



Submission by Daily Bread Food Bank:

Building a Stronger Canada Disability Benefit

Response to the Proposed Regulations Published in
the *Canada Gazette*, Part I, on June 29, 2024

September 2024

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Introduction

Across the country, food banks are facing unprecedented demand as far too many individuals get trapped in food insecurity and poverty without adequate wages and income supports to keep them afloat. Among those most affected are the approximately 1.5 million Canadians with disabilities living in poverty.

Over four million working-age (18-64) Canadians identify as having a disability, and these Canadians experience poverty at twice the rate of Canadians without disabilities.¹ Not only do they face barriers to accessing employment, but provincial and territorial income supports across the country keep them well below the poverty line.² We at Daily Bread see the impacts of these policy gaps firsthand: 1 in 3 Toronto food bank clients identify as having a disability.³ People with disabilities need stronger government supports to live a dignified life where their basic needs are met—and Canada has committed to address this need under international human rights law⁴ and the *Canada Disability Benefit Act* (the Act).

The Act, passed with all-party support in 2023, was announced alongside a vision to lift hundreds of thousands of working-age Canadians with disabilities out of poverty by creating an income support program—designed alongside the disability community—to ensure their financial security. If fully funded and properly implemented by July 2025, the Benefit could have an immense impact on reducing poverty and food insecurity among people with disabilities who need it most.

However, the Benefit as it is currently designed is deeply inadequate to achieve the legislative objectives of the Act. We at Daily Bread therefore offer the following analysis and recommendations for your urgent consideration.

About Daily Bread Food Bank

Daily Bread works on the frontlines to serve people facing food insecurity while simultaneously advancing long-term solutions to end hunger and poverty. We run innovative programs to support individuals living on low incomes, serve hundreds of

¹ Statistics Canada. (2018). Canadians with disabilities: A demographic, employment and income profile, 2017. <https://www150.statcan.gc.ca/n1/daily-quotidien/181128/dq181128a-eng.htm>

² Laidley, J., Tabbara, M.-D., (July 2024). Welfare in Canada, 2023. *Maytree*. https://maytree.com/wp-content/uploads/Welfare_in_Canada_2023.pdf

³ Daily Bread Food Bank. (2023). Who's Hungry Report 2023: A Call to Action from a City in Crisis. <https://www.dailybread.ca/research-and-advocacy/research/whos-hungry-report/>

⁴ See article 2 of the International Covenant on Economic, Social and Cultural Rights and article 28 of the Convention on the Rights of People with Disabilities.

thousands of food bank clients each year, and distribute fresh, shelf-stable, and cooked food and meals to 132 member agencies and 207 meal programs across Toronto. Currently, we serve over 3,000,000 food bank visits annually.

Meanwhile, through research and advocacy, Daily Bread advances evidence-based policy solutions aimed at tackling the root causes of poverty that are leading far too many people to our doors. We are committed to realizing the fundamental right to food in our community—and as part of this work, our coalition of food banks, clients, partners, and over 27,000 supporters have come together over the past year to call for a fully funded and accessible Canada Disability Benefit (CDB) to support our clients in greatest need.

1) Raise the Inadequate Benefit Amount

Over the past year, Daily Bread supporters from across the country sent over 100,000 letters to federal decision-makers calling for the CDB be funded between \$10 billion and \$12 billion per year. This would achieve the legislative objectives of the CDB Act and ensure that hundreds of thousands of Canadians with disabilities have adequate incomes to be lifted above the poverty line. Meanwhile, the Parliamentary Budget Officer's (PBO) 2023 report mapped models for the CDB's rollout that, pending eligibility and uptake, ranged from \$2.5 billion to \$20.5 billion per year in federal expenditures.⁵

Budget 2024 announced funding levels lower than the lowest-cost scenario from the PBO, at only \$1 billion per year over six years. **Offering a maximum payment of \$200 per person per month starting in July 2025, the current funding for the CDB falls woefully short of the stated goals of the legislation and is deeply inadequate to improve the lives of people with disabilities living in poverty.** In Ontario, eligible recipients who already receive provincial social assistance will still be at least \$800 below the poverty line after receiving the CDB—and with the Official Poverty Line not accounting for the additional cost of living with a disability, their depth of poverty will be even greater.

Canada's Minister of Diversity, Inclusion and Persons with Disabilities stated on record at a federal committee hearing this summer that upon program maturity in 2027-8, **only 25,000 people would be lifted out of poverty**—too few, too late. This is 1.7% of the approximately

⁵ Perrault, L. & Vanderwees, K. (2023, November 16). The Canada Disability Benefit: Model and Scenarios. *Office of the Parliamentary Budget Officer*. <https://www.pbo-dpb.ca/en/publications/RP-2324-019-S--canada-disability-benefit-model-scenarios--prestation-canadienne-personnes-handicapees-modele-scenarios>

1.5 million people with disabilities currently living in poverty, a far cry from the hundreds of thousands the government said would be lifted out of poverty through the CDB in 2022. In other words, over 98% of the CDB's target population will be left below the poverty line.

