



Canada Disability Benefit
July 25, 2024

The Issue:

The proposed 2024 federal budget fails to provide the funding necessary to lift working age Canadians out of poverty. The budget includes increased access to Disability Tax Credits however this is expected to increase the number of people who qualify for the Canada Disability Benefit adding additional pressure to the funding.

What it's about:

The proposed investment of \$6.1 billion over six years starting in July 2025 will support 27% of the population living in Canada. A significant portion of this population also supports others living with disabilities.

The Canada Disability Benefit does not address barriers to access, outside of financial barriers to accessing Disability Tax Credits. The proposed budget covers the costs of required forms recognizing the cost access disability benefits may be a financial barrier for applicants. Removing this one financial barrier is beneficial, however, it is expected to significantly increase the number of people who will be able to access the Canada Disability Benefit. Accessible housing, health services, supports, child care and employment all remain concerns for people living with disabilities and are not addressed in the proposed 2024 budget.

The approval process and Benefit amount will be calculated based on household income as it's reported to the Canada Revenue Agency and not on an individual's income. This means some applicants will not qualify, or will qualify for less based on the income of others. People living with disabilities often rely on family members to support the cost of living adding financial stress to the household as a whole, or must go without expenses related to mental and physical wellness such as better quality food, assistive equipment and hobbies.

Background:

Of the four million Canadians of working age who identify as having a disability have a severe or very severe disability. Canadians with disabilities who are of working age experience poverty at twice the rate of those without disabilities. Current employment practices also do not eliminate or effectively reduce poverty. Barriers such as discrimination, inaccessible worksites, and exclusionary practices prevent Canadians from gainful employment or significantly reduce employment options.

In 2022 the employment rate was 80.1% for Canadians without disabilities compared to the employment rate for individuals with disabilities at 65.1%. In that same year, the unemployment rate for working age Canadians with disabilities was 6.9% and 3.8% for those without a disability. The median hourly wage was also 5.5% less for Canadians living with disabilities.

In June of 2023, the Canada Disability Benefit Act was passed unanimously and became a law, aimed to reduce poverty and provide financial security for Canadians of working age. In September, the federal government announced they would create the Canada Disability Benefit. The Federal Government conducted engagement activities in 2021, 2022 and 2023, connecting with over 8,000 Canadians, to inform the regulations and implementation of the Benefit.

In 2023, the Disability Without Poverty commenced a consultation project, called the Shape the Canadian Disability Benefit, to assess need and inform government on behalf of disabled communities. Disability Without Poverty is a grassroots disability-led movement formed to ensure people living with disabilities are involved in the creation of the Canadian Disability Benefit. Their findings created a national report which found that in 2023, 27% of people living in Canada were disabled and 16.5% of those who were disabled lived in poverty. People living with disabilities often have increased costs due to additional living costs often related to medical needs or required accommodations. Additional financial barriers exist for marginalized populations including newcomers, refugees, 2SLGBTQIA+, Black people, racialized people, Indigenous people, and women.

The 2024 federal budget proposes the following for the Canada Disability Benefit:

- Funding of \$6.1 billion over six years, and \$1.4 billion per year ongoing, including costs of program delivery;
- Payment for eligible Canadians to commence in July 2025 after regulatory process and consultations with persons with disabilities are complete;
- On-going community-based navigation services for access and education pertaining to federal, provincial and territorial programs for working age Canadian with disabilities; and
- Funding to cover medical forms required as part of the Disability Tax Credit in order to address financial barriers.

Consultation for the proposed budget began on June 29, 2024 and is set to end on September 23, 2024.

Lookout Housing and Health Society recommends:

That the Federal Government

- Raise the Canada Disability Benefit amount.
- Automatically enroll those who receive provincial and territorial support.
- Assess the Benefit through an individualized lens rather than by household income.
- Establish a standing committee of people living with disabilities to inform future policy changes.

Sources:

Canadians with disabilities: A demographic, employment and income profile, 2017, Statistics Canada (2018).

Canada Labour Force Survey: Disability Screening Questions, Statistics Canada (2022).

[DWP Phase 3 Report - EN \(disabilitywithoutpoverty.ca\)](#)

[Overview of the Canada Disability Benefit - Canada.ca](#)