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**Re: Feedback on the Disability Tax Credit**

Dear DAC Sub-group Committee members:

The Multiple Sclerosis (MS) Society of Canada is pleased to respond to the call for feedback on the Disability Tax Credit. Below we describe the reality and challenges many Canadians living with MS face each and every day and particularly as it relates to the disability tax credit. This includes a discussion about improvements that can be made including changing eligibility criteria, making the DTC a refundable tax credit, as well as other considerations.

The mission of the MS Society of Canada is “*to be a leader in finding a cure for multiple sclerosis and enabling people affected by MS to enhance their quality of life.*” The MS Society provides programs and services including information, support, education, wellness and other resources for people with MS and their families. Along with our members, volunteers and staff, we work to ensure Canadians living with MS and their families have the opportunity to participate fully in all aspects of life by advocating for improvements in government legislation and policies, private industry practices and/or public attitudes.

MS is a chronic, often disabling, disease of the central nervous system. Since that includes the brain, spinal cord and optic nerve, MS can affect vision, memory, balance, and mobility. Over 77,000 Canadians live with MS. Approximately 1 in every 385 Canadians live with MS. Women are three times more likely to be diagnosed with MS than men. MS is the most common neurological disease affecting young adults in Canada. 60% of adults diagnosed with MS are between the ages of 20 and 49 years old. On average, 11 Canadians are diagnosed with MS every day.

Multiple sclerosis (MS) impacts all Canadians - not only the affected individuals, but also their families and friends. The unpredictable, episodic, yet progressive nature of MS makes it particularly challenging in maintaining an adequate quality of life. MS is a disability which has both visible and invisible symptoms, and barriers in support programs across levels of governments add immense financial and practical challenges for Canadian families who struggle to manage the realities of living with MS.

Lack of secure, adequate income intensifies the hardship caused by MS and keeps people affected by the disease from participating fully in their communities. This situation is amplified if you are a woman with a disability. In the MS population, there are more women with MS as MS is three times as likely to occur in women as in men. When looking at the distribution of gender of working age

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Founding member of the Multiple Sclerosis Society International Foundation

Canadians with severe or very severe disabilities “*women outnumber men both in absolute number and incidence (i.e., the percentage of the population with disabilities) among those with severe/very severe disabilities and those with mild/moderate disabilities.*” They also have on average lower incomes and earnings thus making them most susceptible to poverty.

Accessing financial support and managing the high costs of MS is a challenge. This is consistent with research that shows MS seriously affects the economic life of those diagnosed, even within a few years of onset. We heard of challenges of paying for medication, services, equipment, treatment and transportation. Many indicate that they need more money and have difficulty navigating the system to find financial support, be it for medications, income replacement, or claiming tax deductions related to disability.

## **Eligibility Criteria for DTC**

The Disability Tax Credit (DTC) is one source of income support for Canadians living with disabilities, including those affected by MS. Qualifying for income and disability programs (including tax credits) is challenging for people with MS due to the episodic nature of the disease - periods of good health interrupted (often unpredictably) by periods of illness or disability that affect one’s ability to work. This also applies to other conditions, including but not limited to, arthritis, HIV, epilepsy, diabetes, some forms of cancer and some mental health conditions. Complicated application processes, requirements for numerous verified medical forms, and strict eligibility criteria pose significant problems. The definition of disability used in determining eligibility for the DTC needs to be changed to be inclusive for all people with disabilities including those with episodic disabilities. The DTC requires that a person’s disability be “severe and prolonged” with prolonged being defined as “*if it (the impairment) has lasted or is expected to last for a continuous period of at least 12 months.*” For individuals living with episodic disabilities, a condition may be expected to last for more than 12 months, but symptoms may not be severe for a continuous 12-month period.

A study conducted on behalf of HRDC recommended that “*federal and provincial governments should continue to make eligibility rules for income support programs less restrictive and more flexible to reflect the fact that many people experience disability and work capacity as variable, episodic, and intermittent.*”

The added costs associated with having a disability are an important factor contributing to poverty for people with disabilities. While the Disability Tax Credit (DTC) is designed to provide equity to compensate at least roughly for the added non-itemizable and non-reimbursable costs of disability as noted above qualifying for the credit is challenging for people with a progressive and episodic disability. Here is Geeta’s story.

