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Our disability welfare system needs rebuilding

Andre Picard, Globe and Mail - Second Opinion

In the 2007 budget, Federal Finance Minister Jim Flaherty announced the creation of the registered disabilities savings plan.

The RDSP is a taxation measure that allows families of children with physical, mental or development disabilities to invest up to \$200,000 in a tax-free shelter, much like a registered education savings plan used to accrue funds for a child's university or college education.

Because not every family has sufficient money to invest, the RDSP program was supplemented with two other measures, the disability savings grant and the disability savings bond that will provide cash contributions to plans.

Over time, RDSPs will provide billions of dollars to supplement income, enable home ownership and enhance quality of life for hundreds of thousands of Canadians with disabilities, many of whom rely on social assistance and live in poverty.

According to the RDSP calculator created by the Planned Lifetime Advocacy Network (PLAN), the family of a nine-year-old disabled girl that invests \$1,500 annually over 20 years would be able to provide her with \$1.3-million in additional income between the ages of 39 and 83.

Under federal legislation, a person with a disability can continue to benefit from other social programs - the Guaranteed Income Supplement, Old Age Security Pension and Canada Pension Plan - even if they withdraw funds from their RDSP.

However boring, the arcana of tax law do matter.

For the federal plan to really achieve its goal of lifting people with disabilities out of poverty, the provinces need to get on board, quickly.

Currently, recipients of social assistance who receive income from other sources (from employment or gifts) have their benefits clawed back. They can also be deemed ineligible for assistance based on their level of assets.

Clearly, it would be a perversity of public policy for provinces and territories to claw back funds set aside for people with disabilities by their families.

It would be equally perverse to say, as a matter of policy, that disabled people are ineligible for social assistance because they have assets in a RDSP.

Yet, to date, only British Columbia, Newfoundland and Yukon have exempted the RDSP as an asset and/or income.

What are the other eight provinces and two territories waiting for exactly?

How dare they consider pilfering money from the pockets of people with disabilities and their families?

The disability community does not have powerful lobbyists and chummy connections in corridors of power. But that is no reason to ignore their needs and exploit their financial vulnerabilities.

RDSP plans go on sale in December. There is no excuse for every province and territory to not have committed to amend its rules by that time.

Parents of children with disabilities - bipolar disorder, autism, spina bifida and countless other chronic conditions - already have a tremendous burden of care.

When their children grow into adulthood - as the vast majority now do thanks to medical advances - the cold reality is that most will be condemned to a life of poverty.

People with severe disabilities who are unable to work - about 500,000 countrywide - receive social assistance payments in the range of \$10,000 a year in most provinces.

Attempts to break free of this poverty trap usually result in benefits being clawed back, though there are some innovative programs in British Columbia, Manitoba and

Newfoundland that allow people with disabilities to supplement their benefits without being penalized.

The RDSP is an attempt to further change that untenable and counterproductive situation.

Al Etmanski, co-founder of PLAN, the group that successfully advocated for the creation of the RDSP - the world's first disability savings plan - noted, "Canada is the first country to recognize a global demographic tsunami - the first generation of people with disabilities to outlive their parents."

Mr. Etmanski knows the issue intimately, first and foremost as a parent. His daughter Elizabeth has Down syndrome, but at 29 is a college graduate bursting with life. In fact, the group got its start because parents such as Mr. Etmanski began asking the question:

"What happens to our disabled children when we die?"

That led them to focus on making their lives better and richer in the present, all the while planning for the future, financially and otherwise.

For far too long people with disabilities have been hidden away, quietly cared for by their parents, with occasional assistance from an impersonal service delivery system.

PLAN parents decided what their children needed were not services and programs that keep them isolated and poor, but the rights and responsibilities of citizenship that make them contributing members of society.

Their audacity has changed the lives of many for the better. But improving the lives of some individuals through the astute use of tax laws and the creation of social networks that allow people with disabilities to live independently - two of PLAN's specialties - is only the beginning.

The disability welfare system in this country needs to be torn down and rebuilt. The creation of the RDSP is a small step in this direction, one the provinces should support wholeheartedly, not undermine.