

The “Welfareization” of Disability Incomes in Ontario

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What are the factors causing this trend?

by John Stapleton



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Introduction

When I give presentations on disability income programs in Ontario, the most frequent question I am asked is: Why is the Ontario Disability Support Program (ODSP) growing so fast? It's true that ODSP is the single largest and the fastest growing of all the disability benefit programs. This trend – the disproportional growth of ODSP – is what I call the “welfareization” of disability incomes.

This paper does not attempt to provide a definitive answer to this question. What it aims to do is expand the discussion around possible reasons for the increase in ODSP expenditures. I believe there are many factors at play and that they warrant further examination and consideration. They include the changing nature of the labour market, an increase in precarious employment and growing levels of working poor, and economic conditions that have significantly affected unemployment levels over recent years.

It needs to be noted that Ontario is not alone in this trend. Several other provinces share a similar growth in their social assistance disability income programs. Since this increase is occurring in certain parts of the country and not in others, I believe that regional similarities and differences are a source of critical insight.

One theory often voiced in these discussions is the emergence of a disability culture. It is a theory that suggests disability income can be a way of avoiding work on the part of recipients and a way of reducing unemployment statistics on the part of governments. This emergent theme has tended to consume the debate.¹ Despite the attention given to this idea, I believe it is just one possibility. In fact, I think it is one of the more minor influences and that further study will prove this to be true.

Canada has, in total, eight major disability income support programs.² For the purposes of this paper we can categorize them into two groups. The first group includes the **employer-triggered** programs. These are available only to those who have engaged in regular salaried or wage-paid work, are unavailable to those who cannot work, and are generally not accessible to those with irregular or contract employment. They are:

¹ *Sickness, Disability and Work: Breaking the Barriers — CANADA: Opportunities for Collaboration*, OECD, p. 44.

² Stapleton, J., & Procyk, S. (November, 2010). A patchwork quilt: Income security for Canadians with disabilities. *Institute for Work and Health*. <http://www.iwh.on.ca/briefings/a-patchwork-quilt>

- private disability insurance
- workers' compensation (Workplace Safety and Insurance Board in Ontario)
- Canada Pension Plan and Quebec Pension Plan disability benefits (CPP-D and QPP-D)
- Veterans Affairs Canada's Disability Pension and Disability Award
- employment insurance sickness benefits

The second group comprises programs that are **not predicated on workforce attachment**. They include:

- social assistance — disability component (ODSP in Ontario)
- disability tax credits
- registered disability savings plan

Disability tax credits exist to reduce the amount a person owes on federal income tax; they do not provide a source of income. The registered disability savings plan is a registered instrument that will take years to become a significant part of the income security system for people with disabilities. This means that for individuals who do not have regular salaried work — providing access to employer-triggered programs — social assistance is often the only income support program available to them.

In this paper, we will review Canada's disability programs including changes to eligibility and entitlement. We'll also consider how individuals with disabilities access support by reflecting on the experiences of two composites: Angelica and Bob.

Angelica and Bob represent, in very different ways, the new face of ODSP. They are examples of real life situations I encounter on a regular basis. They illustrate how individuals need to navigate through a complex set of support systems, and they remind us of the serious and human consequences of social policy change. Their situations help illuminate why ODSP has become a critical safety net and, for many people with disabilities, the only program able to provide the level of financial support and employment incentives they need in order to stabilize their circumstances and find a way to enter or re-enter the workforce.

This trend in increased ODSP expenditures — the “welfareization” of disability incomes — is a costly and weighty issue with enormous policy implications. I believe continued exploration of various theories and hypotheses is needed to deepen and clarify our understanding of what's causing the rise in ODSP. For that purpose, in Appendix A, I propose areas of research. Appendix B lists available data sources to continue this research.

In 2008, I wrote a paper with Anne Tweddle called *Navigating the Maze*.³ In this paper we noted that social assistance, disability component, is a residual program — meaning it was never designed to be a program to help persons with disabilities bridge the gap between jobs or assist with work reintegration. Yet of all Canada's disability income programs it has the most exemplary approach to work incentives. Its work orientation is consistent with current thinking that persons with disabilities can, and should, be integrated into the workforce wherever possible.

The clear irony is that contributions-based programs generally do not provide income support when a recipient returns to work (except through specific return-to-work incentives and limited capped allowable earnings), while social assistance, which serves people who have traditionally been too disabled to work, robustly supports entering the workplace with money, supports, and benefits.

ODSP allows recipients to work — while keeping 50 cents of each dollar earned following a \$200 per month exemption — and continue to receive assistance without time limitations. Other systems cancel their benefits when a recipient returns to work. For example, people with disabilities are removed from CPP benefits entirely once they earn \$5,100 a year.⁴

For this reason, perhaps we need to be alarmed by the welfareization of disability incomes in Ontario, not primarily because of the rise in ODSP expenditures but because of the punitive and harmful elements of social assistance approaches to income security.

These elements include the constant erosion of benefits relative to inflation, as ODSP is not indexed. They also include severe restrictions on the level of assets that recipients may obtain and keep (\$5,000 for a single person), strict rules that vary benefits based on cohabitation and sharing of accommodation, a cap on the level of gifts that a recipient may receive, and a deduction of most other income sources from benefits at a 100% clawback rate.

These restrictions all serve to reinforce the insistence that a recipient must live in poverty in order to receive benefits. Each of these rules reinforces systemic stigmatization of recipients by disallowing recipients to improve their situations in ways that most Canadians would take for granted (e.g., saving money, moving in with someone else to reduce expenses, or obtaining help from a family member).

Although ODSP supports the return to employment through its sharing arrangement on earnings, the fundamental design of the program (as a budget deficit needs-test model) insists that only the poorest of people with disabilities

³ <http://openpolicyontario.com/wordpress/wp-content/uploads/2012/02/NavigatingtheMazeFinal.pdf>
p.13

⁴ <http://www.servicecanada.gc.ca/eng/services/pensions/cpp/publications/disability/cppbentoc.shtml>

may obtain benefits. Almost everyone living on ODSP is poor, since the program's design insists upon it.

Two case studies

Angelica

Angelica, an office cleaner in her early sixties who lives in Toronto, suffered her first major workplace injury after working for the government for 18 years. It was 1993. She was earning \$21 an hour and regularly saving 5% of her net pay.

When she was injured, she immediately received workplace medical attention and was admitted to the hospital. She was given time off work at full pay and was able to deploy a robust bank of sick days. She received the benefits of a multifaceted workplace program that provided rehabilitation and other services including orthotic supplies, physiotherapy, and chiropractic treatment.

Following her in-house government coverage, Angelica qualified for workers' compensation. She also received 15 weeks of sickness benefits through employment insurance (EI) followed by regular EI benefits for the entire time she was off work.

Eighteen years later, in 2011, Angelica sustained a similar workplace accident. She now had 36 years' experience completing the same tasks in the same workplace.

However, 13 years earlier, in 1998, the work she was doing was contracted to an outside firm. The firm that successfully bid on the cleaning contract for the government offered Angelica a position as a self-employed contractor. In her new position she was offered a pay rate equivalent to the minimum wage. This meant that in 2011 Angelica was making \$10.25 an hour — about one half (in nominal terms) of what she made before the 1998 changes.

At the time of Angelica's 2011 injury there was no workplace infirmary, so she phoned 911. New and heavy security in the government building delayed her hospital visit, increasing her stress.

As a self-employed contract worker she had no sick days and no other source of income. She had no access to rehabilitation and no workplace benefit program because, in technical terms, she was not an employee. She had to pay for her own orthotics, and because physiotherapy and chiropractic were delisted as insured

provincial health care services, Angelica faced paying for any use of these services at full fee rates.

Angelica might have qualified for workers' compensation but she would have had to demonstrate to the Workplace Safety and Insurance Board that her relationship to the cleaning firm was, in principle, one of an employee.

Due to her injury, she is currently unable to return to work as a cleaner and is currently unemployed. She has the added worry that if her injury results in a permanent disability, she will not qualify for CPP disability benefits. She could have qualified if she had been making ongoing payments representing both the employer and employee portions, but she had determined that she was unable to afford these payroll levies on \$10.25 an hour.

As a self-employed contractor, Angelica did not pay into EI and therefore does not qualify for the standard 15 weeks of EI sickness benefits or regular EI benefits.

Angelica has applied for welfare (Ontario Works) of \$626 a month with an application in place for ODSP. The application is currently pending. If she takes early CPP, based on her earlier contributions as an employee, it will be deducted from her Ontario Works cheque (or ODSP if her application is accepted) at 100%. If she receives ODSP, she will be forced to apply for CPP-D. Otherwise, she can wait until age 65, although the higher CPP payment will further reduce her Guaranteed Income Supplement (GIS) entitlement.

