

A young person's guide to a guaranteed annual or basic income: part 6

Persons with Disabilities

In all of the discussions of a guaranteed annual income or basic income over the years, many have said that Canada could start with a GAI or BI for people with disabilities.

I have become emotional about the issue myself. In my report for the Metcalf Foundation called the Welfareization of Disability Incomes in Ontario, I said the following:

“Clearly, if there was an opportunity to start from scratch, no one would ever devise the array of disability income programs that currently exists. Neither individually nor as a collective set of systems do they begin to meet the real needs and expectations of people with disabilities. So, how do we find our way forward to transform the convoluted quagmire of eight (now nine) very different disability income systems? Although opportunities to mount this discussion are limited at best, there is a desperate need for reform.”¹

It would seem a lot easier to mount a GAI or BI for people with disabilities for two reasons:

1. It is a whole heck of a lot cheaper – less than \$10 billion nationally as opposed to \$30 billion for everyone; and
2. Few are worried about work requirements for people with disabilities – in other words, the public would not worry that people with disabilities should be forced to work to obtain income assistance in the same way they worry about people without disabilities.

So with those two great policy and public opinion advantages, why is it so hard to take a logical first step towards a GAI or BI by ushering in a GAI or BI for people with disabilities?

Before answering the question, let's look at all the expenditures made in Canada under our various income programs. There are 9 separate disability income systems in Canada depending on who is counting. Seven of them are shown in the pie diagram below.

Two of the programs (or systems) are too small to mention right now:

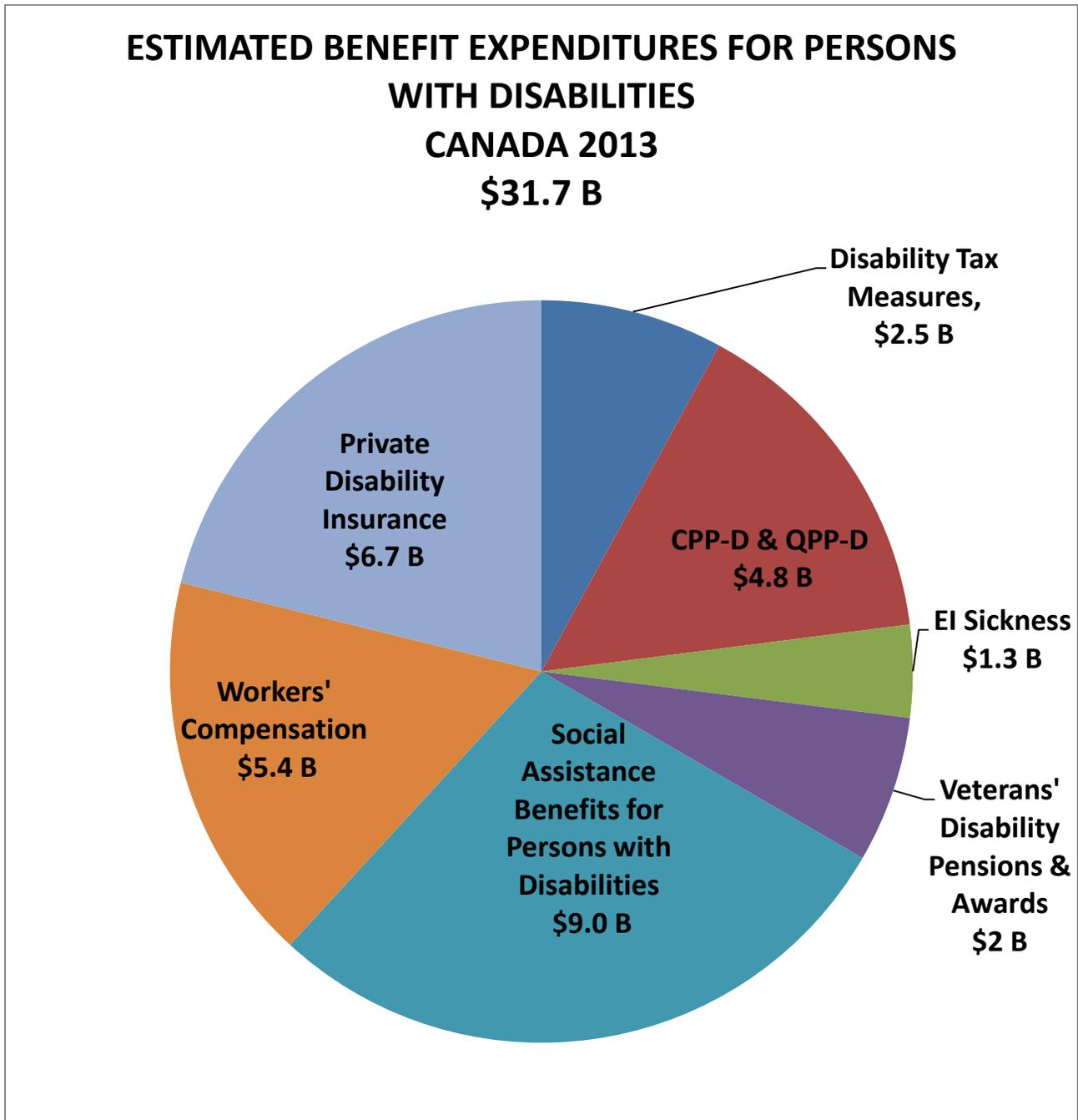
- The Registered Disability Savings Plan (RDSP); and
- The Working income tax benefit for people with disabilities sometimes called the WITB-D

