

Submission to the Pre-Budget Consultations in Advance of Budget 2024

By Daily Bread Food Bank

August 4, 2023



Recommendations

We applaud the Government of Canada for passing the *Canada Disability Benefit (CDB) Act*, which has the potential to eliminate poverty among people with disabilities. With close to half of food bank clients in Toronto living with a disability, there is urgency in getting the CDB implemented as soon as possible. We look forward to participating in the development of regulations this year and offer the following recommendations for consideration for the 2024-25 budget.

Recommendations:

- 1) We recommend that the ***Canada Disability Benefit Act* come into force by September 2023**. People with disabilities cannot afford to wait any longer.
- 2) We recommend that the Government of Canada **allocate a minimum of \$12 billion in annual funding to the Canada Disability Benefit**, beginning no later than Q4 FY2024/25.
- 3) We further recommend the Canada Disability Benefit budgetary allocation should be informed by the following considerations:
 - a. **Adequacy:** Set the CDB rate **at least thirty percent above the Market Basket Measure¹**, Canada's poverty line to account for the additional cost of living with a disability, and the benefit should be indexed to inflation.
 - b. **Eligibility:** Ensure the definition of disability used for the CDB is based on a social model, which **includes episodic and invisible disabilities**, that are often not included in a medical model. We further recommend **providing both proxy automatic eligibility** for provincial social assistance recipients and those who receive CPP-Disability, veteran benefits and/or Disability Tax Credit to reduce barriers, **as well as a direct application process**.
 - c. **Accessibility: Provide a funding pool for non-profits to do education outreach** beyond tax filing clinics to increase benefit uptake.
 - d. **Supplementary: Ensure that provinces and territories are prohibited from clawing back** provincial and territorial income supports from recipients when the benefit is implemented.

¹ Scott, C.W.M., Berrigan, P., Kneebone, R.D. *et al.* Disability Considerations for Measuring Poverty in Canada Using the Market Basket Measure. *Soc Indic Res* 163, 389–407 (2022). <https://doi.org/10.1007/s11205-022-02900-1>



Poverty and Food Insecurity Among People with Disabilities

In 2022, there were 2 million visits to food banks in Toronto. This is the highest number ever reported in our city's history. With record increases in the cost of living, combined with low incomes and soaring housing rents, food bank usage continues to break record highs, month after month.

Before the pandemic, Daily Bread used to see about 65,000 clients visits per month. The pandemic doubled this to 120,000. Now client visits have more than doubled again, to 270,000 in May 2023.

Food bank use, and food insecurity more broadly, is driven by poverty and income insecurity. According to our annual survey of food bank clients, 44% of respondents reported a disability or health condition that limits their ability to perform daily tasks and is expected to last a year or more.

Nearly 1 in 4 food bank clients (22%) reported their primary income source as Ontario Disability Support Program (ODSP). ODSP provides a maximum of \$1,308 per month for single individuals. **These rates fall almost \$1,000 below Toronto's poverty line of \$2,302².** Because benefit rates are so low, food bank referrals have become part of the intake process of ODSP.

In an analysis of 12 years of our food bank client survey data, we identified that those living with a disability comprised the majority of food bank clients living in deep poverty³.

People with disabilities in Canada should be able to live a life of dignity where they can afford their most basic of human needs, as set out in the Canadian Charter of Rights and Freedoms. We were thrilled to see the *Canada Disability Benefit (CDB) Act* receive royal assent. When implemented, the CDB will have an immense impact on reducing poverty and food insecurity in Canada, and in relieving pressure on local food banks.

As the Government of Canada develops its 2024/25 budget, we encourage urgency in allocating a minimum of \$12 billion annually for the implementation of the CDB, beginning no later than Q4 to improve the wellbeing and financial security of people with disabilities in Canada.

Thank you again for the opportunity to provide input. For more information, please contact:

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² Maytree Foundation. Welfare in Canada, 2022. Jennefer Laidley and Mohy Tabbara. https://maytree.com/wp-content/uploads/Welfare_in_Canada_2022.pdf. 2023.

³ Daily Bread Food Bank. Research Bulletin: A Decade of Deep Poverty 2010-2021. https://www.dailybread.ca/wp-content/uploads/2022/10/DB-ResearchBulletin_Report-2022.pdf 2022.



Detailed Recommendations

Recommendation #1: We recommend that the *Canada Disability Benefit Act* come into force by September 2023.

While the *Canada Disability Benefit Act* has received royal assent, it has not yet come into force. It is critical that the Act comes into force as soon as Parliament returns in September. People with disabilities cannot afford to wait any longer.

Recommendation #2: We recommend that the Government of Canada allocate a minimum of \$12 billion in annual funding to the Canada Disability Benefit, beginning no later than Q4 FY2024/25.

We are looking forward to participating in the regulatory process and helping to inform the CDB Design. We recognize that the annual funding allocation for the CDB will be strongly influenced by the benefit design and eligibility. However, the Government of Canada should not wait until the regulations process concludes to allocate funding for the benefit. It is imperative that people with disabilities begin to receive the CDB by Q4 of 2024/25. Therefore, we recommend that in the absence of regulations, that the Government of Canada budget at minimum of \$12 billion in annual funding (prorated to begin by Q4 at the latest). This will ensure there is sufficient funding available to begin rolling out the benefit to eligible recipients in 2024/25, rather than waiting until the following fiscal year.

