



Canada Pension Plan Disability Program

International Forum on
Disability Management

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Canada Pension Plan Disability Program Overview

- The Canada Pension Plan (CPP) Disability benefit is a federal program which provides eligible, working-age contributors with partial income replacement in the event that they are unable to maintain regular employment due to a severe and prolonged disability.
- The CPP Disability Benefit is part of the Canada Pension Plan, a national contributory earnings-based social insurance program. Almost all Canadian workers outside of Quebec contribute to the CPP (Quebec independently administers a similar program, with transferability to/from CPP).

CPP Disability Medical Criteria

- **Severe:** Incapable regularly of pursuing any substantially gainful occupation; and
- **Prolonged:** Likely to be long continued and of indefinite duration or is likely to result in death



CPP Disability Benefit by the numbers

Annual 2018 CPP Disability Benefits



CPP Disability benefit - \$16,029.96 (maximum)

\$1,335.83 monthly maximum = flat-rate (\$485.20/month) + earnings-related portion (75% of retirement benefit)



Children's benefit - \$2,935.68

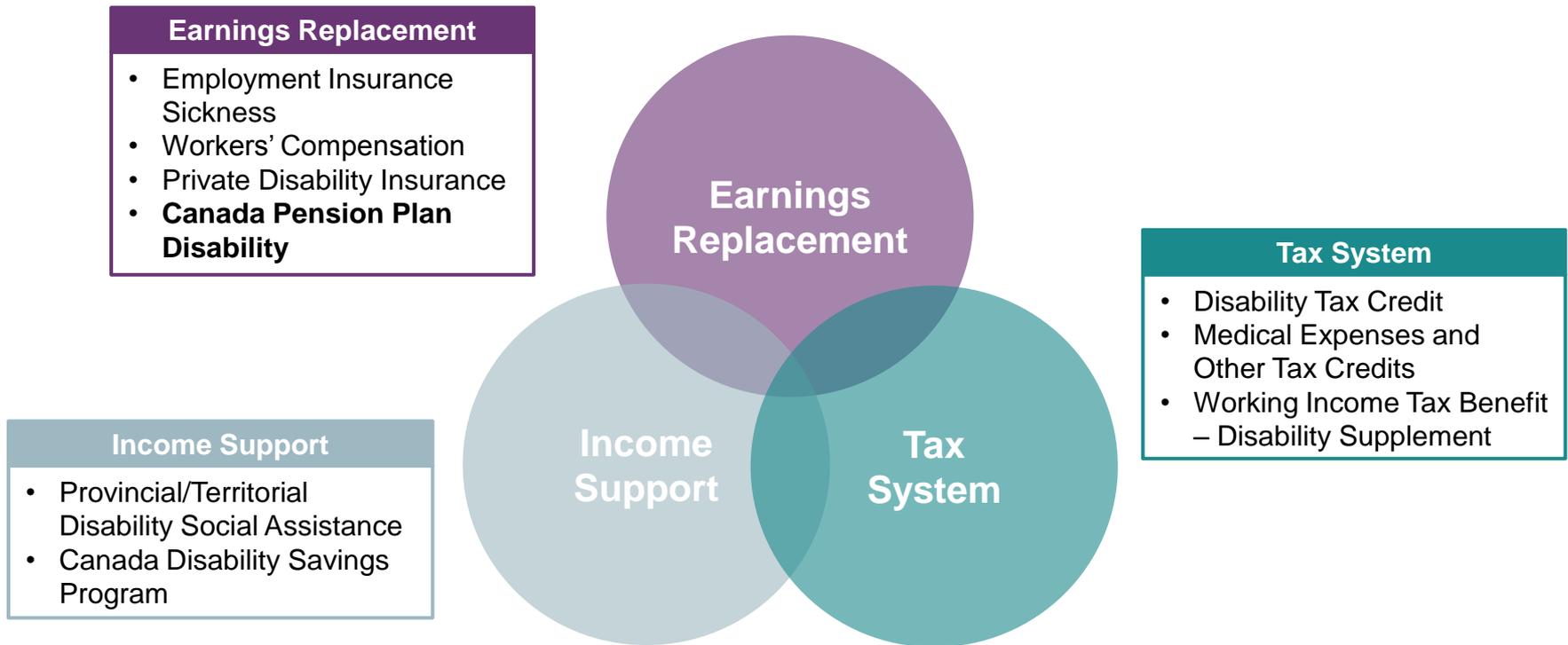
\$244.64 monthly flat-rate per child under the age of 18, or aged 25 and under if the child is in school full time.



2017 Average - \$10,830.24

- In 2016-17, CPP Disability program paid \$4 billion to approximately **335,000 beneficiaries** and \$309 million to 83,000 of their children.
- Approximately 67,000 applications for CPP Disability benefits were processed in 2016-2017.
- Without the CPP Disability program, it is estimated prevalence of low income would double among beneficiaries (40% instead of 22%).