Bob

In the 1990s, Bob was in his twenties and attending university. He had finally moved away from the small, isolated town in which he grew up. He was happy to be away from his dysfunctional family home and away from the beatings and the constant walking on eggshells.

Then, rather suddenly, he found he could not concentrate on his studies. Some very negative feelings started to come over him.

After talking to his friends, Bob came to the conclusion that he needed help and contacted the counselling services at the university. The counsellors were sympathetic. They told him that a lot of young people have trouble with their studies. They offered study tips and assured him that what he was experiencing was a normal part of university life and he would get over it.

Bob did feel better for a while. He completed his year and secured a summer job. It involved strenuous physical activity. He liked it because it kept his mind away from that part of his psyche that was debilitating. But the next year, the dark feelings came back with a vengeance. This time, he went back to the counselling centre. He received a similar response as the previous year, although

one of the counsellors worried about him and asked whether he would like to take some psychological tests. He agreed.

After a few weeks, the diagnosis came back that he was depressed and that he may be harbouring deep hostilities toward some family members. Would he like to come back for some more testing? Once again, he agreed. Then, suddenly, he seemed to be doing a bit better, and the small dose of Valium they gave him seemed to be helping. Or was he imagining it?

Bob was going to graduate with a four-year degree, but he changed it to a three-year B.A. He went back to his summer job but was let go and then bounced around from job to job. He collected EI and, at the end of that, managed to hang on to work at a fast-food place but found it increasingly stressful.

Some days, he would feel so “up” he was sure he could take on the world. Others — now more frequent — were filled with darkness. He suffered greater anxiety at the thought of seeing either one of his parents. Eventually, Bob moved to a smaller town where rents were cheaper. He bunked in with two other fellows he knew from back in high school and applied for welfare. Months, and then years, went by in a fog.

Bob bounced from clinic to clinic, doctor to doctor, but he couldn't seem to change his situation.

Then, in 2009, something in the back of Bob's mind came to the fore when he attended a workshop sponsored by a legal clinic. They told him that he could apply for ODSP if he was sick. Bob didn't think he was sick but he knew things were horribly wrong. He was not working and was still on welfare. The jobs and placements he was able to access were all dead ends.

Bob received a referral from the legal clinic to a mental health centre, where he took a series of tests. After a period of time, the centre came back with a diagnosis of bipolar disorder and post-traumatic stress disorder (PTSD).

Finally, this explained it. His application for ODSP went to the government and, after a wait of six months, was accepted. At this point, Bob was able to access more money because ODSP payments are over 70% higher than Ontario Works payments. He began to look after himself more. He ate better, went to therapy, was put on a drug treatment program, and began to understand how much his early experiences had affected him.

Bob has always wanted to work but he knew that he would first need to find more stable housing. In 2011, he found the housing he required, enrolled in an employment program, and began to gain work experience.

The rise of disability income expenditures

Disability income expenditures are on the rise in Canada. In 2005,⁵ total income support for Canadians with disabilities was estimated to be \$23.2 billion. Five years later, in 2010, it was estimated to be \$28.6 billion).⁶ That's an increase of 22.9%. (See Figures 1 and 2.)

CANADA'S ESTIMATED DISABILITY BENEFIT EXPENDITURES

2005, \$23.2 B total

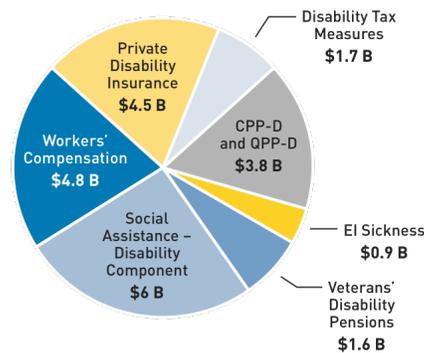


Figure 1

CANADA'S ESTIMATED DISABILITY BENEFIT EXPENDITURES

2010, \$28.6 B total

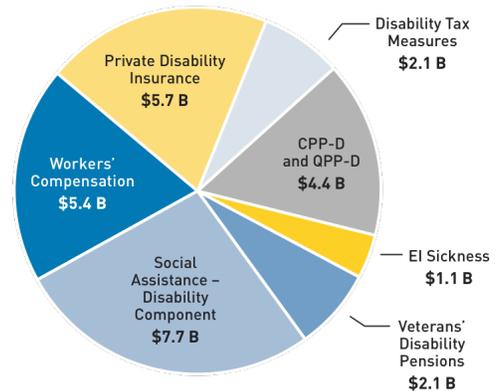


Figure 2

A variety of factors are contributing to this overall increase. One of the most obvious is our **aging population**. We know, for example, that in 1971, the median age of Canadians was 26.2; in 2010, it was 39.7.⁷ In 1971, Canadians aged 65 and older accounted for 8% of the population; in 2010, they accounted for just over 14%.⁸

There are many repercussions to an aging population in terms of providing appropriate supports for people with disabilities. Extended lifespans for people

⁵ In this paper, I refer to the Ontario and Canadian government fiscal year that runs from April 1 to March 31. Therefore, in this case, 2005 refers to fiscal April 1, 2005, to March 31, 2006.

⁶ The original expenditure and survey data collected for this paper may be obtained by writing to the author at jsbb@rogers.com. The first data set includes administrative data and program costs compiled from publicly available expenditures on a program-by-program basis by researcher Anne Tweddle, which she aggregated for the purpose of this analysis. (See Annex 1 for primary sources and methodology.) A second original data set is also available that is based on survey data from Statistics Canada's Longitudinal Assistance Database (LAD) for the purposes of verifying the direction of disability program expenditures over time.

⁷ Anne Milan, Age and sex structure: Canada, provinces and territories, 2010, Component of Statistics Canada Catalogue no. 91-209-X, *Report on the Demographic Situation in Canada*. Pg 2. <http://www.statcan.gc.ca/pub/91-209-x/2011001/article/11511-eng.pdf>

⁸ <http://www4.hrsdc.gc.ca/.3ndic.1t.4r@-eng.jsp?iid=33>

with disabilities means that more Canadians are living longer with early-onset or birth disabilities. It also means that more Canadians are contracting late-onset disabilities.⁹

Another factor contributing to the growth of disability income expenditures is **continued difficulties people with disabilities face in accessing the workplace**. As noted by the Council of Canadians with Disabilities, among working-age people (15 to 64 years) living in poverty when the Participation and Activity Limitation Survey (PALS) was conducted, 48.4% of people without disabilities were employed compared with 23.1% of people with disabilities.¹⁰

There are also **growing numbers of people with disabilities living in poverty**. As the Council of Canadians with Disabilities points out, in 2006, the poverty rate for adult Canadians with disabilities was 14.4%. In terms of poverty among working-age people, the Conference Board of Canada recently ranked Canada in 15th place out of 17 countries and gave Canada a “D” rating.¹¹

Another factor is the marked increase in Canadians seeking income support as a result of **more kinds of mental illness now being recognized**.¹² Mental disorders (psychoses, neuroses, and developmental delays) represented about 52% of the primary conditions of applicants granted ODSP in 2009.¹³

These external factors help explain the overall increased demand on our disability income system. But they don’t account for the disproportionate increase of social assistance as a disability income support program; what I call the welfareization of disability incomes.

Canada-wide, social assistance has come to represent an increasingly large slice of the disability income support pie,¹⁴ growing from \$6 billion in 2005 to an estimated \$7.7 billion in 2010. As a percentage, total income support for people with disabilities has increased by almost 23% over five years; social assistance disability spending increased by almost 30% (see Figure 3).

The percentage increase in social assistance disability income program spending is most pronounced in Ontario (see Figure 4). Total income support increased by 27.4%, while spending on ODSP increased 44.8%. Expenditures in 2011 totalled \$3.8 billion.¹⁵

⁹ <http://disabilitystudies.ca/licproject/files/2011/07/ODI-Phase-1-Discussion-Paper-June-23.pdf>

¹⁰ Statistics Canada, *Participation and Activity Limitation Survey 2006: Labour Force Experience of People with Disabilities in Canada*.

¹¹ <http://www.ccdonline.ca/en/socialpolicy/poverty-citizenship/demographic-profile/poverty-disability-canada> and <http://www.mowateitaskforce.ca/sites/default/files/Stapleton.pdf>, p. 12.

¹² See *Brighter Prospects*, http://www.socialassistancereview.ca/uploads/File/COMM_Report_FinalH-t-Eng.pdf, Appendix F, p. 160-163.

¹³ For example, ODSP growth in persons with neuroses and psychoses in 2011 was double the growth in the program overall.