We further recommend using the guiding principles below to inform the costing estimate to include in the budget.

Recommendation #3: We recommend the Canada Disability Benefit budgetary allocation should be informed by the following considerations:

3a. Adequacy: Set the CDB rate at least thirty percent above the Market Basket Measure⁴, Canada's poverty line to account for the additional cost of living with a disability, and the benefit should be indexed to inflation.

Given the goal of lifting all Canadians with disabilities out of poverty, the level of this supplement must be a fixed amount that is adequate, no matter where eligible individuals live. It should be indexed to inflation, non-taxable, portable, and paid monthly on an individual basis to help Canadians with disabilities afford their needs in an inflationary environment and for years to come.

⁴ Scott, C.W.M., Berrigan, P., Kneebone, R.D. *et al.* Disability Considerations for Measuring Poverty in Canada Using the Market Basket Measure. *Soc Indic Res* 163, 389–407 (2022). <https://doi.org/10.1007/s11205-022-02900-1>



3b. Eligibility: Ensure the definition of disability used for the CDB is based on a social model, which includes episodic and invisible disabilities, that are often not included in a medical model. We further recommend providing both proxy automatic eligibility for provincial social assistance recipients and those who receive CPP-Disability, veteran benefits and/or Disability Tax Credit to reduce barriers, as well as a direct application process.

To ease access, individuals receiving provincial and federal disability supports should automatically qualify for the CDB. Forcing people with disabilities to continually jump through bureaucratic hoops for benefits that they clearly qualify for is demeaning, time consuming and an unfair expense. This is often referred to as the ‘time tax.’⁵

Further, with the current shortage of family physicians in Canada, requiring that eligibility be certified by a doctor will be an impossible barrier for many Canadians with disabilities. This is why we recommend that the definition of disability used for the CDB is based on a social model, which includes episodic and invisible disabilities, which are often excluded from a physician’s application and interpretation of the medical model. Individuals living with a disability, regardless of what it is, must be able to qualify for the CDB.

Accompanying the design of this new federal benefit, it is crucial that investments are made to ensure that there are no barriers to access for eligible recipients and to get payments out expeditiously, as Canadians with disabilities cannot afford to wait any longer.

3c. Accessibility: Provide a funding pool for non-profits to do education outreach beyond tax filing clinics to increase benefit uptake.

To support benefit uptake, permanent and ongoing funding should be provided to non-profits, community organizations and local resident associations to conduct education outreach beyond tax filing clinics. According to *Who’s Hungry 2022*, nearly 1 in 5 food bank clients do not file taxes. Each year, \$1.7 billion in social benefits go unclaimed, sitting in programs such as the GST Tax rebate, the Canada’s Worker’s Benefit and the Canada Child Benefit.⁶

Tax filing for many Canadians is onerous and costly. We are happy to see progress being made on automatic tax filing. However, additional barriers remain that prevent low-income people with disabilities from accessing the benefits to which they are entitled. For example, it’s estimated that only 40% of eligible recipients utilize the Disability Tax Credit (DTC).⁷ It can

⁵ Springboard Policy. The Time Tax. <https://www.springboardpolicy.com/time-tax>. 2023.

⁶ Jenniger Robson and Saul Schwartz. Who Doesn’t File a Tax Return? A Portrait of Non-Filers. *Canadian Public Policy*, 46:3 323-339. <https://utpjournals.press/doi/10.3138/cpp.2019-063>. 2020.

⁷ Standing Senate Committee on Social Affairs, Science and Technology, [Breaking Down Barriers: A critical analysis of the Disability Tax Credit and the Registered Disability Savings Plan](#), 2017.



take years for people to be approved for provincial disability assistance programs. In Ontario, 60% of ODSP applications that are originally rejected are overturned at tribunal.⁸

Because disability programs require substantial documentation and medical records, they are often difficult to navigate. Providing a funding pool to non-profits that provide services directly to people with disabilities who are living in poverty, like food banks, community health centres, and disability support programs, will increase awareness about the benefits and help navigate application processes and tax filing on an ongoing, year-round basis to increase benefit uptake.

3d. Supplementary: Ensure that provinces and territories are prohibited from clawing back provincial and territorial income supports from recipients when the benefit is implemented.

The CDB must supplement provincial and territorial income support programs and not replace them. The benefit must be complementary to ensure that recipients are receiving the maximum amounts they are eligible for and does not end up leaving people worse off than they were before.

We have heard from the former Minister of Employment, Workforce Development and Disability Inclusion, that the intention for this benefit is to be a supplement to those benefits offered by provinces and other federal disability assistance programs. We urge the federal government to work closely with provinces and territories to ensure no claw backs to existing disability benefits.

About Daily Bread Food Bank

Daily Bread Food Bank is a member-based organization whose mission is to collaborate with all to eliminate food insecurity and advocate for solutions to end poverty. As Canada's largest food bank, Daily Bread runs innovative programs to support individuals living on low incomes and experiencing food insecurity by distributing fresh and shelf-stable food and fresh-cooked meals to over 200 community food programs across Toronto.

⁸ Office of the Auditor General of Ontario, Ministry of Children, Community and Social Services. Chapter 1, Section 3.09 of the Ontario Disability Support Program Follow-Up on VFM Section 3.09, *2019 Annual Report*. https://www.auditor.on.ca/en/content/annualreports/arreports/en21/1-09ODSP_en21.pdf 2021.

