



MAKING THE CANADA HOUSING BENEFIT WORK FOR PEOPLE WITH A DISABILITY

JANUARY 2019

This report was produced as part of My Home My Community, a national initiative of the Canadian Association of Community Living and People First of Canada.

The Canadian Association for Community Living is a national federation of 13 provincial-territorial associations and over 300 local associations working to advance the full inclusion and human rights of people with an intellectual disability and their families. CACL is dedicated to attaining full participation in community life, ending exclusion and discrimination on the basis of intellectual disability, promoting respect for diversity, and advancing human rights to ensure equality for all Canadians. CACL leads the way in building a more inclusive Canada for people with an intellectual disability by strengthening families, defending rights, and transforming communities into places where everyone belongs.

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People First of Canada is the national voice for people who have been labeled with an intellectual disability. We believe in the right to freedom, choice, and equality for all. We support each other to reclaim our right to be recognized as full citizens through peer support, sharing our stories, developing leadership skills, advocating for our right to choose where and with whom we live, and by ensuring that our voices are heard and respected. We work together to educate and influence communities and government to ensure that all persons with intellectual disabilities are fully included and supported to live as equal citizens in Canada.

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My Home My Community is a national partnership initiative that is opening doors to inclusive affordable housing for people with developmental disabilities. My Home My Community is driving innovation in housing development and community supports to ensure all persons with developmental disabilities have a home that offers choice and affordability, recognizes rights, addresses support needs, and fosters social inclusion in the community.

www.myhomemycommunity.ca

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We would also like to thank subject matter experts from government, academia, and other organizations who provided insights into the importance of the policy and political context, as well as design decisions for a Canada Housing Benefit disability supplement.

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Introduction

Report purpose & Research questions

The purpose of this report is to research and analyze options for including a disability supplement in the Canada Housing Benefit.

This report addresses the following research questions:

- What is the range of designs for disability supplements in other benefit programs? How do other benefits operate to achieve equitable outcomes for people with disabilities?
- What are key trends in design of disability supplements in Canada and other jurisdictions?
- What are the strengths and drawbacks of different design decisions?

Our approach

Our analysis includes several lines of inquiry:

- Scan of housing and income security benefit programs with disability supplements to identify common trends and approaches.
- Analysis of the strengths and drawbacks of different design decisions in the context of the Canada Housing Benefit.
- Consultations with lived experience experts and subject matter experts to obtain input on design decisions (see Box 1 for additional details about the consultations).

In this report

This report has 5 sections:

1. Background and rationale – Overview of housing benefits and rationale for including a disability supplement in the Canada Housing Benefit.
2. Designing a disability supplement – Overview of different designs for disability supplements.
3. Jurisdictional scan – Results of a scan of disability supplements in other benefit programs.
4. Analysis – Results of research and analysis on strengths and drawbacks of different design decisions for a disability supplement.
5. Conclusion – Key takeaways and additional considerations.

BOX 1 | [APPROACH TO CONSULTATIONS](#)

[Consultations with lived experience experts](#)

In October 2019 we engaged lived experience experts from the Canadian Association for Community Living and People First of Canada national Federations to provide input on key questions related to the design of a disability supplement. The lived experience experts provided critical input on the housing affordability challenges faced by people with disabilities. They also shared insights about the inclusivity, fairness, and accessibility of other benefits for people with disabilities, based on their lived experience, to inform our analysis of different design decisions for a potential Canada Housing Benefit disability supplement.

[Consultations with subject matter experts](#)

In October 2018 we also engaged a group of subject matter experts from government, academia and other organizations to provide input into our analysis. The group included individuals with expertise in housing affordability, income security, and policies to support people with disabilities. These experts provided critical insights into the importance of the policy and political context and highlighted some key trade-offs in potential design decisions for a Canada Housing Benefit disability supplement.

Background

About the Canada Housing Benefit

Canada's first ever National Housing Strategy, *A Place to Call Home*, includes a \$4 billion Canada Housing Benefit commitment designed to fight the challenge of housing affordability. The Canada Housing Benefit will be delivered by provinces and territories and will launch in 2020.

The benefit will:

- Provide progressive affordability support directly to families and individuals in housing need
- Grow to support at least 300,000 individuals
- Be co-developed by the federal government, provinces and territories to reflect local priorities

Background on housing benefits

Housing benefits provide direct financial assistance to renter households. The rationale behind housing benefits is that most means-tested income security programs do not take into account variable housing costs. By providing financial assistance that is directly related to rental costs, benefits make it easier for households who spend a large proportion of their income on housing to meet their basic needs.

The amount of housing benefit that a household receives is adjusted based on their income and expected rental costs. Expected rental costs could be based either on the actual rent that the recipient pays, or the average market rent in their area. Adjusting the amount of benefit received based on expected rental costs ensures that housing benefits are responsive to differences in rental costs across different housing markets.