¹⁴ Expenditures exclude Registered Disability Savings Programs (RDSPs) due to their small size.

¹⁵ See *Brighter Prospects*, http://www.socialassistancereview.ca/uploads/File/COMM_Report_FinalH-t-Eng.pdf, p. 137.

% INCREASE IN INCOME SUPPORT FOR PEOPLE WITH DISABILITIES

Canada, 2005 to 2010

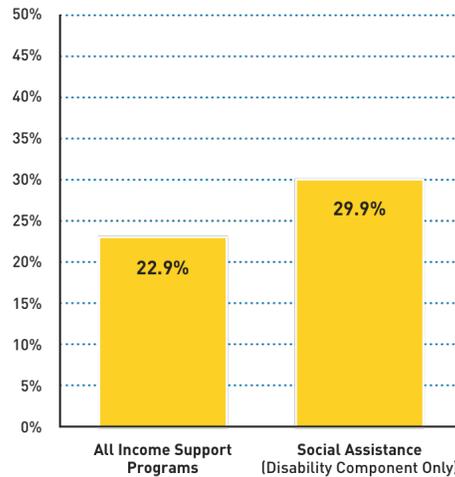


Figure 3

% INCREASE IN INCOME SUPPORT FOR PEOPLE WITH DISABILITIES

Ontario, 2005 to 2010

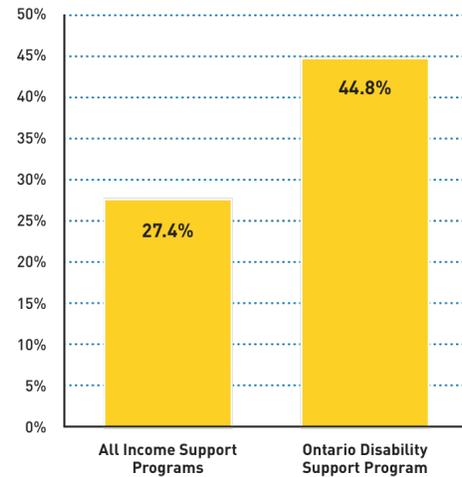


Figure 4

This means that in Ontario in 2010, ODSP comprised almost 30% of total disability income system expenditures. This was by far the highest percentage among the provinces examined and was a key area of concern for Ontario’s recent social assistance review, *Brighter Prospects: Transforming Social Assistance in Ontario*.¹⁶ In addition to being the largest percentage component, it is increasing at a disproportionately fast rate (see Figure 5).

INCOME SUPPORT FOR PEOPLE WITH DISABILITIES, BY PROGRAM IN ONTARIO

% change in estimated expenditures, 2005 to 2009 and 2005 to 2010

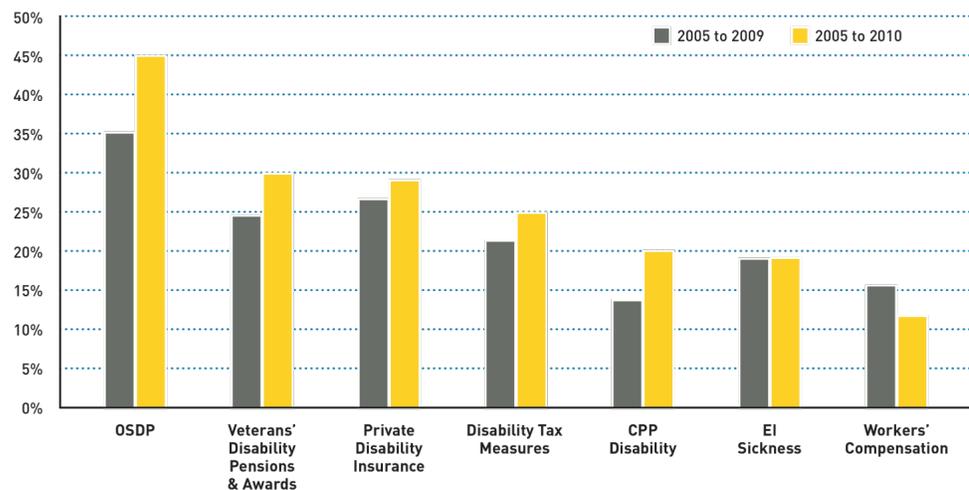


Figure 5

¹⁶ Munir Sheikh and Frances Lankin, *Brighter Prospects*, 2012, Appendix F.

Ontario's disability programs

Fifty years ago, in almost all instances, disability programs in Canada compensated persons because they could not work. The idea was to provide insurance against the hazard of disability. Most programs compensated an individual with a disability, but they didn't focus on that person's future. Fundamentally, the large social insurance programs (CPP and EI), as well as private disability programs, continue to operate according to this insurance principle that views disability as a hazard that prevents workforce participation. When someone returns to work, the hazard is no longer present and therefore the insurance is no longer payable.

Since the 1980s, and especially with the publication in 1981 of the landmark *Obstacles* report,¹⁷ we have wanted disability income programs that encourage persons with disabilities to work. We wish to compensate the person and find ways to accommodate the disability in favour of a future in work. However, there is little systematic movement to modernize and coordinate the programs with contemporary goals. This means we have a set of disability income systems that do not sit well beside each other. In Ontario, some set out to insist on a return to work (WSIB), some actually create disincentives to work (CPP-D), and one assists workplace re-entry with money, supports, and benefits (ODSP). They each have their own definitions of disability and their own terms of eligibility and benefit generosity. Taken as a system of benefits, they are not well coordinated and are focused more on individual program outcomes than client well-being.

It is in this context of real philosophical differences between programs, especially with respect to their disposition towards work, that we attempt to reframe the debate over why social assistance benefits for people with disabilities are changing. And, specifically, why ODSP is growing so fast.

The following is a description of disability income systems available to Ontario residents. Some are federally administered, some provincially. We'll look at them in order of overall size and significance.

¹⁷ <http://www.cndd.ca/assets/research%20documents/Canadian%20Government/Obstacles%20-%20Can%20Govt.pdf>

Ontario Disability Support Program

ODSP, as with social assistance programs in all provinces, provides benefits to persons with disabilities. In Ontario and in most provinces, eligibility is determined by a combination of the duration of disability and needs testing.¹⁸ Disability status is established by a doctor's certificate indicating the severity of disability. One notable exception is Alberta, where the Assured Income for the Severely Handicapped (AISH) program provides flat-rate benefits that are not needs tested in the traditional way.

ODSP benefits are over 70% higher than base welfare rates. Asset limits are also considerably higher. Work requirements are mandatory for basic social assistance, but there are no mandatory work requirements for persons with disabilities. Unlike most disability income systems, ODSP has no time limit. Employment supports and incentives are offered on an ongoing basis. Many critics have suggested that if the system's superior incentive system could be integrated with the best aspects of a pension that does not impose strict needs testing or time limits, Canada could have the best possible disability income system.¹⁹

Ontario is the only province that pays First Nations people with disabilities through the provincial program. In other provinces Aboriginal Affairs and Northern Development Canada administers the program. However, based on separate First Nations numbers from these other provinces and a relatively small proportion of First Nations people in Ontario, this is most likely not a significant contributor to the rise in ODSP.

Over the past two decades, the benefit and asset limits under ODSP and its predecessor programs have steadily declined in real terms (to inflation). Programs like the Special Diet Allowance have been reduced, while Community Start Up benefits have been pared. In 2005, basic income exemptions were cancelled (and only recently reinstated). Yet, throughout the course of this recent history, ODSP expenditure and caseload growth has accelerated (see Figure 6), making it clear that program reductions and cuts have had little or no effect on caseload growth.

¹⁸ <http://openpolicyontario.com/wordpress/wp-content/uploads/2012/02/Understanding-Social-Assistance-Eligibility-Testing-in-Ontario.pdf>

¹⁹ <http://openpolicyontario.com/wordpress/wp-content/uploads/2012/02/NavigatingtheMazeFinal.pdf>. See, in particular, papers referenced in footnotes 12, 13, and 14.

