

What does it mean to be 'On Disability' in Canada?

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Part 1: Context

- ▶ General Labour Market
- ▶ Incidence of disability
- ▶ Labour Market Participation
- ▶ Barriers
- ▶ Policy Environment
- ▶ Federal, Provincial, and Private Sector Role
- ▶ Expenditures

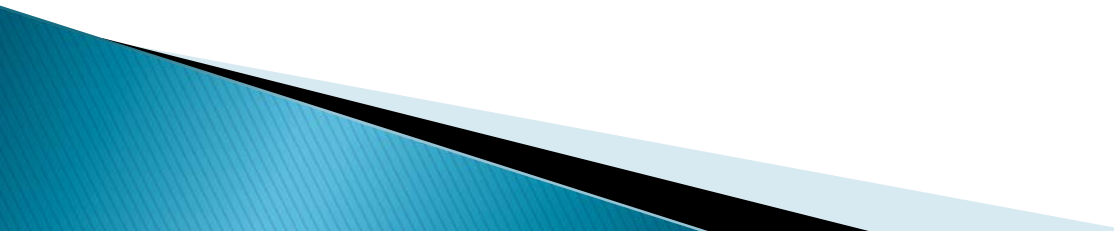
Labour Market

- ▶ Canada has a labour force of 17,945,800 people over the age of 15.
 - 16,866,400 employed
 - 1,079,400 unemployed
- ▶ Further 8,607,600 are not in the labour force
- ▶ Labour force participation rate is 67.6%, unemployment rate is 6%, employment rate is 63.5%.

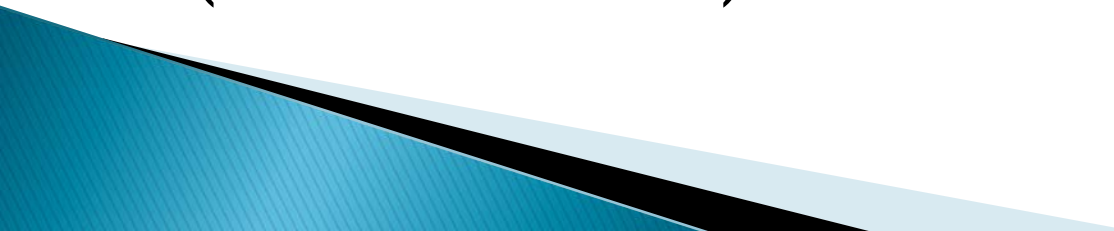
Incidence of Disabilities

- ▶ 4.4 million Canadians living in households reported having an activity limitation (2006)
- ▶ Disability rates:
 - Canada: 14.3% (increase from 12.4% in 2001)

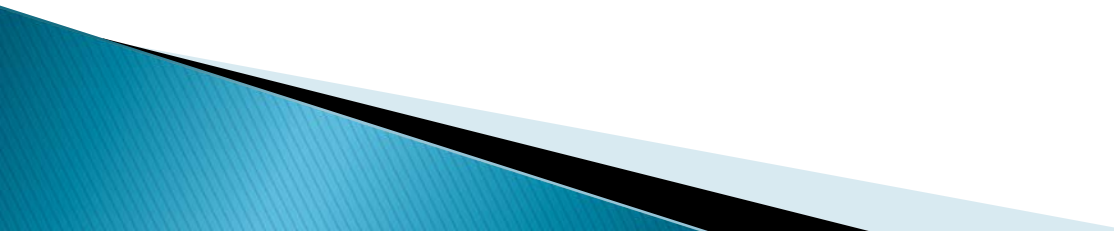
Labour Market Participation Among PWDs

- ▶ In 2006, 2,457,350 people with “activity limitations” between 15 and 64 could have participated in the labour force.
 - ▶ 51.3% were employed, 43.9% were not in the labour force, and 4.9% were unemployed
 - ▶ For people without disabilities, 75% were employed, 20% were not in the labour force, and 5% were unemployed
 - ▶ Unemployment rate was 10.4% for people with disabilities, compared to 6.8% for the non-disabled population
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Changes in the Labour Market Over Time