To understand how housing benefits work, it is useful to think of the benefit as filling in all or part of the gap between a defined affordable rent and a household's expected rental costs. Affordable rents are defined using an *affordability standard* – a percentage of a household's income. For example, the affordability standard could be set at 30%, meaning that a household that is paying more than 30% of their income for rent is paying an "unaffordable rent." The idea underpinning the affordability standard is that a household paying more than a certain percentage of their household income will struggle to meet their other basic needs – meaning that their rent is unaffordable.

The proportion of the gap between affordable rent, and expected rental costs, that is filled by a housing benefit is called the *gap coverage*. Housing benefits with higher gap coverage rates fill in more (or all) of the gap between affordable rent and expected rental costs.

Housing benefits that calculate payment amounts based on the actual rent a household is paying (rather than average rents in their area) cap benefit amounts at a *maximum rent* level determined by factors like geography and household size. This ensures that households that pay more rent than they need to do not receive a proportionately higher benefit and sets a maximum income for recipients. In practice, this means that households with high incomes that pay expensive rents generally do not qualify for the benefit.

Box 2 provides a summary of some of these key terms related to housing benefits.

BOX 2 | HOUSING BENEFIT TERMINOLOGY

Expected rental costs

Expected rental costs can be defined using either the actual rent a household is paying or the average market rent in their area.

Affordability standard

The percentage of household income that is considered an affordable amount for rent. For example, the affordability standard could be set at 30%, meaning that any household paying more than 30% of their income at rent would be defined as having “unaffordable rent.”

Gap coverage

The amount of the gap between a defined affordable rent (e.g. rent that is 30% of a household’s income), and the household’s expected rental costs, that is covered by the housing benefit. For example, many housing benefits cover 75% of the gap between affordable rent and expected rental costs.

Maximum rent

The rent level at which a benefit amount given to a household stops increasing. This is meant to ensure that households that unnecessarily rent expensive housing do not receive additional compensation for that housing, and sets a maximum income level for recipients.

The case for a disability supplement

Many Canadians with a disability face significant housing affordability challenges. In 2012, 15% of adults with a disability in Canada were living in households in core housing need (see Box 3), compared to 9% of persons without a disability (CMHC, 2018).

BOX 3 | DEFINITION OF CORE HOUSING NEED

“A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards).” - *Canada Mortgage and Housing Corporation*

On its own, the Canada Housing Benefit will help many people with a disability who face housing affordability challenges. However, that does not mean that the benefit will ensure equitable outcomes for people with a disability, who face some unique needs related to housing affordability.

Canadians with a disability bear additional “hidden” costs related to their housing that are not experienced by people without a disability. In their search for housing that meets their needs they are often faced with a much smaller set of suitable rental options than Canadians without a disability. With a smaller pool of accessible housing to choose from, many people with a disability must accept higher rents.

Suitability requirements that could limit a person’s rental options include, but are not limited to:

- Physical accessibility requirements (e.g. wheelchair access, elevators)
- Proximity to support network (e.g. family / friends, caseworkers)
- Proximity to amenities or additional supports (e.g. pharmacy, doctor’s office, grocery, etc.)

Box 4 describes other examples of additional housing costs associated with having a disability provided by lived experience experts.

How could a Canada Housing Benefit disability supplement help address these inequities?

People with a disability already receive additional income support to address the costs

associated with having a disability. What makes housing benefits unique, however, is that they account for variation in costs across rental markets. Other benefits for people with a disability generally do not fully account for this variation.

BOX 4 | HOUSING COSTS ASSOCIATED WITH HAVING A DISABILITY

As highlighted in our session with lived experience experts from the Canadian association of community living and people first of Canada, people with disabilities face a number of challenges that increase the cost of housing. Some of these costs include:

- Limited rental options due to the need to live close to family, accessible transportation options, and other needed services
- Limited rental options driven by discrimination by landlords against tenants with disabilities
- Retrofitting living spaces to accommodate accessibility supports and power doors
- Installing and maintaining telecommunications such as large touch-screen monitors to communicate in case of an emergency and remain connected to family and friends
- Needing multiple bedrooms to host a caregiver on overnight basis
- Ongoing maintenance and upgrades to equipment and accessibility devices within the home
- Costs related to damage, wear and tear to rental accommodations
- Need for soundproofing or an independent home or unit that does not share walls with neighbours
- Moving to a city where housing costs are higher in order to access needed services

Not only do people with a disability face hidden costs related to housing - these costs are likely to vary across rental markets. For example, in tight rental markets, the costs associated with finding a suitable housing option for a person with a disability (such as a room with multiple bedrooms to host a caregiver) could be dramatically increased. Factors that increase the cost of rental housing in a given market are also likely to affect the hidden costs borne by many people with a disability.