The other seven are:

- Social assistance
- Workers' Compensation
- The Disability Tax Credit
- Veterans' programs
- Private programs

¹ <http://metcalfoundation.com/wp-content/uploads/2013/12/Welfareization-of-Disability-Incomes-in-Ontario.pdf> p.30

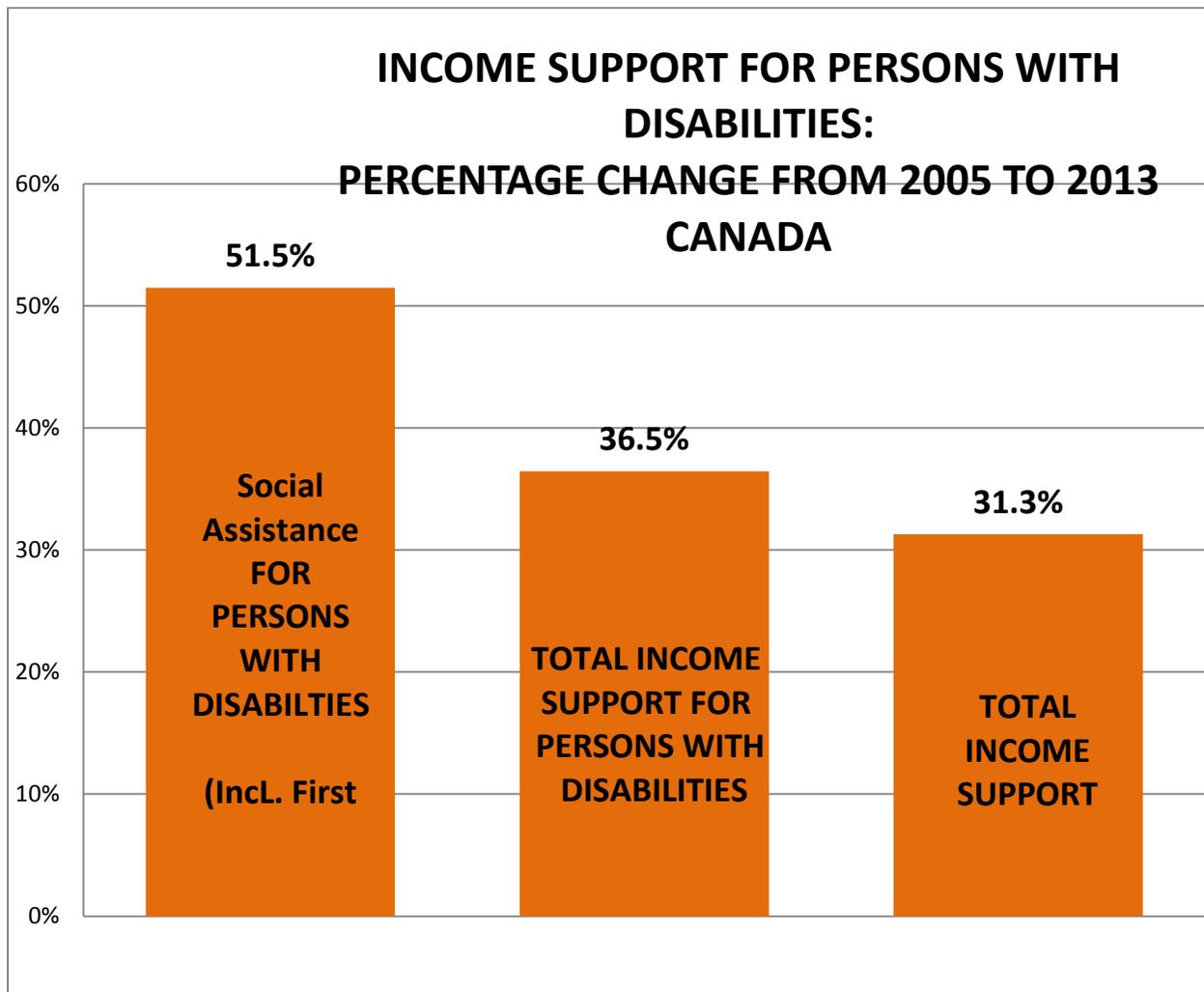
- CPP –Disability and
- EI sickness.