- ▶ 2001 and 2006, total employment in Canada increased at an annual average rate of 1.7%
 - ▶ Unemployment rate for people with disabilities fell from 13.2% to 10.4% during those years
 - ▶ In 2001, the unemployment rate for those with disabilities was nearly double the rate for those without (13.2% vs. 7.4%), but this gap narrowed by roughly one-third by 2006 (10.4% to 6.8%)
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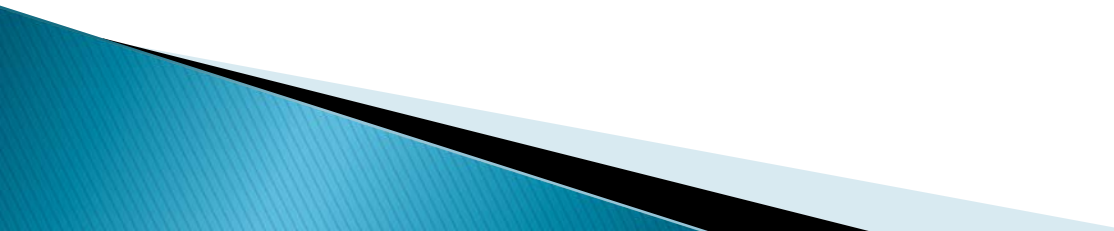
Barriers to Labour Market

- ▶ Physical limitations
 - ▶ Requirements for workplace accommodations
 - ▶ Perceived and actual discrimination
 - ▶ Low educational attainment and absence of supports for training and education
 - ▶ Perceived and actual loss of benefits upon entering labour force
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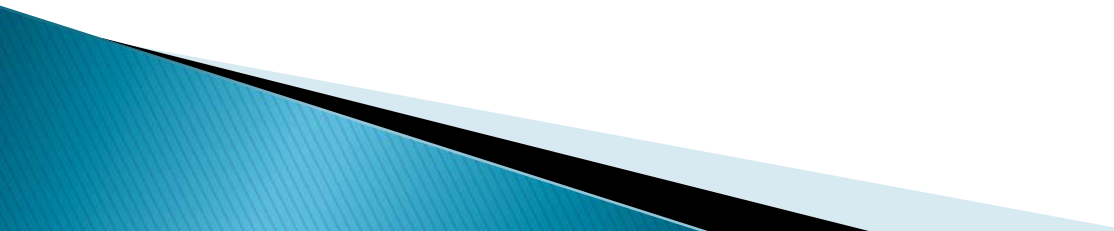
Policy Issues

- ▶ Factors impinging on policymaking: public attitudes, costs, integrated approaches, labour market demand, changing demographics, disability advocacy, medical advances, end of deinstitutionalization, changing job market, accommodations, rights-based advocacy
 - ▶ Program characteristics: specific mandates based on original charters, entrenched funding and governance regimes, separate and distinct philosophies as they relate to coverage and labour force development
 - ▶ Provincial and federal disability agendas and strategies
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Federal Roles and Responsibilities

- ▶ Division of Power: enumerated powers + broad residual power + spending power
 - ▶ Income Security: Constitutional amendments
 - ▶ Workplaces and Human Rights: federally-regulated employers
 - ▶ Insurance Industry: licensing, investments, governance
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Provincial Roles and Responsibilities

- ▶ Social Assistance
 - ▶ Provincial Workers' Compensation
 - ▶ Workplaces and Human Rights: most employers
 - ▶ Insurance Industry: contracts with consumers
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Private and Third Sector Roles and Responsibilities

▶ Employers

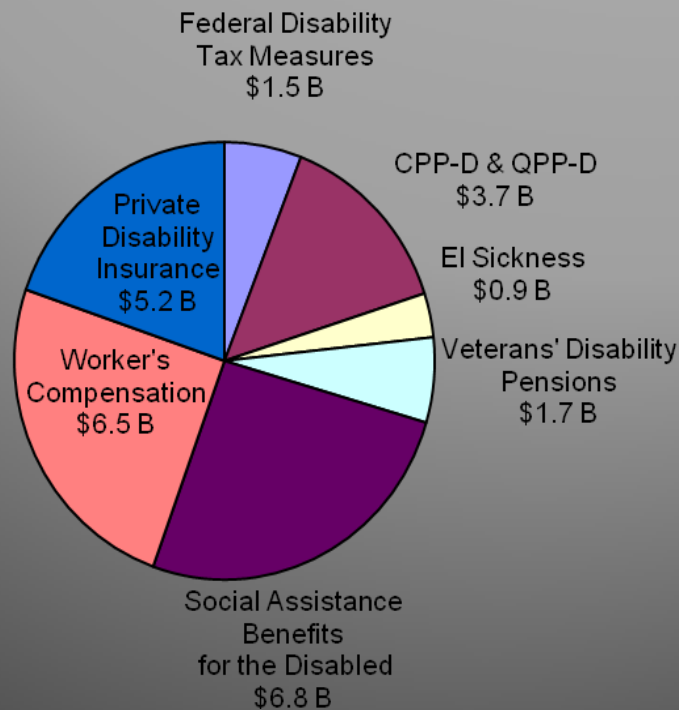
- Legal Obligations: Human rights, employment equity, occupational health, workers' compensation
- Disability Management: Prevention, training, rehabilitation, return to work, accommodation
- Private Disability Insurance