A disability supplement included in the Canada Housing Benefit would be uniquely positioned to help address this challenge. By offering additional assistance to people with a disability, the supplement would account for the fact that people with a disability face unique challenges related to housing costs, and that these challenges will vary across different rental markets. Given this, a supplement could contribute to more equitable outcomes for people with a disability in the area of housing affordability.

Assumptions

Three critical assumptions underpin our analysis of potential options for a Canada Housing Benefit disability supplement:

1. The design of the disability supplement will be constrained by the overall architecture of the Canada Housing Benefit. The target population, coverage, and administration of the disability supplement will be largely dependent on the features of the Canada Housing Benefit.
2. The exact design of the Canada Housing Benefit has yet to be determined. Additional analysis of disability supplement design options should be pursued once more is known about the benefit design.
3. The design of the Canada Housing Benefit is expected to vary across provinces and territories. Accordingly, design options for a disability supplement may also vary across jurisdictions.

Designing a disability supplement

Range of designs

Many jurisdictions have income benefits that include an additional supplement for people with a disability. However, the design of disability supplements varies significantly in terms of *who* receives disability supplements, *how* eligibility is assessed, and *how much* assistance they receive.

Figure 1 outlines a typology outlining different design options based on our scan of benefits in other jurisdictions. We describe the typology in more detail below.

FIGURE 1: Typology of disability supplement designs

ELIGIBILITY	<p>POTENTIAL ELIGIBILITY CRITERIA</p> <ul style="list-style-type: none"><input type="checkbox"/> Work capacity<input type="checkbox"/> Restrictions in activities of daily living<input type="checkbox"/> Specific support needs<input type="checkbox"/> Duration of disability<input type="checkbox"/> Specific condition or type of disability
ASSESSMENT	<p>ASSESSMENT PROCESS</p> <ul style="list-style-type: none"><input type="checkbox"/> Based on eligibility for another program/benefit, OR<input type="checkbox"/> Program-specific assessment <p>OPTIONS FOR PROGRAM-SPECIFIC ASSESSMENT</p> <ul style="list-style-type: none"><input type="checkbox"/> Verification by medical professional<input type="checkbox"/> Verification by program staff<input type="checkbox"/> Self-assessment
PAYMENT DESIGN	<p>ADJUSTMENT TO PAYMENT DESIGN</p> <ul style="list-style-type: none"><input type="checkbox"/> Same for all people with disabilities, OR<input type="checkbox"/> Adjusted based on severity of disability <p>INCOME BENEFIT SUPPLEMENT DESIGN</p> <ul style="list-style-type: none"><input type="checkbox"/> Increase to maximum benefit<input type="checkbox"/> Changes to phase out structure <p>HOUSING BENEFIT SUPPLEMENT DESIGN</p> <ul style="list-style-type: none"><input type="checkbox"/> Increase to maximum rent

Typology description

<p>Eligibility Who can receive a disability supplement?</p>	<p>Eligibility for a disability supplement can be based on any combination of:</p> <ul style="list-style-type: none"> • Work capacity – Ability to work is compromised to some degree due to disability • Restrictions in activities of daily living – Ability to carry out daily activities such as walking, sitting, or eating, is compromised to some degree due to disability • Specific support needs – Recipient requires specific supports related to disability, such as modifications to home, assistance from others, or other supports • Duration of disability – Recipient must have a disability for at least a specified amount of time (usually months or years), or for intermittent conditions, a certain amount of time within a given period • Specific condition or type of disability – Recipient has a particular physical or mental condition or type of disability that makes them eligible
<p>Assessment How is eligibility determined?</p>	<p>Assessment processes can be either:</p> <ul style="list-style-type: none"> • Eligibility for another program – If the recipient receives other specified benefits, they are automatically eligible for the benefit supplement, OR • Program specific – A separate assessment process is required to determine eligibility <p>Program-specific assessment can be carried out through:</p> <ul style="list-style-type: none"> • Verification by medical professional – Eligibility is assessed and confirmed by a doctor or other medical professional • Verification by program staff – Eligibility is assessed and confirmed by staff who are familiar with the eligibility requirements for the program • Self-assessment – Recipients assess and report eligibility themselves; government may follow-up to request additional information/confirmation
<p>Payment design How are supplement amounts determined?</p>	<p>Payment design can be either:</p> <ul style="list-style-type: none"> • Same for all people with a disability – The benefit amount does not change according to the severity of the recipient’s disability, OR • Adjusted based on severity of disability - The benefit amount changes according to the severity of the recipient’s disability <p>Payment design for income benefit supplements includes the following parameters:</p> <ul style="list-style-type: none"> • Maximum benefit – The maximum amount a standard benefit is increased by for recipients with a disability • Phase out structure – A) The “clawback” structure (how quickly the benefit decreases per dollar of additional income earned) is changed for recipients with a disability B) The earnings exemption (the amount of earnings at which the benefit starts being clawed back) is increased for recipients with a disability <p>Payment design for housing benefits supplements includes the following parameters:</p> <ul style="list-style-type: none"> • Maximum rent – The amount of expected rental cost at which a benefit is capped is increased for recipients of a disability supplement