The CPP Disability program is part of a broader system of disability supports in Canada



- Provincial and Territorial governments have jurisdiction over means-tested income support for persons with disabilities, which may be received concurrently with CPP Disability.



CPP Disability program's current provisions to facilitate labour market participation

Measures

Allowable Earnings: Allows beneficiaries to earn up to \$5,500 (2018) per year before reporting their earnings.

Three Month Work Trial: Allows beneficiaries to test their work abilities.

Automatic Reinstatement: Immediate reinstatement of CPP Disability benefits should the return to work be unsuccessful due to a recurrence of the same/related medical condition within 2 years.

Fast-track reapplication: Shortened application process for previous recipients of CPP Disability benefits, should the same/related medical condition occur within 5 years.

Vocational Rehabilitation Program: Small program providing individualized services (counselling, job development, skills training, etc.) to assist in the return to work process.

The context of income security for persons with disabilities has evolved

When CPP was enacted in 1965	Current context in 2018
Disability was a biomedical issue	Disability and functioning as a complex bio- psychosocial interaction between a health condition and contextual factors (environment and personal)
Majority of CPP Disability clients disabled due to injuries and cardiovascular disease	Mental health (31%) and musculoskeletal conditions (23%) are top disabling conditions
Few programs for persons with disabilities	Increasingly complex disability landscape
Life-long jobs	Rise of self-employment & non-standard work
Lower education attainment on average	CPP Disability clients have higher education: 2/3 of new clients have at least high school diploma and 1/4 have post-secondary
Basic income security for persons with disabilities	Policies to enable social and economic inclusion of persons with disabilities



A comprehensive renewal process is underway to modernize the CPP Disability program

- Improving decision making, to achieve consistent and sustainable decisions on individual cases at the earliest possible opportunity :
 - Establishment of quality and consistency mechanisms for medical adjudication
 - Improvements to the appeals process
- Addressing the need for quick decision making while also ensuring the quality of decisions:
 - Adoption of service standards
 - A new simplified application that reflects a modern understanding of disability
- Enhancing communication with clients and other stakeholders.
 - Client and Stakeholder Roundtable to seek ongoing feedback
 - Work with private disability insurers to streamline application process for joint clients



The policy environment is changing to reflect increased understanding of disability

- The Government of Canada has made strong commitments to promote inclusive growth and increase opportunities for Canadians with disabilities.
- On June 20, 2018, the Government of Canada tabled Bill C-81, the *Accessible Canada Act* to ensure more consistent experiences of accessibility across Canada through the proactive identification, removal, and prevention of barriers to accessibility wherever Canadians interact with areas under federal jurisdiction.
- There have been significant advancements in approaches to support persons with disabilities to re-enter the labour market and find accommodating work.
- Many disability income support programs are modernizing to reduce barriers to labour market participation where possible, for instance by increasing earnings exemptions or improving provisions to recognize episodic work capacity.



Our way forward

- Continual service improvements and modernization of program delivery.
- Actively engaging with clients and stakeholders through CPP Disability Roundtable.
- Better client communication to ensure beneficiaries have the information they need.
- Better interface between CPP Disability program and other supports for persons with disabilities.
- Supporting beneficiaries to pursue a return to work with confidence and income security; reducing barriers to work.
- Ongoing learning from best practices in other jurisdictions.



Annex: Disability Supports in Canada

Earnings Replacement

- **Employment Insurance Sickness** – The Employment Insurance program offers temporary financial assistance to unemployed workers. This assistance includes providing short-term sickness benefits to people unable to work because of sickness, injury or quarantine.
- **Workers' Compensation** – Programs that protect employees from the financial hardships associated with work-related injuries and occupational diseases.
- **Private Disability Insurance** – Employer-sponsored or privately purchased group or individual plans which protect individuals from the loss of income if they become disabled.
- **Canada Pension Plan Disability** – A federal program that provides a taxable monthly payment that is available to people who have contributed to the Canada Pension Plan and who are not able to work regularly because of a severe and prolonged disability.

Income Support

- **Provincial/Territorial Disability Social Assistance** – Each province and territory has its own program that provides means-tested financial assistance to help persons in need and their families with essential living expenses. The majority of provinces and territories have disability-specific social assistance.
- **Canada Disability Savings Program** – A federal program designed to enable individuals with disabilities, with assistance from family and friends to save for their future financial security. The Government of Canada assists people to save through the Canada Disability Savings Grant and the Canada Disability Savings Bond.

Tax System

- **Disability Tax Credit** – A non-refundable tax credit that reduces the amount of income tax that may be owed by people with disabilities or the people who support them.
- **Medical Expenses and Other Tax Credits** – The Canada Revenue Agency administers tax credits that are available to persons with disabilities to help offset the cost of medical expenses.
- **Working Income Tax Benefit – Disability Supplement** – The Working Income Tax Benefit is a refundable tax credit intended to provide tax relief for eligible working low-income individuals and families who are already in the workforce and to encourage other Canadians to enter the workforce. There is an additional supplement for persons with disabilities.