We call on the Government of Canada to immediately address this shortfall and fund the benefit to a level that would provide recipients at least \$500 per month by program rollout in July 2025, with incremental increases in the coming years to bring recipients above the poverty line.

An immediate increase would signal good faith to people with disabilities who were promised much more from the CDB. It would also meaningfully advance their fundamental human right to an adequate standard of living, as required under international law. An adequate and fully funded benefit to help recipients with disabilities meet their basic needs, including access to nutritious food, adequate housing, accessible transportation, and required medications and care, is a policy change that Canadians of all stripes and abilities urgently wish to see, according to national polls.⁶

1.a.) Increase the Income Threshold

The proposed CDB income threshold for a single individual is only \$23,000—several thousands of dollars below the poverty line, and less than Northwest Territories and Yukon already provide for social assistance due to the high cost of living in those territories. The proposed benefit design also includes an additional working income exemption of \$10,000 that will only benefit some recipients who can access employment—however many people with disabilities living in poverty are not able to work.

We call on the federal government to combine the income threshold and working income exemption so that a single individual with a disability would have a new income threshold of \$33,000. This would avoid penalizing people living in poverty who cannot work and prevent regional disparities due to differing social assistance maximums without disincentivizing employment.

1.b.) Individualize the Income Threshold

Eligibility for the CDB is currently calculated according to household income rather than an individual applicant's income. This can enable coercive financial dependence and abuse

⁶ Angus Reid Institute. (2024). Canada Disability Benefit: Nine-in-ten support benefit, but most doubt federal government will get it done. https://angusreid.org/wp-content/uploads/2024/04/2024.04.08_Canada_Disability_Benefit.pdf

among people with disabilities who live with others, which we know impacts woman and young people most.

Using a Gender Based Analysis Plus (GBA+) lens, we must consider that more women live with disabilities than men, and women are more likely to experience financial abuse that prevents them from having ownership or control over household financial resources, keeping them trapped in physically, mentally, and/or emotionally abusive relationships and environments. Calculating the CDB accordingly to household income can add to such financial abuse. It requires household members to file their taxes, which puts this crucial part of the application out of an applicant's control. It also penalizes individuals for having a partner who earns, thus perpetuating financial dependence.

Furthermore, families are groups in flux. Focusing on individual income thus creates a more responsive and reliable income supplement that stays with the individual who is entitled to it, regardless of their changing living situation.

Although poverty is measured at the family level, human rights belong to the individual and recognize the importance of individual autonomy and independence. **We join disability communities in calling for CDB eligibility and payments to be calculated based on the individual applicant's income rather than their household income, to ensure financial independence, autonomy, and safety.**

2) Expand Restrictive Eligibility Criteria

The proposed eligibility criteria for the CDB use an exclusionary definition of disability, meaning that many people who need the benefit will not be able to access it.

Instead of providing automatic eligibility to people already receiving provincial disability supports like the Ontario Disability Support Program, the CDB is using the Disability Tax Credit (DTC) to determine eligibility. The DTC relies on a restrictive and medicalized definition of disability that excludes people with episodic and invisible disabilities who need this Benefit. As a result, only about 456,000 people are projected to be eligible for the CDB in the next fiscal year—less than two-thirds of working-age Canadians with disabilities living in poverty.⁷

⁷ Statistics Canada. (2024, April 26). Table 11-10-0090-01 Poverty and low-income statistics by disability status. <https://doi.org/10.25318/1110009001-eng>

Importantly, the Canada Disability Benefit Act references the Accessible Canada Act (ACA) in its definition of disability, which states:

Disability means any impairment, including a physical, mental, intellectual, cognitive, learning, communication or sensory impairment — or a functional limitation — whether permanent, temporary or episodic in nature, or evident or not, that, in interaction with a barrier, hinders a person’s full and equal participation in society.⁸

The current eligibility criteria of the DTC contravene this definition and therefore violate the federal government’s own legislative commitments.

We call for the CDB eligibility criteria to be expanded beyond the DTC to fully capture the ACA definition of disability and create an inclusive Benefit that all working-age people with disabilities can access. This will account for the lived realities and functional impairments faced by diverse people with disabilities.

2.a.) Streamline the Application Process to Improve Accessibility

According to the proposed regulations, to apply for the CDB, eligible recipients first need to file their taxes and possess a Disability Tax Credit (DTC). In addition to a yet unknown application for the CDB through Service Canada, eligible recipients need to therefore go through two other administrative processes that require substantial and costly applications with financial and medical documentation. This cumbersome and bureaucratic process creates a ‘time tax’ for people with disabilities who already face systemic barriers and marginalization, and who are already struggling to secure their basic needs.

The DTC application alone is an administratively burdensome and expensive process, requiring forms from doctors which are not covered by provincial health coverage like OHIP and add pressure to our already-strained medical system. Moreover, \$243 million of federal funds will be spent on these medical forms to recertify people for disability supports, even if they have already proven their need for other disability benefits like ODSP or the Canada Pension Plan-Disability (CPP-D)—a redundant and unnecessary use of public funds.