OK – so now I will answer the question of why it is so hard to implement a GAI or BI for persons with disabilities.

The Disability income system writ large has all the same problems that all the other programs and systems exhibit and a few of its own:

- Seven of the 9 systems pay benefits to people who are not poor. Only social assistance and the WITB-D have specific rules that direct payments to low income people with disabilities.
- Four of the programs/systems pay temporary benefits only – they are not designed to pay long terms benefits (i.e. EI Sickness -15 weeks, Workers’ Compensation – generally up to two years, Private programs – generally up to two years, and Veterans’ program – only permanent for WWII and Korea veterans).
- The programs that are paid to low income people with disabilities are not indexed and are inadequate (i.e. social assistance and the WITB-D)
- Six of the nine disability income programs can only be accessed through previous or current employment; and
- Two of the nine programs (EI and CPP) are subject to Constitutional protections
- The most inadequate program (social assistance) is increasing its share of overall expenditures on people with disabilities;



Conclusion

In sum, Canada has an overall disability income system paying out almost \$32 billion in benefits that:

- Is largely not directed (by design) to low income people,
- Pays only temporary benefits under half of its programs,
- Is largely inadequate and only partially indexed,
- Exhibits a growing ‘market share’ represented by inadequate social assistance benefits
- Is largely based on previous or current employment; and
- Is Constitutionally entangled

Accordingly, it would be no easier to mount a GAI or BI for persons with disabilities than any other subset of the population. Nevertheless, with a \$32 billion base and with political will, it would be far easier to disentangle current programs.

This is the way I ended my paper on the Welfareization of disability benefits:

“Any changes made to disability income programs require careful consideration of the whole system and I believe this is our best starting point. Should all parties agree to the creation of just one more commission dedicated to the task of disability income system transformation and supported by all levels of government and private and non-profit sectors, there would be reason to be optimistic that there is a way forward to a coherent set of policies that could guide us through a successful transformation.”²

² <http://metcalfoundation.com/wp-content/uploads/2013/12/Welfareization-of-Disability-Incomes-in-Ontario.pdf> p.30