SOCIAL ASSISTANCE – DISABILITY COMPONENT, PER CAPITA EXPENDITURES

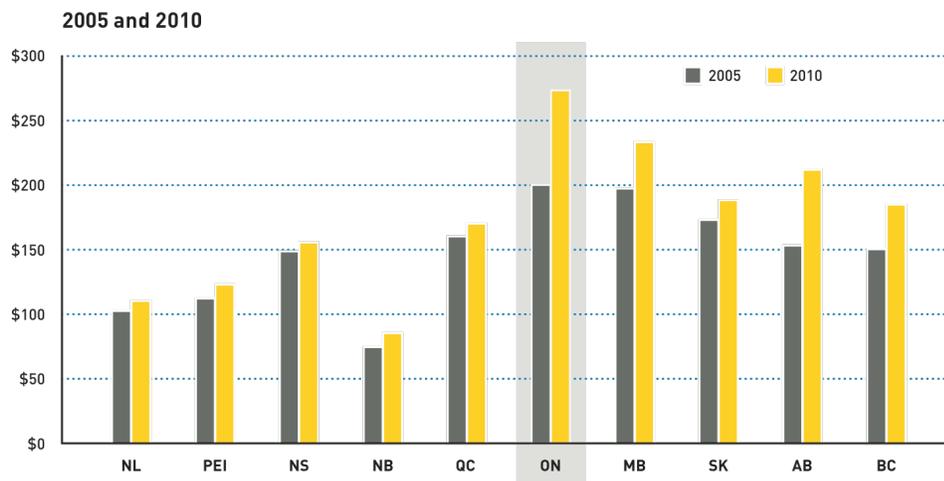


Figure 6

Private disability insurance

Most large employers offer employment-based short- and long-term disability (STD/LTD) plans. The share of premiums paid by the employer and employees varies widely.

Most plans provide a two-year period of benefits for persons unable to perform their pre-disability occupation and who have medical evidence of a permanent or long-duration impairment. Thereafter, benefits are provided only if the beneficiary is unable to perform *any* occupation for which he or she is reasonably trained or educated.

Plan benefits are scheduled at 50% to 75% of pre-disability income. Benefits are reduced dollar-for-dollar by any CPP-D or workers' compensation benefits. Approximately 25% of all CPP-D insurance claimants have coverage from private disability insurance.²⁰

Figure 7 illustrates that private disability insurance is growing in Canada on a per capita basis and has its strongest presence in Ontario. This increase suggests that changes to private disability insurance are not a strong contributor to the welfareization of disability incomes on an aggregate basis. Nevertheless, for persons like Angelica, loss of coverage through loss of employment status may be significant on an individual basis.

²⁰ http://www.parl.gc.ca/Content/HOC/Committee/372/SPER/WebDoc/WD2169455/SPER372_CPPD_Issues/CPPD_IssuesPolitical_Pg03-e.htm

PRIVATE DISABILITY INSURANCE, PER CAPITA EXPENDITURES

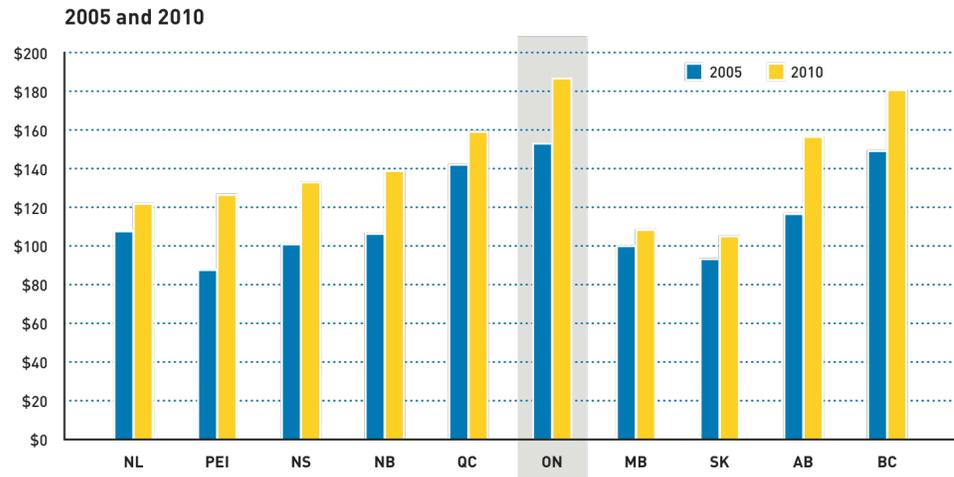


Figure 7

Workers' compensation

Provincial workers' compensation agencies administer income security benefits for wage losses arising from disabling disease or injury caused by work exposures. The federal government also administers a workers' compensation program for federal employees. Employers pay the insurance premiums. The large majority of recipients of provincial workers' compensation wage replacement benefits experience temporary disability. However, provincial workers' compensation agencies also administer benefits that acknowledge permanent impairment arising from a work-related injury or illness. Permanent partial disability benefits are payable to age 65. Benefit levels vary slightly among plans.

Figure 8 shows that workers' compensation benefits, paid on a per capita basis, have been growing modestly and that Ontario is among the highest in expenditures. By 2010, Quebec, Ontario, and Newfoundland and Labrador continued to lead per capita spending, while the other provinces remain behind. It is worthy of note that changes to eligibility reducing WSIB benefits have been a matter of serious concern, especially in the post-2010 period.²¹ These recent developments would appear to signal new pressures on ODSP.

²¹ National Union of Public and General Employees (NUPGE), Injured workers protest WSIB cuts: KPMG recommends cuts to workers' compensation benefits <http://www.nupge.ca/content/4706/injured-workers-protest-wsib-cuts-kpmg-recommends-cuts-workers-compensation-benefits>

WORKERS' COMPENSATION, PER CAPITA EXPENDITURES

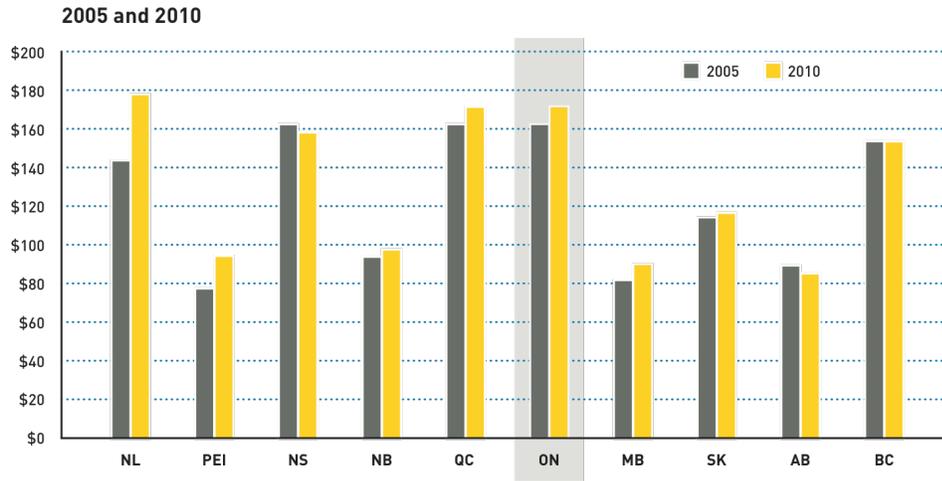


Figure 8

Canada Pension Plan

The federally administered Canada Pension Plan is a compulsory contributory social insurance scheme. It provides income and protection in the event of retirement, disability, or death. Employers and employees contribute to CPP.

Eligibility for the Canada Pension Plan Disability program (CPP-D) is based on a stringent definition of disability: “severe and prolonged disability such that the person is incapable of gainful employment.” CPP-D is treated as a “first-payer” by private long-term disability plans, provincial social assistance programs, and provincial workers’ compensation agencies.

Confusion over the role of payroll taxes in Canada remains a serious concern, especially among immigrants. As CPP is contribution-based, only those who pay into the program through payroll taxes can receive CPP. Because programs like Old Age Security (OAS) and the Guaranteed Income Supplement (GIS) do not require contributions, the assumption is sometimes made that CPP is the same. In our first case example, Angelica did not fully realize the importance of not contributing once she became a contract worker.

The large differences in per capita payments between Atlantic provinces and Ontario (Figure 9) cannot be explained by a prevalence of disability, demographics, or other factors. It may very well point to differences in appeal results in different parts of Canada. Lower per capita CPP payments is likely a major contributor to the welfareization of disability incomes in Ontario.