Jurisdictional scan

This section provides an overview of disability supplements based on a scan of housing and income security benefits in other jurisdictions. We focused our scan on:

- Housing benefits with disability supplements in Canada, UK, Australia, and western Europe
- General income security benefits in Australia, Canada, and the UK, including provincial social assistance systems in Canada.

See Box 5 for more details on our approach to the scan.

Table 1 summarizes key features of disability supplements for *income security benefits*. Table 2 summarizes key features of disability supplements for *housing benefits*.

BOX 5 | APPROACH TO JURISDICTIONAL SCAN

Our scan included housing benefits in a wide range of countries including Canada, UK, Australia, and western Europe. We focused on benefits that are used to help households pay for rent. Benefits that can be used to renovate houses to make them more accessible, pay for caregivers, or provide loans to buy houses were excluded. Of note is that only two housing benefit programs identified through our scan include a disability supplement.

We also included in our scan disability supplements for general income security benefits in Canada as well as the most relevant comparator jurisdictions (Australia and UK). In some cases, we included income assistance programs for people with disabilities that are run as separate programs, but de facto operate as a disability supplement to a standard income assistance program. For example, many provincial social assistance systems include both a standard program and a program for people with disabilities that are similar in terms of their structure and objectives, meaning that the program for people with disabilities can be analyzed as if it were a disability supplement. The same is true of the Child Disability

TABLE 1: KEY FEATURES OF DISABILITY SUPPLEMENTS (GENERAL INCOME BENEFITS)

JURISDICTION	BENEFIT	ELIGIBILITY	ASSESSMENT	PAYMENT DESIGN	
				Maximum benefit ¹	Phase out structure
Canada	Working Income Tax Benefit ²	Daily activities Duration Specific type	Other benefit	+ 50%	Same phase out structure as standard benefit
Canada	Child Disability Benefit	Daily activities Duration Specific type	Other benefit	+ 43%	Disability supplement phased out more quickly
Ontario	Ontario Disability Support program	Work capacity Duration	Program-specific Medical professional and program staff	+ 60%	Same phase out structure
British Columbia	Disability Assistance	Daily living activities Support needs Duration	Program-specific Medical professional and program staff	+ 60%	Same phase out structure
Alberta	Assured Income for the Severely Handicapped (AISH)	Work capacity Duration	Program-specific Medical professional	+ 117%	Same phase out structure
Saskatchewan	SK Assured Income for Disabled people (SAID)	Daily living activities Duration	Program-specific Medical professional and program staff	+ 83%	+ 300% earnings exemption, same claw back rate
Manitoba	Employment and Income Assistance (EIA) + RentAssist	Work capacity Duration	No clear guidelines available	+ 16%	Same phase out structure
Quebec	Social Solidarity	Work capacity Duration	Program-specific Medical professional and program staff	+ 52%	- 50% earnings exemption, same claw back rate

¹ Percentage difference in maximum benefit between unmarried persons without children with and without eligible disabilities. For example, the maximum benefit an unmarried person without children can receive from Ontario Works (Ontario's social assistance stream for persons without eligible disabilities) is \$721, whereas the maximum benefit the same person could receive from the Ontario Disability Support Program is \$1,151, which represents a premium of \$430, or 60%. See Appendix A for additional details.

² For 2019, the budget proposes renaming the Working Income Tax Benefit to the *Canada Worker's Benefit*.

JURISDICTION	BENEFIT	ELIGIBILITY	ASSESSMENT	PAYMENT DESIGN	
				Maximum benefit ¹	Phase out structure
Newfoundland	Income Support	Work capacity	Program-specific Medical professional	+ 0%	+ 100% earnings exemption, same claw back rate
Nova Scotia	Disability Support	Daily living activities Duration	Program-specific Medical professional and program staff	+ 41%	+ 100% earnings exemption, same claw back rate
New Brunswick	Extended Benefits	Daily living activities Duration	Program-specific Medical professional and program staff	+ 20%	Same phase out structure
UK	Personal Independence Payment	Daily living activities Duration	Program-specific Medical professional and program staff	+ 31% to + 199% (adjusted for severity of disability)	No phase out (available to all eligible residents)
UK	Working Tax Credit	Work capacity + additional factors for other benefits ³	Combination of program-specific + other benefits Includes self-assessment component	+ 158% or + 226% (adjusted for severity of disability)	Same phase out structure
UK	Child Benefit	Daily living activities Duration Specific support needs Specific type	Other benefits OR program specific assessment of blindness by medical professional	+ 118% or + 165% (adjusted for severity of disability)	Same phase out structure
UK	Universal Credit (new)	Work capacity	Program-specific Medical professional and program staff	+ 130% of standard personal allowance	Earnings exemption increased from 0 to £409 monthly, same claw back rate
Australia	Disability Support Pension	Work capacity Duration	Program-specific Medical professional and program staff	+ 50%	Same phase out structure

