons with Disabilities program, the Government of Canada provides \$40 million per year to third party service providers to assist persons with disabilities, including persons with episodic disabilities, prepare for, obtain and maintain employment or self-employment. A new investment by the Government of Canada of \$18.4 million over six years (from 2018-19 to 2023-24) will expand support to employers and create supportive workplaces for employees with disabilities.

The Government of Canada is proud of its recent advertising campaign to increase the knowledge and awareness of employers about the benefits of employing persons with disabilities, which ran from the end of May until mid-June 2019 to coincide with National AccessAbility Week. The campaign aimed to dispel myths and misconceptions of employing persons with disabilities and provided employers with information, tools and resources to help them create inclusive workplaces.

Recent changes to a key employment support, the Employment Insurance (EI) program, may help some claimants with episodic disabilities to remain connected to the labour market. The EI sickness benefit provides up to 15 weeks of income support to eligible claimants across Canada who are unable to work because of illness or injury, to allow them time to restore their health so they can return to work. It provided \$1.7 billion in support to more than 412,000 claimants in 2017-2018. Previously, EI sickness claimants had their benefits reduced dollar-for-dollar if they worked while on claim. Since August 12, 2018, EI sickness claimants can retain 50 cents of EI benefits for every dollar they earn, up to an earnings threshold, when working while receiving EI benefits. This gives claimants, including those with episodic disabilities, the opportunity to receive some EI benefits in weeks when they have partial capacity to work. The EI sickness benefit complements a range of other supports that are available for longer-term illness and disability in Canada, including benefits offered through employer-sponsored group insurance plans, private coverage plans held by individuals, in addition to P/T programs. The Government is committed to improving the EI program and will take into consideration the Committee's findings as well as the testimony of Canadians living with episodic disabilities.

In addition, changes to the Canada Student Loans Program (CSLP) announced in Budget 2019 will make it easier for persons with episodic disabilities to participate in post-secondary education. The CSLP helps to make post-secondary education affordable for hundreds of thousands of students every year, including many students with disabilities. However, some program rules and restrictions make the CSLP less flexible and accessible for some individuals. To better respond to the needs of vulnerable student loan borrowers, including those facing challenging life or financial circumstances, Budget 2019 proposed to invest \$15.0 million over five years, starting in 2019-20, to modernize the CSLP. This includes introducing, starting in 2020-21, an interest-free and payment-free leave of up to 18 months, for borrowers taking temporary leave from their studies for parental or medical reasons. This measure is expected to be particularly beneficial for students with episodic disabilities who will be able to focus on their health while on leave from school without worrying about student loan repayment or interest accrual.

### ***Improving Financial Security***

In a country as prosperous as Canada, everyone should have a real and fair chance to succeed. The Government of Canada is committed to supporting the income security of all Canadians, including Canadians with disabilities. *Opportunity for All – Canada's First Poverty Reduction Strategy*, recognizes that some groups are more at risk of poverty than others, including persons with disabilities. *Opportunity for All* lays out a bold vision of a Canada without poverty and puts in place targets to reduce poverty amongst Canadians: by 20% by 2020; and by 50% by 2030. In March 2019, Statistics Canada released results from the 2017 Canadian Income Survey, which revealed that the Poverty Reduction Strategy's interim target of reducing poverty by 20 percent by 2020 has already been reached - a full three years ahead of schedule. By meeting this target, Canada has reached its lowest poverty rate in history. The Government of Canada is proud of this achievement, but knows there is more to do, and remains committed to cutting poverty in half by 2030. As part of the Poverty Reduction Strategy, the Government of Canada will continue to examine the impact that poverty has on specific groups, such as persons with episodic disabilities, and where further action could be taken to build on a vast array of investments that have already been made.

Canada Pension Plan Disability (CPPD) is part of the broader suite of income support programs available for persons with disabilities, such as EI Sickness benefits, provincial social assistance, workers compensation programs, and private long-term disability insurance. The Government of Canada is working to improve the CPPD program for Canadians. To ensure that Canadians have timely access to the benefits to which they are entitled, the Government is implementing a comprehensive, multi-year renewal of the program, which includes simplifying the application forms, improving and monitoring program quality and modernizing benefit processing. As well, the Government is exploring improvements to return-to-work measures to support CPPD beneficiaries that show a potential to return to regular employment. The Government is also enhancing the transparency of the program by continuing to work closely with clients and stakeholders to ensure CPPD is a client-focused program that is responsive to the needs of Canadians with severe and prolonged disabilities.

Within the tax system, the Disability Tax Credit (DTC) and the Registered Disability Savings Plan (RDSP) have important roles to play in improving tax fairness and supporting the long-term financial security of persons with disabilities. The Government of Canada is committed to ensuring these measures are accessible to those they are intended to help. A significant number of Canadians benefit from the tax relief available under the DTC. About 1.2 million individuals claimed the credit in 2015, which provides in excess of \$1.1 billion in tax relief annually.