Geeta, a woman living with MS, is likely to have MS for the rest of her life but her symptoms may only be severe for 6 months in a year or they may become severe and stay that way for several years. Geeta must regularly rely on a network of supports and services to maintain her health and avoid exacerbating her illness. These supports include things such as help cleaning her home, assistance with child care, and taxis to and from appointments and work. When her MS flares up Geeta may be completely unable to leave her home and must rely on additional supports to help get herself dressed, prepare food and use the bathroom. Even when relatively asymptomatic Geeta still retains a permanent restriction in her activities of daily living due to the unpredictable and episodic nature of MS. She also incurs additional expenses related to her disability and should therefore be entitled to the disability tax credit.

## **Refundable Tax Credit**

And for those that qualify for the DTC in order to benefit from it an individual must have an adequate amount of income. Many Canadians with episodic disabilities, and in particular, women with

disabilities, cannot work enough to generate the minimum income required to be able to enjoy any benefit associated with the DTC. ***A refundable tax credit that even those with the lowest incomes may access would offer a solution to this problem.*** This principle is based on the value that everyone with a disability should benefit equally from the DTC - not just those with taxable income above a certain amount. Such a tax credit would help to lessen the marginalization of people with episodic disabilities and would facilitate moving people with episodic disabilities out of poverty and into a position of empowerment and readiness for gainful employment.

## **Other Considerations**

There needs to be coordination and sharing of information between income support programs including harmonization of eligibility criteria across the range of all income supports available to people with disabilities to improve the process for accessing much needed supports while recognizing the unique barriers faced by people living with episodic disabilities. A task force could be created that explores and creates recommendations for the harmonization of definitions of disability throughout government funded income support programs to include people living with episodic disabilities.

If an individual is currently on long-term disability, provincial disability program, or Canada Pension Plan – disability – that medical form should be sufficient evidence of disability. These forms are not covered by healthcare insurance and thus the individual with the disability must bear the costs of these multiple forms. Additionally, the backlog of forms that practitioners need to fill out means the individual is left waiting without support.

This form puts the emphasis on the qualified practitioners versus the individual including the language used. There needs to be a balance of information from the individual and the qualified practitioner. Simplicity and user-friendly should be the main goals with this form.

There needs to be a greater range of impacts listed that affect the activities of daily living on the current form. For example, pain and fatigue are not captured, thus not accurately reflecting reasons why that person may have the disability. Additionally, the modifications an individual needs to make in order to function successfully are not captured on this form. For example, transportation and housing adaptations will affect a person's activities of daily living. Finally, although the individual may take medications to support their condition, this form does not capture the side effects that these have on their functioning level.

Some individuals and/or qualified practitioners look at the examples on the form and don't necessarily think outside of the examples indicated. A solution could be to have a guide produced that lists multiple examples.

## **Registered Disability Savings Plan**

The DTC is the gateway to accessing the Registered Disability Savings Plan. We believe overall the RDSP is an excellent program for those who can qualify under the current criteria. However, we believe the current criteria can be limiting (because of the challenges noted above) and may prevent people with a serious and progressive disability from participating if their MS is not debilitating at an early age. We hope to continue to see improvements to this program such as taking into consideration those who become disabled in later life and having a discussion with the larger disability community about eligibility criteria, particularly as it relates to those with an episodic disability.

Improving the income security for Canadians living with disabilities including MS is key to ultimately enhancing Canada's competitiveness because we are a diverse, accepting, inclusive, and accessible country. These recommendations are aligned with multiple reports including: The Standing Senate Committee on Social Affairs, Science and Technology's recent report "[Breaking Barriers: A critical](#)

[analysis of the Disability Tax Credit and the Registered Disability Savings Plan](#),” The Conference Board of Canada’s report “[MS in the Workplace: Making the Case for Enhancing Employment and Income Supports](#),” the Institute for Research on Public Policy (IRPP)’s report “[Leaving Some Behind: What Happens When Workers Get Sick](#),” and the Caledon Institute’s report “[A Basic Income Plan for Canadians with Severe Disabilities](#).”

In closing, we appreciate the opportunity to provide feedback to the Disability Advisory Committee.

Sincerely,

A handwritten signature in black ink, appearing to read 'BD', with a long horizontal flourish extending to the right.

**Benjamin Davis**  
National Vice-President, Government Relations  
MS Society of Canada