▶ NGOs

- Policy development
- Service provision

Disability Benefit Expenditures

DISABILITY BENEFIT EXPENDITURES CANADA, 2005-06 \$26.3 B (est)



Part 2: The meaning of being 'On Disability'

What it means to be 'on disability'.

- The 8 programs
- The 5 service program areas

What does it mean to be “on Disability”?

- ▶ In conversation, people will refer to a neighbour, a friend, or someone they know to be ‘on disability’.
- ▶ In their minds, this means a disability allowance, a benefit, or a program
- ▶ Few people know that being ‘on disability’ actually means.
- ▶ Usually, it can mean one or more of 8 income programs and 5 areas of disability services.

What does it mean to be 'On Disability'?

The Eight (8) Income Programs:

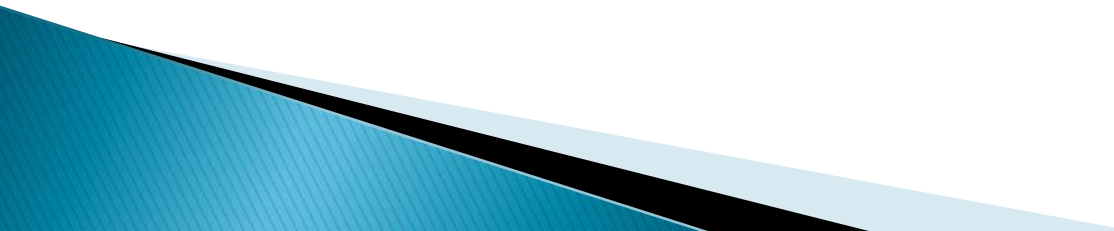
- Canada Pension Plan disability (CPP-D)
- Employment Insurance Sickness (EI sickness)
- Veterans' Benefits for Disability
- Disability Tax Credits
- Personal/Family Resources Registered Disability Savings Plan (RDSP) (calling this a program for purposes of discussion).
- Provincial social assistance for disability
- Workers' Compensation
- Employers' Long Term Income Protection (LTIP)

What are the '5' disability service program areas ?

1. Disability Supports
2. Caregiver
3. Employment and Training
4. Social Services
5. Medical Services

These programs are delivered at all levels of government, are not comprehensive, but tend not to offset (deduct or cannibalize) each other .

Federal Income Support Programs

- Canada Pension Plan Disability Program (CPP-D)
 - Employment Insurance Sickness Benefits (EI-Sickness)
 - Veterans' Disability Pensions
 - Federal Workers' Compensation
 - Tax measures
 - DTC
 - WITB-D
 - RDSP
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Provincial Income Support Programs

- ▶ Workers' compensation
- ▶ Social Assistance

Private Sector

- ▶ Employer Long Term Income Protection

Part 3: What are the problems?

- ▶ By design, some income programs interact well, some poorly , creating major income inequities
- ▶ Disability services associated with income programs often cancelled when income programs offset each other
- ▶ Very difficult to forge a comprehensive national disability income program – programs oriented very differently
- ▶ No pan Canadian discussion of determinants of health and inequality
- ▶ No pan-Canadian discussion of OECD disability benefit culture problem
- ▶ Little pan-Canadian thinking on what happens to persons with disabilities and programs in the post recession economy after the crash of 2008 and the demographic shift of 2011.

Interaction Problems: How do the big '8' income programs interact together?

- ▶ There is a continuum of the 8 programs:
 - That 'stack' ---meaning that they all pay without deducting each other; and
 - That interact, deduct, or 'cannibalize' each other
- ▶ For example:
 - A veteran who gets military disability, CPP, Workers' Compensation has benefits that 'stack'.
 - A worker who gets LTIP that is reduced by CPP and Social assistance has benefits that 'cannibalize'.

Interaction Problems: How do the big '8' income programs interact together?