Budget 2019 announced that the Government of Canada proposes to remove the requirement to close a RDSP when a beneficiary no longer qualifies for the DTC. Eliminating this requirement would allow grants and bonds otherwise required to be repaid to the Government of Canada to remain in the RDSP, a change that would ensure the RDSP better supports persons with severe, episodic disabilities. The estimated cost of this measure is \$109 million over five years, beginning in 2019-20, and \$33 million ongoing. This proposal responds directly to concerns voiced by Canadians with disabilities, reflected in both the HUMA Report, and the recent Report of the Standing Senate Committee on Social Affairs, Science and Technology on the DTC and the RDSP. Also announced in Budget 2019, the Government has exempted RDSP assets from

seizure in bankruptcy with the exception of contributions made in the 12 months prior to bankruptcy, similar to the treatment of Registered Retirement Savings Plans.

The Government of Canada is proud to recognize that the proposed changes to the RDSP will better protect the long-term savings of persons with episodic disabilities by eliminating the requirement to close a RDSP when a beneficiary no longer qualifies for the DTC. Each year, more Canadians are using RDSPs to save for themselves or someone with a disability. Since becoming available in December 2008, over 180,000 RDSPs have been opened, into which the Government of Canada has paid a total of \$2.2 billion in Canada Disability Savings Grants and \$1.0 billion in Canada Disability Savings Bonds. The total assets held in their plans now exceed \$4.78 billion, which represents an average value per plan of more than \$27,000.

The Disability Advisory Committee (DAC), originally formed in 2004 and disbanded in 2006, was reinstated in November 2017 as an advisory body to the Minister of National Revenue and the Commissioner of the Canada Revenue Agency. The DAC has a mandate to provide recommendations related to the DTC and RDSP in their report. Following their first year of study and consultation, the Committee's first annual report was made public in May 2019. The Government has indicated that the CRA expects to implement most of the Committee's administrative recommendations by Spring 2020, while acknowledging that more work remains to be done.

Finally, projects funded through the disability component of the Social Development Partnerships Program (SDPP-D) will also contribute to support the financial security of persons with disabilities, including episodic disabilities. The SDPP-D is a Grant and Contribution program with funding of \$11 million annually to not-for-profit organizations and, starting in 2021-22, an additional \$2.7 million ongoing to support the implementation of the *Accessible Canada Act*. This program supports Government of Canada priorities to improve the participation and increase the social inclusion of persons with disabilities in all aspects of Canadian society. SDPP-D launched three funding processes in Spring 2019 under the themes of capacity-building and innovation. Two calls for proposals focused on youth and Indigenous peoples will seek to promote non-traditional partnerships to build capacity within the disability sector and Indigenous communities. Building on the 2016 SDPP-D Innovation call for proposals, the next generation of innovation projects will focus on testing new approaches to increase the financial security of people with disabilities. Projects are expected to begin in Spring 2020 and run for up to three years. Organizations supporting persons with episodic disabilities are eligible to apply for this funding.

### ***Working with Provincial and Territorial Governments***

As many programs and services for persons with disabilities are under the responsibility of Provincial and Territorial (P/T) governments, the Government of Canada is committed to working with P/T governments to ensure the system of disability income supports and employment services programs is as efficient and effective as possible.

The new Workforce Development Agreements mentioned above are an example of federal and P/T (F-P/T) governments working in partnership to support Canadians, including persons with disabilities and those further removed from the workforce, to find and keep good jobs.

For several years, the Government of Canada has worked with its provincial and territorial counterparts through the F-P/T Ministers Responsible for Social Services to advance the inclusion of Canadians with disabilities. In this forum, the F-P/T Persons with Disabilities Advisory Committee (PWDAC) supports information sharing and joint policy work on issues related to social services for persons with disabilities, as well as accessibility. Through the PWDAC, collaborative F-P/T work has been conducted on persons with episodic disabilities, financial security for persons with disabilities, and employment for persons with disabilities.

The Government of Canada has made progress in supporting the full inclusion of persons with episodic disabilities through these important developments. However, we recognize there is more to be done to improve programs and systems to promote the full inclusion of persons with disabilities, including persons with episodic disabilities. We are conducting analysis using the 2017 Canadian Survey on Disability released in November 2018, which is the first national survey with a set of questions focused on episodic disabilities. This work will improve our understanding of the employment and income situation of persons with episodic disabilities to inform program and policy development that better meets their specific needs.

The Government of Canada remains committed to working with Canadians with disabilities, P/T governments, and other partners to ensure that all Canadians with disabilities have access to the supports they need to enjoy all the same opportunities afforded to other Canadians.

On behalf of the Government of Canada, I extend my appreciation and thanks to all those who participated in the creation of this Report. The recommendations of this Committee will guide the way forward as we continue to explore better ways to support Canadians with disabilities.

Yours sincerely,



The Honourable Carla Qualtrough, P.C., M.P.  
Minister of Public Services and Procurement and Accessibility