CPP/QPP DISABILITY, PER CAPITA EXPENDITURES

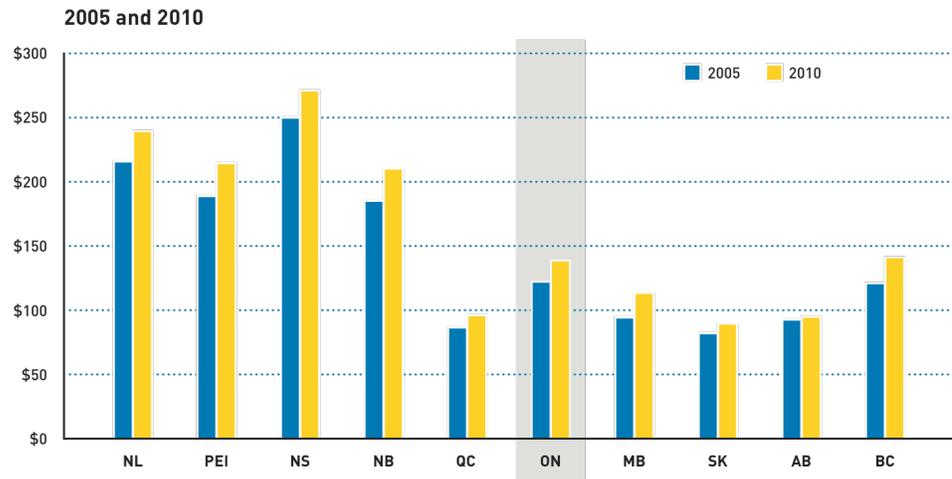


Figure 9

Note: Quebec administers the Quebec Pension Plan. A digest of differences between CPP and QPP is available in a useful article by Canadian Payroll Consulting.²²

Veterans' disability pensions and awards

Canadian Forces veterans, Merchant Navy veterans of the Second World War or Korean War, current or former members of the regular or reserve force, and civilians who served in close support of the Armed Forces during wartime are eligible for a disability benefit administered by Veterans Affairs Canada (VAC).

Entitlement to a disability benefit is based on adjudication of the attribution of disability to exposures arising from service and the severity of disability. The disability benefit is reduced if the recipient is receiving benefits from an employment-based group disability insurance plan.

Pursuant to the *New Veterans Charter*, which came into force on April 1, 2006, disabled veterans are eligible for a disability award. This may be paid as a lump sum, as an annual payment, or as a combination of the two. Veterans' disability benefits have increased significantly in the new millennium due to two factors. One is Canada's enhanced military role (e.g., Afghanistan). The other is the increased recognition of trauma (post-traumatic stress disorder) as a disabling condition. Prior to 2006, eligible military veterans received ongoing pensions from VAC. With the conversion of some pension entitlements to lump sum payments, once the lump sum payment is spent, many veterans may be applying for social assistance disability programs.

It's uncertain what's causing the lower per capita payments in Quebec, Ontario, and western provinces — it may reflect differences in appeal results —

²² Canadian Payroll Consulting, Recent changes increase the differences between CPP and QPP, June 2012, <http://alanrmcewen.com/2012/06/20/recent-changes-increase-the-differences-between-cpp-and-qpp/>

but, like CPP-D, what is certain is that they put pressure on social assistance disability programs in these provinces. Veterans who have less access to military pensions are faced with the need to access social assistance to meet their ongoing needs (see Figure 10).

VETERANS' PENSION AND AWARDS, PER CAPITA EXPENDITURES

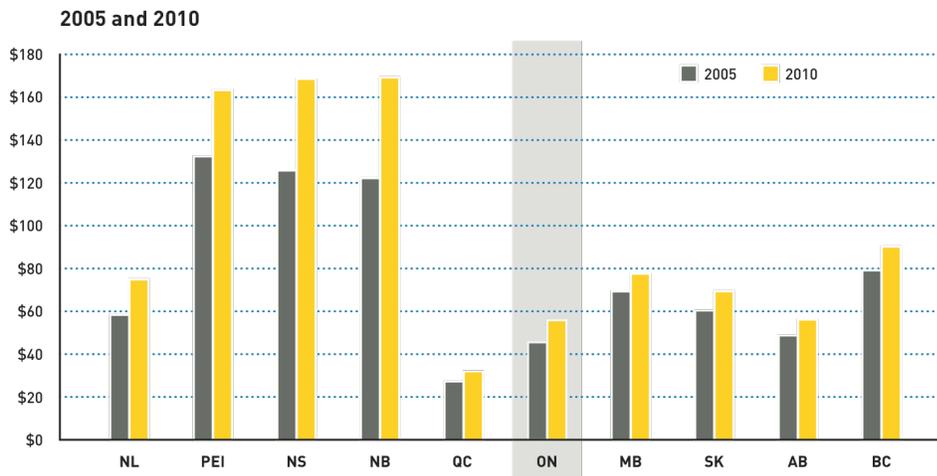


Figure 10

Employment insurance sickness benefit

The EI sickness benefit is administered by the federal government. It provides benefits for temporary disabilities for up to 15 weeks. To qualify, the worker must demonstrate that regular weekly earnings have decreased more than 40% due to disability and that 600 insured hours have accumulated over the previous 52 weeks or since the worker's last claim.

The basic benefit rate for EI sickness is 55% of a worker's average insured earnings, up to a yearly maximum insurable amount. Employment insurance sickness benefits are administered as a "last-payer" program. Benefits are reduced when beneficiaries receive benefits from workers' compensation, group insurance income, and accident compensation for lost wages.

EI sickness benefits per capita are far higher in the Atlantic provinces than in the rest of Canada. This likely is a significant reason why the Atlantic provinces have a more moderate growth in their social assistance programs for persons with disabilities (see Figure 11).

EI SICKNESS, PER CAPITA EXPENDITURES

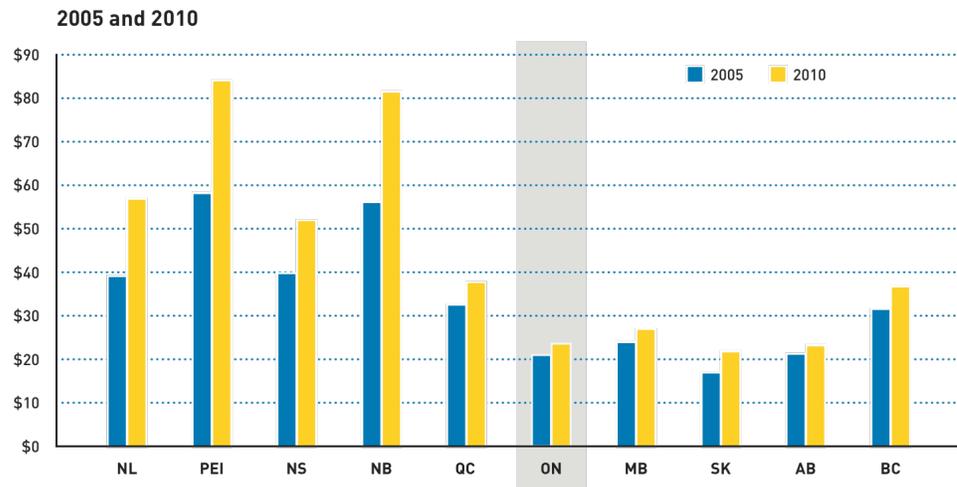


Figure 11

Tax measures

Disability tax credits

The Disability Tax Credit (DTC) is administered by the Canada Revenue Agency under the *Income Tax Act*. It is non-refundable and is available to persons who are blind, are receiving life-sustaining therapy, or who have an impairment of physical or mental functions that has lasted or is expected to last one year. These non-refundable tax credits are used to reduce the amount that the person owes on federal income tax.²³

In rare instances, social assistance recipients may have sufficient taxable income to benefit from the DTC, but in most instances the DTC benefits persons with disabilities who would otherwise be paying income tax. Social assistance itself is non-taxable, but other benefits like CPP and EI are taxable. The more tax payable, the more the DTC is worth.

Registered disability savings plan

The registered disability savings plan (RDSP), established in December 2008, is delivered by the Canada Revenue Agency. Canadians who are eligible for a DTC and are under 60 years of age are eligible to open a RDSP. The RDSP includes a matching government grant and a savings bond. The lifetime contribution limit is \$200,000 and there is no annual limit. Contributions are not tax-deductible and are not included in income when paid out of an RDSP.

²³ Other tax measures include the medical expense tax credit, caregiver credit, infirm dependant credit, disability supports deduction, and the refundable medical expense supplement. Some of these tax measures are available to people without disabilities who have qualifying medical expenses.

Investment income accumulates tax-free but is included in the beneficiary's income for tax purposes when paid out.

Although a significant expenditure, these tax measures have no effect one way or the other on the rise of ODSP.

Ontario's disability programs: what can we conclude?

The increase of ODSP expenditures is a complex issue. Of the many intricate factors causing the spike in ODSP, I believe the most significant one is the current labour market. It has become precarious with an increase in part-time, temporary, and contract work. Fewer people in stable salary and wage jobs means that employer-triggered disability income systems have fewer wage and salaried employees to support while they tighten eligibility requirements for their services. This is especially true for workers' compensation.²⁴

A significant number of individuals with disabilities are discovering that they are not eligible for employer-triggered disability income programs — private insurance, workers' compensation, CPP-D, veterans' disability, and EI sickness. And many who are eligible for employer-triggered disability income programs exhaust their benefits. Once their savings and assets are depleted, ODSP becomes the only possible income support program.