- ▶ At the one end of the continuum, the person with a disability gets a decent income from three sources that do not deduct each other
 - **A person could get \$30,000 a year (fair & adequate)**
- ▶ At the other end, the person with a disability also gets benefits from three programs but the first program reduces the second and the third deducts the two others leaving the person with a poverty level income.
 - **A person could get \$12,000 a year because the programs deduct each other (toxic offsets)**

Interaction Problems: How do the big '8' income programs interact together?

- ▶ Why does this happen?
 - Programs define themselves as 'first payer' or 'last payer'
 - Programs that are 'last payer' purport to pay people with disabilities who have no other resources
 - 'First payer' programs pay without regard to else pays
 - Most disability programs compensate based on workplace attachment e.g. CPP, veterans, workers' compensation, WITB-D, EI sickness, LTIP –only social assistance, RDSP, and Disability tax credits do not.

Interaction Problems: How do the big '8' income programs interact together?

- ▶ Why does this happen? (continued)
 - Some programs insure against having a disability
 - This means they don't pay when the disability is not there (i.e. Asymptomatic)
 - Most programs compensate the disability and not the person – what they pay is based on
 - “the biography of the disability”
 - Social Assistance only pays when other programs do not pay – it deducts all other programs except the RDSP and Disability Tax Credits

Interaction Problems: How do the 5 areas of disability supports work together?

- ▶ Disability supports work together well when **not** associated with income security programs
- ▶ Although there is overlap and duplication, coverage in Canada is comprehensive
- ▶ However, when disability supports are dependent on receipt of income support, program offsets (one program offsets or deducts another), persons with disabilities often become ineligible for associated supports (e.g. CPP receipt can nullify eligibility for prescription drugs under social assistance)

Global Problems

- Difficult to forge a comprehensive disability income program
- Programs run in isolation
- There is no overall governance
- There is no current place for a 'Commissioner' of 8 disability income models and 5 disability support areas.

Global Problems (continued)

- ▶ Persons who now receive benefits from multiple stacking programs may receive a decent living
- ▶ A comprehensive disability income program could have 'winners' and 'losers'
 - More for those below poverty income standards
 - Possibly less for those with multiple program receipt?

Global Problems (continued)

- ▶ No overall orientation in the 8 income and 5 support areas respecting:
 - The life course of persons with disabilities
 - Employment in the context of the life course
 - Access to rehabilitation, training and education (each do their own thing)
 - Governance from the point of view of people with disabilities

Global Problems (continued)

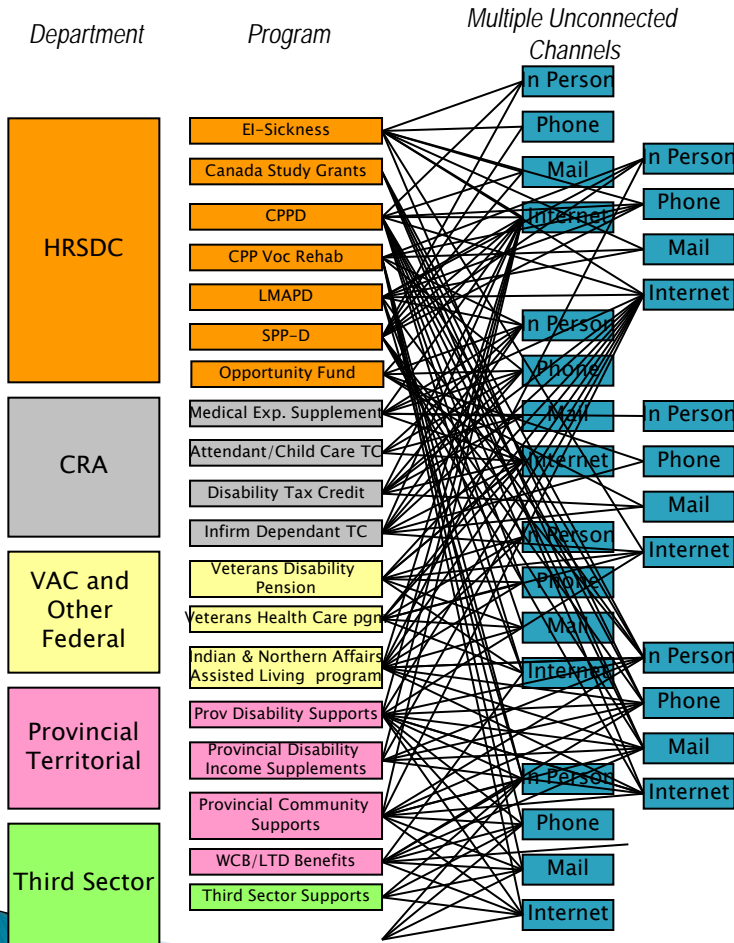
- ▶ No pan-Canadian discussion of the social determinants of health as they relate to disability and inequality (but well developed dialogue in the UK e.g. Wilkinson)
- ▶ Little discussion of OECD concern re: 'culture of disability'
 - disabilities associated with societal inequality
 - Problem of low income people with medical problems and possibly addictions & low social capital with **no reasonable prospect of economic survival** unless they redefine themselves as people with disabilities