For applicants who do obtain a DTC certificate, the CRA may only issue it for a specific period, after which the tax-filer will need re-apply and re-establish their eligibility for the

⁸ Government of Canada. (2019, June 21). Accessible Canada Act. S.C. 2019, c. 10. <https://laws-lois.justice.gc.ca/eng/acts/a-0.6/page-1.html>

same disability. This will perpetuate an administrative and costly burden for applicants, provincial healthcare systems, and the federal government over time.

Meanwhile, tax filing for many Canadians is onerous, and individuals living in poverty are less likely to file their taxes compared to others. Our own data at Daily Bread Food Bank tells us that nearly 1 in 5 food bank clients do not file taxes and therefore miss out on critical rebates and programs they need and are entitled to, like the CDB. Automatic tax filing would reduce this burden but has been significantly delayed since it was first announced in the 2020 Throne Speech.

In addition to expanding automatic tax filing to all Canadians before the 2024 tax filing season, the current CDB application barriers could be addressed in a few different ways:

- I. A separate CDB certificate that uses the inclusive definition of disability outlined in section 2 of the Accessible Canada Act could be used to assess whether an applicant qualifies for both the DTC and the CDB certificates, or just the CDB.
- II. The application to Service Canada could immediately be removed from the process. Service Canada could distribute the CDB automatically to anyone who has filed taxes and has a DTC certificate.
- III. One streamlined application process could be created alongside provinces and territories—and managed federally—to assess an applicant’s eligibility for all disability support programs including social assistance and the DTC, to reduce the administrative burden of applying for multiple supports through different systems.
- IV. The CDB could be administered as a refundable tax credit, which would not only streamline the application process, but prevent clawbacks from other benefits and programs that people with disabilities rely (further discussed in Section 3).

Regardless of which path the federal government takes, **we urgently call for the CDB application process to be simplified and made more inclusive, to ensure that all people with disabilities who need and are entitled to the Benefit can access it.**

2.b.) Improve the Adjudication Process

According to the proposed regulations, the CRA is the adjudicator of DTC applications and eligibility, despite having little institutional expertise in disability needs or stakeholder engagement. Moreover, DTC-related appeals are addressed in Tax Court rather than by an appropriate body that can adjudicate disability-related claims accordingly to Canada’s legislative and human rights commitments.

As a simplified CDB application process is developed, we call for all appeals to be adjudicated by the Social Security Tribunal and rooted in the Canada Disability Benefit Act and Canada’s human rights commitments under the Convention on the Rights of Persons with Disabilities.

3) Prevent Clawbacks

Due to its status as a tax reportable benefit rather than a refundable tax credit, recipients of the CDB may lose other income-tested federal, provincial, and municipal benefits, including subsidized rental housing. This stands in stark contrast to similar benefits like the Canada Child Benefit, Canada Workers Benefit, Goods and Services Tax Credit, Canada Carbon Rebate, and Ontario Trillium Benefit which are all refundable tax credits.

The CDB should follow suit and be issued as a refundable tax credit to be automatically exempt from the threat of clawbacks from other benefits and programs that Canadians with disabilities rely on. This would have an additional benefit of streamlining the application process, and the required change to tax legislation could be passed as part of the 2025 Budget Bill.

A refundable tax credit can be designed to offer automatic advanced payments as is done with the Canada Workers Benefit. This would ensure that payments still get in the pockets of recipients immediately.

Alternately, the CDB could be exempt from the Adjusted Family Net Income (AFNI) line of income tax filings, to ensure that other income-tested benefits are not affected.

In this scenario, however, the federal government would still need to work with provinces to ensure that the CDB is exempt from clawbacks to private insurance benefits, rent-gear-to-income calculations, or any other benefit that does not consistently rely on AFNI calculations. Similarly, the federal government must ensure that the CDB does not negatively interact with federal programs such as the Canada Pension Plan disability benefit, Employment Insurance, and veterans’ benefits. **People already struggling to make ends meet should not see losses in their incomes or increases in their subsidized housing costs due to the CDB.**

Conclusion

We at Daily Bread Food Bank thank you for consulting with community and working to address the critical shortcomings of the CDB’s proposed regulations before the program rolls out in July 2025. There is still time to course-correct and ensure that the CDB meaningfully improves the lives of the 1.5 million people with disabilities living in poverty, however this will require urgent action and investment that genuinely addresses the needs, perspectives, and calls to action of the disability community.

Our network of food banks, clients, and partners from across the country are ready to support you in creating a roadmap for an inclusive, fully funded, and accessible CDB that is capable of lifting people with disabilities out of poverty and advancing their fundamental right to an adequate standard of living. Such a benefit will immensely reduce food insecurity among people with disabilities and bring Canada one step closer to ensuring dignity, inclusion, and economic prosperity for all—an outcome that Canadians of all stripes hope to see and celebrate in the coming year.