³ Recipients of the Working Tax Credit disability element must be employed, but meet criteria showing that they are disadvantaged in the labour market. They must also be eligible for *one* of a wide range of other programs for people with disabilities.

TABLE 2: KEY FEATURES OF DISABILITY SUPPLEMENTS (HOUSING BENEFITS)

JURISDICTION	BENEFIT	ELIGIBILITY	ASSESSMENT	PAYMENT DESIGN
				Maximum rent
Finland	General Housing Allowance	Specific support needs	No clear guidelines	Raises maximum rent by estimated costs of having one additional room
Netherlands	Rental benefit	Daily living activities	Varies across municipalities	Raises maximum rent by estimated costs of having one additional room

Below we highlight key trends identified through our scan.

Eligibility

Eligibility criteria for disability supplements varies widely programs and jurisdictions. Most use some combination of work capacity, restrictions to daily living activities, and/or duration of disability. It is less common to define eligibility based on specific support needs or on specific conditions or types of disability.

Assessment

Assessment of eligibility for disability supplements in Canadian benefits varies. Benefits that operate through the tax system generally rely on eligibility for other benefits as a “shortcut” for assessment. For example, eligibility for the Child Disability Benefit and the Working Income Tax Benefit disability supplement is tied to eligibility for the Disability Tax Credit. Recipients that are eligible for the Disability Tax Credit, are automatically eligible for these programs.

Provincial social assistance systems use program-specific assessment processes that generally rely on verification of eligibility by a medical professional. Many programs also include additional assessments of eligibility conducted by program staff.

Other benefits use a wide range of different assessments processes, sometimes combining multiple approaches. In the case of the UK Working Tax Credit, recipients must be eligible for one of a range of other benefits for people with a disability *and* also undergo a program-specific, self-assessment of eligibility, with government reserving the right to request additional information to confirm eligibility. In the case of the UK Child Credit, recipients qualify based on eligibility for other benefits, *or* can be deemed eligible through a separate program-specific process based on specific criteria.

Payment design

Outside of the UK, the payment of disability supplements does not vary according to an individual's type or severity of disability. The UK Working Tax Credit, Child Credit, and Personal Independence Payment pay a higher maximum benefit to those deemed to have a severe disability.

Income security benefits – For income security benefits, the additional maximum benefit amounts allocated through a disability supplement vary widely across programs. Even within Canadian provincial social assistance systems there is wide variation. In general, disability supplements have the same “clawback” structure as standard benefits, with the exception of the Child Disability Benefit, which is clawed back more quickly than the Canada Child Benefit. Many disability supplements also include higher earnings exemptions, meaning that benefits start being clawed back at a higher level of earnings than the standard benefit.

Housing benefits – We found only two examples of housing benefits that include disability supplements. In both cases, the payment design for housing benefits is adjusted by increasing the *maximum rent*. In other words, people with a disability are able to keep receiving additional benefit amounts up to a higher rent amount, before their benefit is capped. For both of these examples, maximum rents are based on estimated rental costs for accommodations of a specific size (number of rooms). For people with a disability, this maximum is increased based on the estimated costs of having one additional room in the house.

In practice, this means that an eligible person with a disability could rent housing that is above the defined *maximum rent* for people without a disability and receive a higher benefit to account for these extra costs. For example, a person with a disability could rent housing with an extra room to accommodate a caregiver and receive a higher benefit to account for these extra costs. A person without a disability could also rent this more expensive housing – but they would receive a smaller benefit amount.

While there are limited real-world examples of housing benefit disability supplements, there are other potential ways to design a disability supplement by adjusting the payment design parameters of a housing benefit. See Box 6 for further details.