It's important to note that when employer-triggered programs are available, they are limited in their efforts and ability to help people return to work. This is documented in the CPP study: *Wrestling With the Poor Cousin: Canada Pension Plan Disability Policy and Practice, 1964–2001*.²⁵

In the past, employer-triggered disability income programs were expected to provide the supports required in the disability income arena. They were designed to do the “heavy lifting” by compensating the loss of income due to an inability or incapacity to work. Social assistance, on the other hand, was not designed to be a disability income program; it was designed to provide support to low-income people living with disabilities and, wherever possible, compensate efforts made to secure employment. However, changing relationships between

²⁴ 2012–2016 Strategic Plan: Measuring Results. Workplace Safety & Insurance Board, August 8, 2012, p.14. <http://www.wsib.on.ca/files/Content/MeasuresReportsQ22012MeasuresReport/Corporate%20MeasuresQ22012.pdf>

²⁵ http://books.google.ca/books/about/Wrestling_with_the_Poor_Cousin.html?id=yc5jQwAACAAJ&redir_esc=y

employers and employees combined with cuts in access and new tougher rules in some disability income systems — especially the employer-triggered ones — is expediting a shift of disability expenditures to the public purse.

In addition to cuts in many employer-triggered programs, tighter eligibility rules in OAS and GIS for immigrant seniors are also contributing to a rise in ODSP. OAS and GIS combined usually exceed the amounts paid by ODSP, meaning that seniors are not eligible for ODSP. However, a growing number of seniors (immigrants and persons returning to Canada) cannot access full OAS because they do not meet Canadian residency requirements. In these situations, seniors with disabilities may be eligible for a social assistance top-up.

Statistics Canada's Longitudinal Assistance Database (LAD) provides Canada-wide information about program usage and overlap. If we use the database to compare the period between 1992 and 2009, it shows that the proportion of the population receiving workers' compensation has declined steadily. The workers' compensation figures are particularly troublesome, showing a decrease from 4.2% in 1992, to 2.4% in 2009. Conversely, the proportion of the population receiving CPP/QPP disability benefits or claiming the disability tax credit has been increasing steadily since 2000.

Over this 17-year period, the proportion of the population receiving social assistance who were also receiving other CPP-D/QPP-D benefits has more than doubled — increasing from just under 2% to nearly 5%. Similarly, the proportion of social assistance recipients receiving one or more of CPP-D/QPP-D or workers' compensation increased from 5% to over 10%. It is worth noting that in Ontario, the number of ODSP recipients who also receive CPP-D totals more than 30,000.

This means, in part, that more people with disabilities are not able to fulfill their income security requirements through other programs and, eventually, become eligible for social assistance. In other words, increases in CPP and ODSP are not inconsistent. With reduced labour force attachment in general, many more people with disabilities access lower amounts of CPP while the aggregate number of recipients continues to increase. In any instance where CPP benefits (based on contribution) fall below the benefits available through ODSP, the CPP recipient becomes eligible for a top-up from ODSP and aggregate numbers of recipients increase over the same time period.

Although the increasing demand on ODSP is problematic in terms of benefit adequacy, ODSP is providing a critical safety net. For persons with disabilities it is the only system with neither time limits nor specific previous work requirements. As such, its emphasis on providing workplace and employment supports, along with structural incentives to work without threat of disentanglement, provides an important model for the future redesign of disability income programs.

Regional variations

Outside of Ontario, social assistance disability expenditures are rising fastest in Alberta and British Columbia, followed by Manitoba (see Figure 12). In these provinces, other disability income support program expenditures are not increasing at the same rate.

One regional variation that may not account for significant numbers but is worth noting is that Ontario and the four western provinces have larger Aboriginal populations. In 2011, First Nations Social Assistance for people with disabilities accounted for 11.4% of total spending in both Manitoba and Saskatchewan. By contrast, in New Brunswick, spending on First Nations Social Assistance for people with disabilities amounted to 3.4%. This was the highest amount of any of the eastern provinces.

% INCREASE IN SOCIAL ASSISTANCE EXPENDITURES FOR PEOPLE WITH DISABILITIES

2005 to 2010

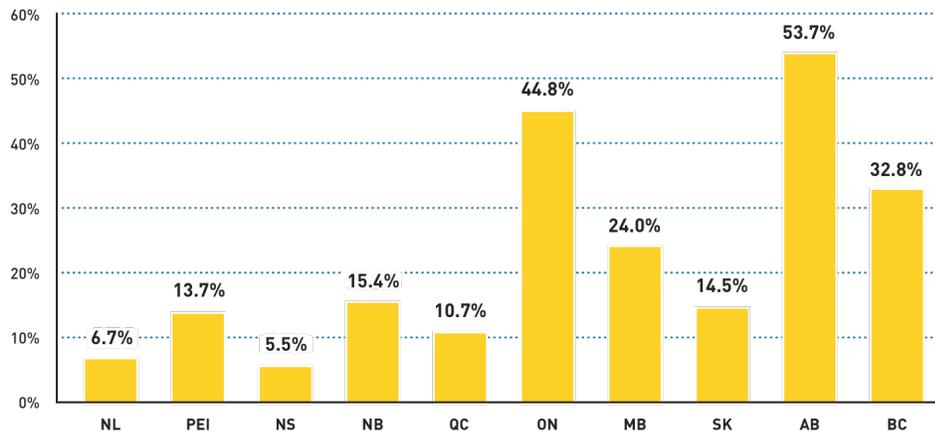


Figure 12

Note: Alberta shows the highest rate of growth. This is largely explained by the generosity of design and benefits in the Assured Income for the Severely Handicapped (AISH) program.

Another distinguishing factor of Ontario, Alberta, and British Columbia is their high rate of urbanization.²⁶ We know that big cities have much higher levels of part-time and temporary employment, and lower levels of full-time and permanent wage and salaried positions.²⁷ By extension, it is highly likely that

²⁶ <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/demo62n-eng.htm>

²⁷ Based on StatCan data from 2001 and 2003 and from the *Survey of Income and Labour Dynamics*.

these provinces also have a smaller portion of people with disabilities in the mainstream workforce.

The fact that Canada’s biggest cities are in provinces that have fewer full-time permanent jobs shows a correlation with higher social assistance disability incidence (especially in Ontario, with Toronto, and in B.C., with Vancouver). The correlation is relevant, as persons with disabilities have a demonstrated lower access to full-time permanent jobs.

Urbanization may account for several other factors that Ontario, Alberta, and British Columbia have in common, including lower per capita access to employer-triggered disability systems and more generous social assistance programs.

Access and eligibility to employer-triggered disability income systems

Ontario and provinces westward have lower per capita coverage from employer-triggered disability income systems. This may relate to fewer workers being in the regular workforce in more urbanized centres. For example, EI regular payments provide stronger coverage in Quebec and eastward versus Ontario and provinces to the west (see Figure 13).

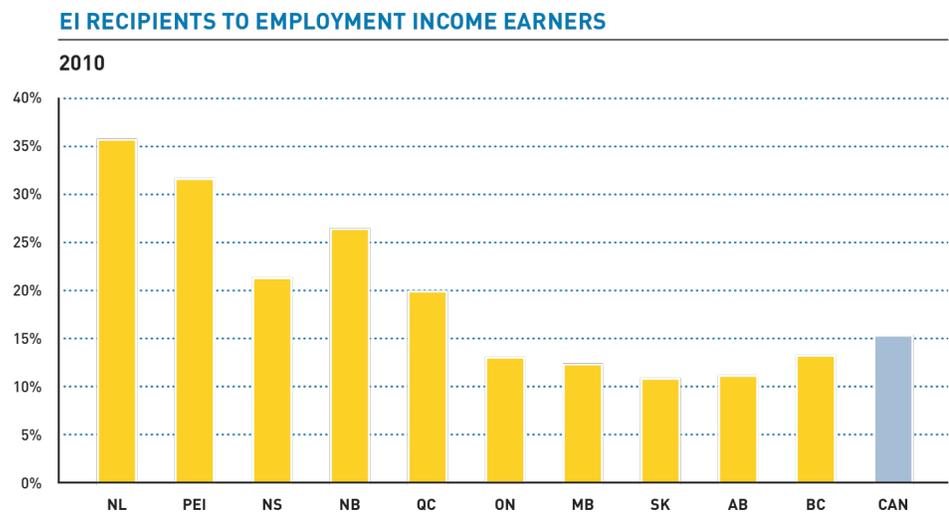


Figure 13

Generosity of programs

Ontario, Saskatchewan, Alberta, and British Columbia all have demonstrably larger, more generous, separate social assistance programs for people with

disabilities. In all other provinces, benefits for people with disabilities are provided through the existing social assistance legislation.²⁸

In previous research I conducted,²⁹ it was demonstrated that the effects of the recession of 2008–09 on the number of social assistance recipients were markedly different in Ontario and the western provinces than in Quebec and the eastern provinces. Social assistance caseloads in the eastern provinces had returned to pre-recession levels, but in Ontario and the western provinces they were up an average of 23%. It may be the case that regular EI availability (in addition to EI sickness benefits), plays an important role in reducing social assistance disability benefits in Eastern Canada. As Figure 14 shows, EI per capita claims are much higher in the Atlantic provinces. As EI keeps people from applying for social assistance, social assistance caseloads are more modest in the Atlantic provinces. There is a strong correlation between higher EI caseloads and lower social assistance caseloads.