Solutions: A Citizen Centred Model

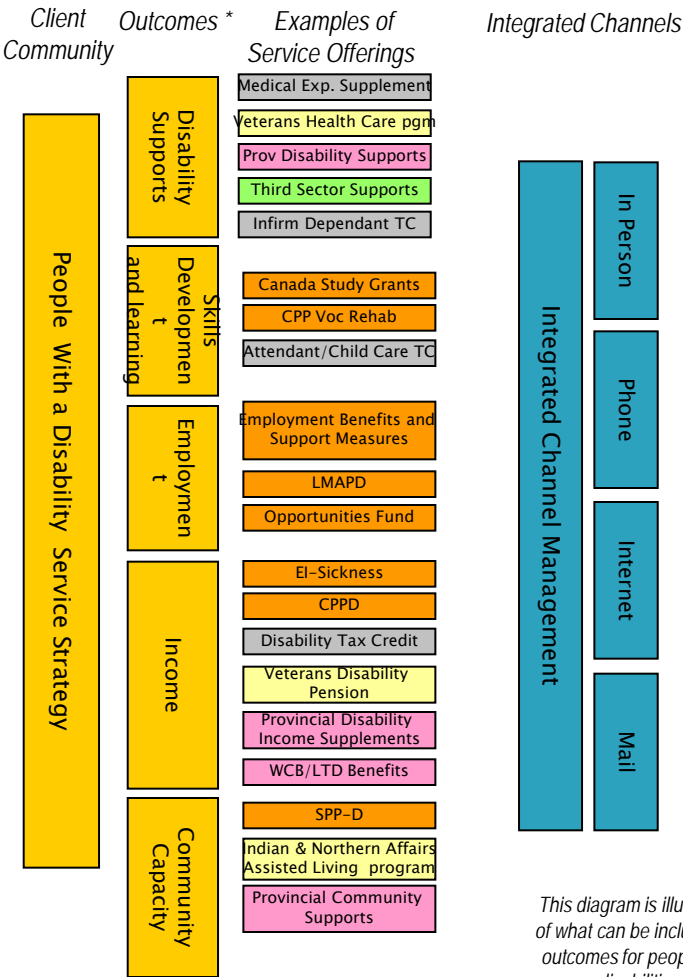
- ▶ Service Canada began work on a citizen centred model
- ▶ Only involves administrative coordination of programs, not policy or governance
- ▶ Represents a good start to identify and overlap, duplication and gaps
- ▶ Service Canada before and after model is on next slide.

A Citizen Centered Service Strategy for People with Disabilities

Today



Future



This diagram is illustrative of what can be included as outcomes for people with disabilities

Solve overlap, gap and duplication

▶ Consider:

- a base income for persons with disabilities through rework of social assistance and tax credit e.g. OAS/GIS model for people with disabilities
- a common definition of disability for disability income plans
- A common base of disability services that are not dependent on income program eligibility

Face and Discuss the tough issues!

- ▶ Winners and losers in a comprehensive disability income program
- ▶ What would a Commissioner of disability programs look like (i.e. officer of Parliament? What other pan-Canadian governance models are there?
- ▶ Emergent disabilities, social determinants of health and the 'culture of disability'
- ▶ Disability Benefits in the new post recession economy after the crash of 2008 and the demographic shift of 2011

Next Steps

- ▶ Convene disability stakeholders to discuss the long term future of disability income and service programs in the new economy
- ▶ Encourage thinking and develop narrative on the role of 8 income and 5 disability service areas under a comprehensive governance model
- ▶ Create neutral space to discuss the emergent and resistant problems
- ▶ Encourage Citizen Centred strategy for administration AND policy.

Who convenes?

- ▶ Possible actors are:
 - Government (Public Service department)
 - Government (Minister)
 - Parliamentary Committee (HUMA)
 - A think tank or consortium of think tanks
 - Civil Society coalition
 - Academia
 - Business Interests
 - Coalition of Funders (philanthropies)
 - Combination or partnership of the above