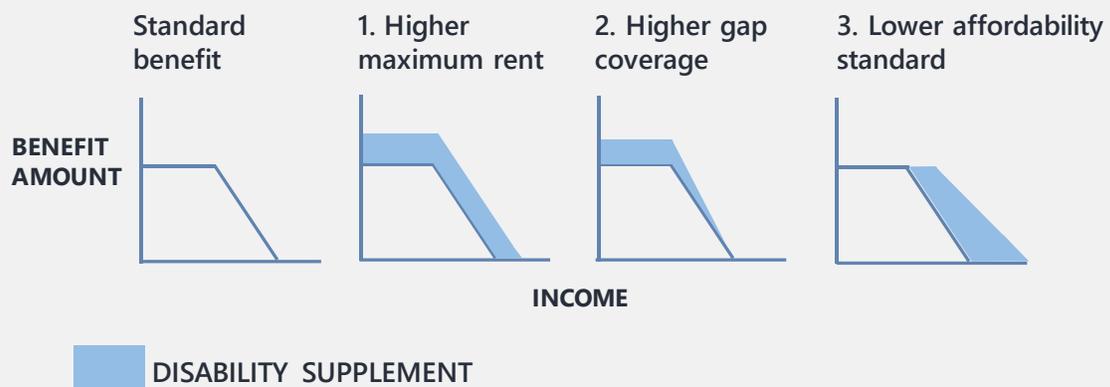
BOX 6 | PAYMENT DESIGN FOR A HOUSING BENEFIT DISABILITY SUPPLEMENT

There are a range of ways to adjust the payment design parameters of a housing benefit to provide an additional supplement for people with disabilities. Each adjustment will have implications for the amount of benefit received and the phase out structure of the benefit.

1. *Higher maximum rent* – Increase the maximum rent level at which a benefit amount is capped. This means that in cases where a person with disabilities is paying higher than the standard maximum rent, they will receive a higher benefit than people without disabilities who are paying the same rent.

2. *Higher gap coverage* – Cover a larger proportion of the gap between affordable rent and the household's expected rental costs. This will increase the amount of benefit a household receives at lower income levels, but the benefit amount will be clawed back more quickly as income rises.

3. *Lower affordability standard* – Lower the affordability standard (the percentage of a household's income that is considered to be an affordable amount for rent). For example, a 30% affordability standard for the housing benefit could be decreased to 20% for people with disabilities. This will increase the income level at which the benefit starts being clawed back. The benefit will also be clawed back at a slower rate.



Analysis

As the previous section highlighted, there are a wide range of potential designs for a disability supplement. In this section we analyze different design decisions according to our key criteria (see below) in the context of the Canada Housing Benefit. Our analysis considers a wide range of potential designs while recognizing that there are significant unknowns about the Canada Housing Benefit that will constrain final options.

Analysis criteria

Design decisions for a disability supplement should consider the following criteria:

- Inclusiveness – degree to which the design uses an inclusive definition of disability to ensure that all those who need the supplement are eligible to receive it
- Accessibility – degree to which the supplement is easy to access for people with a range of needs
- Equity – degree to which the supplement design achieves equitable outcomes for people with a disability related to housing affordability
- Cost – degree to which the disability supplement will impact the total cost of implementing the housing benefit
- Externalities – degree to which the disability supplement will impact negative externalities associated with the housing benefit, including rent inflation and marginal tax rates

These criteria were identified based on existing research on effective benefit design for people with a disability, consultations with the lived experience experts, and the intended objectives of the Canada Housing Benefit disability supplement.

Eligibility

As the findings of our jurisdictional scan highlighted, there are a range of different ways to define eligibility for a disability supplement. Different decisions about eligibility have implications for the *inclusiveness* of the benefit as well as the overall *costs*.

Different eligibility criteria are underpinned by different ways of understanding the needs and inequities faced by people with a disability. Defining eligibility based on work capacity, for example, highlights the fact that many people with a disability face limitations in their ability to earn income which may increase their level of financial need. Defining eligibility on limitations

to daily living activities emphasizes that people with a disability face challenges in carrying out tasks and interactions that may mean they need some extra support.

The Canada Housing Benefit will be targeted to low-income renters, meaning that financial need will be a core element of who qualifies for the benefit. In determining who would be eligible for a disability supplement, it will be important to consider a definition that prioritizes *inclusiveness* – ensuring that people with a disability who may experience unique challenges related to housing affordability are eligible to receive the supplement. Decisions about eligibility will therefore need to be informed by a detailed understanding of the current housing affordability needs faced by people with a disability in rental markets across Canada.

While using an inclusive definition of disability is critical, another factor to consider in eligibility is *cost*. It is likely that under a more inclusive definition, more people will be eligible, driving up the overall costs of the benefit. An advantage of more restrictive criteria is that it makes it easier to control costs. It can be used to target a supplement more specifically based on specific conditions or criteria.

Assessment

A critical distinction in the design of disability supplements is whether they use program-specific assessment processes or rely on eligibility for other benefits. Each has implications for the *accessibility* of the supplement as well as overall *costs*.

Relying on eligibility for other benefits creates a streamlined process for assessing eligibility. For instance, people who receive the Disability Tax Credit could be considered automatically eligible for a housing benefit disability supplement, with no additional paperwork or verification required. This approach avoids having to dedicate resources to creating and administering a new application process, which can reduce *costs*. It also saves applicants the work of having to go through multiple application processes, increasing *accessibility*.