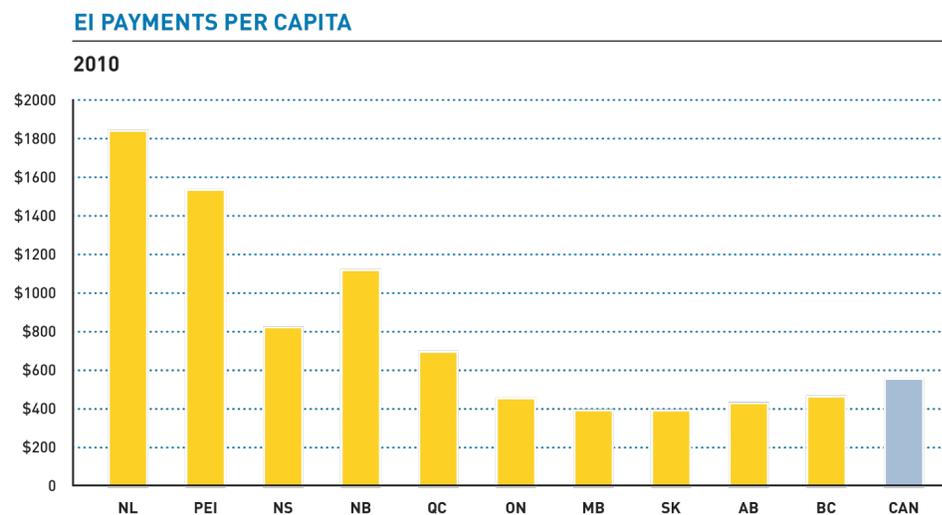


Figure 14

The asymmetry of regular EI benefits across Canada (Figure 14) is widely acknowledged. It is less well known that three other major income security programs — CPP-D, veterans’ benefits, and EI sickness — share this same asymmetry. (Refer to Figures 9, 10, and 11.) More generous CPP-D, veterans’ benefits, and EI sickness in the Atlantic provinces may help explain why the increase in social assistance disability benefits has not happened there.

²⁸ The legislation may provide for distinct program streams for different types of clients.

²⁹ <http://www.mowateitaskforce.ca/sites/default/files/Stapleton.pdf>

Consequences of current trends

If this startling increase in social assistance disability expenditures in Ontario (and other large urbanized provinces) continues, along with the shift from employee-based programs to the public purse, it will likely have serious consequences for beneficiaries of the various income support systems and the governments providing these benefits.

Reasons to be concerned include the fact that the changes we have noted here constitute the development of social policy by default. No government nor any group within civil society or the private sector sat down and set these policy directions in advance. As such, they have evolved based on unintended consequences of various changes that have taken place.

It may be the case that governments, civil society, and the private sector don't fully understand the consequences of reducing overall expenditures of, and the number of clients in, disability income systems other than social assistance. It is also likely that they do not see increases in social assistance disability expenditures as a natural "hydraulic" reaction to the erosion of stable jobs and subsequent reductions in growth of employer-triggered disability income programs.

The perception remains that if you are active in the labour market you have systems at your disposal to support you in dealing with a disability. There is also an important message here for workers who do not have disabilities — particularly contract and part-time workers. The message is that whether or not you are an active member of the work force, if you do not have payroll deductions or pay into a private disability plan, you are not protected against the hazard of future disability and you risk looking to ODSP as the only option for an ongoing stable, but low, income.

As noted earlier, one advantage of ODSP carrying a larger load is that social assistance permits a recipient to work and receive benefits. Unlike employer-triggered programs, there is no automatic cut-off when a recipient engages in paid employment. For this critical reason alone, there is a case to be made that other disability income systems should consider aligning themselves more closely with approaches taken by social assistance. In addition, social assistance benefits are statutory, not time limited (except once the recipient reaches age 65), and often come with good ancillary benefits such as medical transportation, disability-related supplies, and dental care. It is important to note that most other disability income programs do not provide similar benefits.

It is also important to be cognizant that the amount of money an ODSP recipient receives is less than the support he or she would receive from an employer-triggered program. Also, income from other sources is deducted from social assistance payments. In addition, social assistance imposes limits on the assets recipients are allowed, so those receiving social assistance disability income supports generally have limited means. Finally, social assistance itself is stigmatized.

This trend is definitely not free of consequences and more research is required to understand the ramifications and to ascertain whether it is good social policy to increase the prominence and the role of social assistance as the single largest source of disability income. Appendices A and B list a number of topics for further research and potential sources of data for this research.

Closing thoughts

In this paper, I have presented possible reasons why the Ontario Disability Support Program is growing so fast. I have proposed that the driving force behind this trend is changes that are occurring within the labour market. These changes mean an increase in the number of individuals who are no longer able to qualify for or access employer-triggered disability income programs, despite the fact that many of these people — such as Angelica — have a history of continuous work. This results in a **shift of coverage and responsibility from employee-based disability income programs to the public purse in the form of social assistance.**

It is beyond the scope of this paper to conclusively verify this hypothesis. Instead, I have outlined what I believe to be the most significant factors at play. Ultimately, I hope that future research will enable us to understand more thoroughly the causes and consequences of the welfareization of disability. In turn, this will enable policy-makers to provide more effective, robust, and humane support to Ontarians and Canadians with disabilities.

Given the complexity of our disability income systems, changes to programs that are done in isolation will not necessarily create the desired result. For example, the Ontario government may follow some of the recommendations in *Brighter Prospects* to achieve savings through reduced caseloads or more modest caseload growth. But putting new strictures on ODSP in order to achieve

savings and slow the increase in caseloads is unlikely to be successful, as the reasons ODSP is growing have little to do with rates, rules, or policies. This can be illustrated clearly through the example of our case studies. The reasons that Angelica and Bob are applying to ODSP relate entirely to changes that are outside of the purview of ODSP rules: changes in the social, medical, economic, and labour market environments in which ODSP operates today.

What both Angelica and Bob have in common is that they are each likely to receive social assistance disability income benefits that would not have been paid a short generation earlier. Both Angelica and Bob have needed to turn to ODSP because there is no other program that can provide them with the assistance they need. Bob, and Angelica if her application is approved, will receive ODSP without any internal changes to ODSP itself.

The lesson for policymakers is that any impulse to change program rules in order to bring caseloads down may not have the desired effect, since the reasons that Angelica and Bob applied to ODSP have nothing to do with those rules.

Given the complexity of disability income systems, it is clear that they cannot be understood in isolation from each other. What I have tried to do in this paper is frame the social assistance disability income system within the context of all eight disability programs operating in Ontario in order to gain a clearer understanding of what is going on — how they are growing and moving as one single, interconnected system. Only in this way does the growth of social assistance begin to be meaningful and understandable. Only then does it become clear that many of the reasons for its extraordinary growth are external to itself.

The challenge we face in trying to find a way to transform our disability income systems is that **programs have widely varying purposes**, they are administered at various levels of government and the private sector, they are funded differently through income and payroll taxes or employer levies, and they have vastly varying governance structures that together produce a wave of haphazard gaps, overlaps, and unintended consequences.

Disability income programs vary widely on the issue of workforce participation. Some programs encourage or insist on workforce participation or return to work, while others reduce or end coverage once workforce participation begins. **Social assistance, as a system that encourages work, is often stymied by other disability income systems** that stop coverage when a person participates in significant work or if they believe the person has not tried hard enough to return to work.

Some programs have benefits that are time-limited, others have benefits that are limited to particular interventions, others have benefits that are permanent. Two of the programs (EI and CPP) are in place because of constitutional amendments undertaken many decades ago. Both programs would require

multilateral discussions between the federal government and the provinces in order to effect reform.

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 very different disability income systems? Although opportunities to mount this discussion are limited at best, there is a desperate need for reform.

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.