A potential drawback of using eligibility for other programs is that the supplement is then bound by eligibility criteria that may not be tailored to the program context and objectives. If the eligibility criteria used for another benefit are not *inclusive*, many people will not be able to access the benefit. Another potential drawback could be that the intended target recipients of the other program do not overlap perfectly with the target recipients of the supplement.

There are a few ways to mitigate these drawbacks. One is to use the receipt of a number of different benefits as the eligibility criterion. This could give potential beneficiaries multiple routes to access the new benefit. Another is to offer a specific program-specific assessment process in the case where applicants are not eligible for other benefits.

Using a program-specific assessment process removes the drawbacks associated with restrictions on eligibility criteria. However, it also potentially adds administrative complexity and therefore could raise *cost*. The degree to which the process is complex and costly also depends on the nature of the program-specific assessment process – including whether it requires verification by a medical professional and/or approval by government staff, or whether it relies only on self-assessment of eligibility (which staff can later confirm as needed). These program-specific assessment processes, depending on how they are implemented, can also have different implications for the *accessibility* of the supplement.

The lived experience experts that we consulted provided many important insights about the *accessibility* and *cost* of different assessment processes. Box 7 provides more details.

BOX 7 | BARRIERS TO ACCESSIBILITY OF BENEFITS

Our session with lived experience experts highlighted a number of benefit assessment practises that can reduce access and place a burden on people with disabilities.

Multiple assessment processes

Persons with disabilities may need to undergo multiple, separate assessments to meet the eligibility criteria for different benefits. This requires applicants to keep track of different eligibility criteria and the different procedures they must follow to prove them. This can be a difficult, stigmatizing, and expensive process.

Opaque processes

Information on different eligibility criteria and assessment procedures may not be clear or easily accessible. In addition, criteria can change over time and it can be difficult for participants to ensure they have up-to-date information.

Repeated assessments

Some benefit programs require participants to prove they are eligible at frequent, ongoing intervals, which experts noted can be an “expensive and humiliating” process. This is particularly true for disabilities that are long-term or permanent.

Appeals process

Some benefit programs include appeals processes. In the case where an application is rejected, applicants are not always provided with all relevant information, including why their application was denied and any documents pertaining to their case, that could help them through the appeals process.

To highlight some of the challenges and trade-offs in design decisions around eligibility and assessment, Box 8 presents the case study of the Disability Tax Credit (DTC) which has been the subject of recent attention about the accessibility of benefits for people with a disability.

BOX 8 | CASE: DISABILITY TAX CREDIT ELIGIBILITY

The Disability Tax Credit (DTC) provides an informative case study for exploring the implications of different eligibility criterion and assessment processes. Eligibility for the DTC is a gateway to eligibility for other important benefits including the Child Disability Benefit, Working Income Tax Benefit disability supplement, and the Registered Disability Savings Program.

To be eligible for the DTC recipients must have a severe and prolonged impairment that markedly restricts them from performing basic daily living activities all or substantially all of the time. A recent report from the Standing Senate Committee on Social Affairs, Science and Technology (2018) reviewed barriers to accessing the DTC and noted some major issues related to eligibility and assessment:

- Complexity of eligibility criteria creates barriers to access: While applications related to mental function have been the largest category of DTC claimants for five of the last six years, they have lower approval rates than applications based on life-sustaining therapy or physical activities. This is due in part to the requirement that an applicant's mental functioning is considered markedly restricted only if they meet multiple impairments at the same time, such as judgement, goal setting, and problem solving.
- Rigid eligibility criteria can exclude people who need assistance: The DTC eligibility criteria can exclude people who do not meet rigid eligibility definitions. For example, recipients claiming eligibility based on life sustaining therapy must receive this therapy for at least 14 hours/week. Individuals who do not meet these exacting criteria, however, may face similar health burdens and financial challenges. Another example is that impairments must be present all or substantially of the time (at least 90% of the time). People with episodic disabilities such as Multiple Sclerosis thus find it hard to qualify for the DTC, despite having similar income security challenges as other people with disabilities.

Payment design

Decisions about payment design for a disability supplement are complex will be ultimately driven by government priorities and objectives. In addition, the payment design will be significantly constrained by the payment design of the standard Canada Housing Benefit.

The payment design for a potential disability supplement would need to balance several key considerations:

- *Equity* – helping to ensure that people with a disability have equitable outcomes related to housing affordability, given the unique challenges they face across housing markets
- *Cost* – ensuring that the disability supplement is cost-effective
- *Externalities* – ensuring that the disability supplement does not have large negative impacts on rent inflation or marginal tax rates

Detailed analysis and modelling will be needed to explore how different payment design parameters could be adjusted to include a disability supplement, and the impact that these different decisions would have on equity, costs and externalities.

As with any substantial, potentially universal cash transfer program, designers of the national housing benefit must consider the risks of rent inflation and marginal tax rates. These risks, and the appropriate mitigating features, are common to both the core national housing benefit and the theoretical disability supplement.

- **Rent inflation:** If the rental market is flooded with additional demand driven by a benefit, there is a risk that prices would be driven up as long as the supply of rental units did not grow to keep up. Using a partial gap coverage model protects against the risk of rent inflation to some degree, as would a benefit that does not depend on actual rent paid (though that would be wildly expensive), or a waitlisted, non-universal benefit (though that would leave many Canadians in housing need without any assistance at all).
- **Marginal tax rate:** In order to keep costs manageable, the housing benefit and disability supplement must shrink as a recipient's income increases. This adds a penalty to earning which effectively functions as an additional tax on earnings. The concern with increasing a recipient's marginal tax rate is that it will make working or earning more less rewarding. This risk can be mitigated by phasing out the benefit more slowly.

Conclusion

Key takeaways

Our analysis highlights several important takeaways for designing a Canada Housing Benefit disability supplement:

- There are a wide range of potential design options for a disability supplement. However, these options will be constrained by the overall architecture and the design of the Canada Housing Benefit, which has yet to be determined. Additional analysis will be required to assess options for a disability supplement within the final design of the Canada Housing Benefit.
- There are few examples of disability supplements included in housing benefits in other jurisdictions. This emphasizes the need for in-depth analysis and detailed modelling of different design options of to accurately assess potential impacts.
- The lived experience of people with a disability related to housing affordability and existing income benefits provides important lessons in designing benefit supplements that meet the needs of this population. Additional consultation with these experts will be an important input into the design of a potential Canada Housing Benefit disability supplement.

Additional considerations

The prospect of implementing a Canada Housing Benefit disability supplement raises several additional questions about interaction with the existing policy context and the roles of different actors. Given the complexity of these issues, we highlight them as important issues for further consideration.

Interaction with other benefits for people with a disability

An important question is how a housing benefit disability supplement would interact with other benefits for people with a disability. Layering a disability supplement on top of these other benefits could impact marginal tax rates and create disincentives to earn more income.

Eligibility of different types of housing arrangements

A Canada Housing Benefit disability supplement would need to consider how to assess eligibility and level of need for people with a disability living in unique housing arrangements (such as

individuals residing in group homes or adult children with a disability residing with their parents).

Adaptations for provincial and territorial circumstances

The Canada Housing Benefit is will be co-designed by the federal government, provinces and territories to reflect local priorities. The “right” design for a disability supplement will likely also be impacted by local context and priorities, especially given differences across provinces in existing income security supports for people with a disability. The relevance of the options detailed in this report will vary according both to local need and chosen direction of benefit design. This report can inform the design decisions when considering the feasibility of incorporating a disability supplement into each unique program design and can help promote consistency between the ‘standard’ benefit and the ‘disability supplement’ across jurisdictions.

Appendix A

The table below provides additional details on maximum benefit amounts and earnings exemptions for some of the disability supplement benefits included in our jurisdictional scan. The table uses the examples of provincial social assistance benefits for childless singles.

JURISDICTION	BENEFIT	TOTAL MAXIMUM BENEFIT			EARNINGS EXEMPTION (MONTHLY RATE)		
		General	PWD	Difference	General	PWD	Difference
Ontario	Ontario Disability Support program	\$721.00	\$1,151.00	+ 60%	\$200.00	\$200.00	Same
BC	Disability Assistance	\$710.00	\$1,133.42	+ 60%	\$400.00	\$400.00	Same
Alberta	Assured Income for the Severely Handicapped (AISH)	\$731.00	\$1,588.00	+ 117%	\$230.00	\$1,072	+ 367% earnings exemption
Saskatchewan	Saskatchewan Assured Income for Disabled people (SAID)	\$583.00	\$1,064.00	+ 83%	\$50.00	\$200.00	+ 300% earnings exemption
Manitoba	Employment and Income Assistance (EIA) + RentAssist	\$1,359.00	\$1,575.00	+ 16%	\$200.00	\$200.00	Same
Quebec	Social Solidarity	\$633.00	\$962.00	+ 52%	\$200.00	\$100.00	- 50% earnings exemption
Newfoundland	Income Support	\$534.00	\$534.00	+ 0%	\$75.00	\$150.00	+ 100% earnings exemption
Nova Scotia	Disability Support	\$575.00	\$810.00	+ 41%	\$150.00	\$300.00	+ 100% earnings exemption
New Brunswick	Extended Benefits	\$537.00	\$643.00	+ 20%	\$500.00	\$500.00	Same

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