Appendix A: Other research topics

The following research topics could shed light on possible reasons why employer-triggered programs are not “pulling their weight.” These may provide further explanation in answer to the question of why social assistance is becoming the dominant income system. These alternative hypotheses also require additional research.

Job security

A hypothesis very much intertwined with our original hypothesis is that the deterioration of traditional employment is steering increasing numbers of people with disabilities away from employer-triggered income support programs.

Additional research should examine the experience of people with disabilities with non-traditional employment.

Lack of knowledge

An alternative hypothesis is that some regularly-employed individuals with disabilities may not be aware that they are eligible for employer-triggered supports. They may turn to social assistance as a more familiar form of income support. Further research should test employees’ knowledge of various income support programs for people with disabilities.

Economic recession and workplace injury

Another hypothesis is that workers’ compensation expenditures are lower during a recession, boosting the relative importance of other income supports, including social assistance. The theory is that less experienced workers are more likely to get hurt on the job but are also the first to be laid off in a recession. As they are laid off, workplace injury rates and overall workers’ compensation expenditures decline. In addition, an economic recession inhibits job-seeking efforts of those on claim to get re-employed, so they are eventually funnelled into social assistance.

Additional research is required to understand the interplay between economic conditions, workplace injury, and access to employer-triggered supports.

Time limits/accelerated decay of benefits

Another hypothesis is that the workers' compensation benefits share of total disability income support expenditures is declining because employers have a financial incentive to bring injured workers back to work. The experience rating process ties the premiums employers pay for workers' compensation to actual reported losses. The longer an employee receives workers' compensation benefits, the larger the increase in the employer's premiums. The possible result of this financial incentive is that employers work harder to bring injured workers back to work.

Further research is required to understand the effects of the various incentives on employer behaviour and the ultimate rates of reintegration of people with disabilities into the workplace.

An alternative hypothesis relating to workers' compensation addresses fiscal pressures associated with long-duration disability episodes. Ten percent of people receiving workers' compensation benefits are offered retraining/employment assistance programming. Once these avenues are exhausted, they can be deemed unemployable. For example, 30% of the flow into B.C.'s social assistance disability benefit program is of people who used to be receiving workers' compensation benefits.

Disability culture

The disability culture hypothesis focuses on choice, positing that individuals will choose to access social assistance disability benefits over retaining work or accessing other benefits.

Further research is necessary to investigate this theory. Are individuals choosing not to work and marshalling existing impediments in such a way as to obtain disability benefits? Are individuals who do not believe they have a reasonable opportunity to work marshalling these impediments in this way because disability benefits are greater than regular social assistance benefits? In Ontario, for example, disability benefits on ODSP are over 70% higher than regular Ontario Works social assistance benefits. Benefits for a single disabled person in British Columbia are almost 50% higher than regular social assistance benefits.

An additional factor to consider is the other perceived benefits of social assistance support. For example, a recipient of social assistance may still work sporadically. The recipient would also be eligible for health benefits not provided by other programs. Social assistance programs also frequently provide rapid reinstatement for people with disabilities who try to exit.

One issue to explore is the labour force participation of people with disabilities. How and to what extent are people with disabilities participating in the labour force? How and to what extent are they engaged in non-traditional

work, making them ineligible for employer-triggered supports? Statistic Canada's Participation and Activity Limitation Survey provides some data about labour force participation:

According to the Participation and Activity Limitation Survey (Statistics Canada, 2008b), 2,457,350 persons with disabilities between the ages of 15 and 64 could have participated in the labour force. Of this group, 51.3% were employed, 43.9% were not in the labour force, and 4.9% were unemployed. In contrast, among those without disabilities, 75.0% were employed, 20.0% were not in the labour force, and 5.0% were unemployed.

The unemployment rate was 10.4% for persons with disabilities, compared to 6.8% for the population without disabilities.³⁰

Another question addresses the demographics of those benefiting from social assistance disability income programs versus those benefiting from the employer-triggered programs. It will be important to explore the extent to which individuals are accessing multiple benefits and how this affects total income support received.

³⁰ The Centre for Addiction and Mental Health, *The Aspiring Workforce: Employment and Income for People with Serious Mental Illness*, pg. 87.

Appendix B: Data sources for further research

Data sources relating to demographics and labour market participation of people with disabilities

The **Longitudinal Administrative Databank (LAD)** comprises a 20% sample of the annual T1 Family File provided to the Canada Revenue Agency. It contains demographic information and income information about labour market participants, including amount of labour market earnings and income from other sources.

The **Survey of Labour and Income Dynamics (SLID)** provides longitudinal data on more than 30,000 Canadian households. Two panels of households are surveyed for six consecutive years, answering the same questions. One limitation of this source is that it provides data on disability, but not workplace disability specifically.

The **Participation and Activity Limitation Survey (PALS)** contains useful data on people living with activity limitations. However, the last survey was conducted in 2006, which may make the data not useable.

Data sources relating to disability expenditures

Statistics Canada provides data on disability expenditures in a variety of sources. No single source can provide all the data needed, but information from several sources can help confirm the trends identified.

The LAD provides data on disability tax credits, CPP-D, workers' compensation, and social assistance from 1992 to 2009. It can also follow people with disabilities over time, enabling an analysis of, for example, the duration of individuals' use of disability deductions/credits. However, the LAD does not distinguish between regular EI benefits and EI sickness benefits. A significant limitation is that it cannot identify people with disabilities unless they are receiving disability tax credits, CPP-D, workers' compensation, and/or social assistance.

As for veterans' pensions, no information can be found in tax data or on SLID.

Annex 1: Disability spending in Canada, primary data sources and methodology

INCOME SUPPORT CATEGORY	DATA SOURCE(S)	METHODOLOGY
Disability Tax Measures	Dept. of Finance Tax Expenditure Report for all measures except the Child Disability Benefit. http://www.fin.gc.ca/taxexp-depfisc/2011/taxexp1101-eng.asp#toc6 Office on Disability Issues annual report, appendices for Child Disability Benefit. http://www.hrsdc.gc.ca/eng/disability_issues/reports/fdr/2010/fdr_2010.pdf	Provincial data not available. Data have been estimated using the federal amounts multiplied by each province's estimated percentage of the total population.
CPP Disability	HRSDC — OAS and CPP Statistics book for national data HRSDC — ISP monthly statistical bulletin for provincial data (Reports available by request from HRSDC)	Net benefits paid by fiscal year.
QPP Disability	HRSDC – OAS and CPP Statistics book (Report available by request from HRSDC)	Net benefits paid by fiscal year.
EI Sickness	EI Monitoring and Assessment Report, Annex 2 http://www.servicecanada.gc.ca/eng/sc/ei/benefits/sickness.shtml	Amount paid by fiscal year.
Veterans' Disability Pension & Awards	Office on Disability Issues annual report, appendices for national data http://www.veterans.gc.ca/eng/services/disability-benefits/disability-pension HRSDC's Social Security Statistics report, Table 154 for provincial estimates (Available by request from HRSDC)	Provincial data estimated based on provincial distribution of Disability Pensions reported in unpublished Social Security Statistics report.

INCOME SUPPORT CATEGORY	DATA SOURCE(S)	METHODOLOGY
P/T Social Assistance Programs	Provincial and territorial public accounts, main estimates and annual report	Only 5 provinces — New Brunswick, Ontario, Manitoba, Alberta and B.C. — report disability fiscal year expenditures for Social Assistance. A national figure of 55% of total SA expenditures is used to estimate SA expenditures on people with disabilities based on these data.
First Nations Social Assistance	HRSDC's Social Security Statistics report, Table 141 (Available by request from HRSDC)	First Nations spending on people with disabilities has been estimated based on the national estimate of 55% of total spending.
Workers' Compensation — provincial/territorial	Association of Workers Compensation Boards of Canada — Key Statistical Indicators — Basic Accounting Measures, line 51 minus line 5.11 https://aoc.awcbc.org/KsmReporting/ReportDataConfig	Amounts represent net benefits paid less benefits for health and rehabilitation services.
Workers' Compensation — federal	Office on Disability Issues annual report appendices http://www.labour.gc.ca/eng/health_safety/compensation/	
Private Disability Insurance — STD and LTD	Canadian Life and Health Insurance Association (Available by request)	Based on Direct Claims paid, which represent the actual amounts paid to insured individuals.

ONTARIO DATA SOURCES, 2010–11

2010–11 Public Accounts, Vol. I. See page 2-93, financial assistance amounts only. OW amounts have been increased to reflect the municipal contribution.

<http://www.fin.gov.on.ca/en/budget/paccts/2011/11vol1eng.pdf>

The “Welfareization” of Disability Incomes in Ontario

What are the factors causing this trend?

Toronto: December 2013

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