



**INCOME SECURITY AND MULTIPLE SCLEROSIS
BRIEF TO THE STANDING COMMITTEE
ON FINANCE**

**MULTIPLE SCLEROSIS SOCIETY
OF CANADA**

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EXECUTIVE SUMMARY AND RECOMMENDATION

The Multiple Sclerosis Society of Canada is pleased to provide input to the Standing Committee on Finance. Our perspective is that of the people affected by MS, including the estimated 55,000 to 75,000 people who have MS; their families and caregivers; health care professionals; MS researchers and MS Society of Canada supporters. Our overall focus is the development of programs and policies that promote a culture of inclusion and which will contribute to Canada's future prosperity.

MS SOCIETY OF CANADA KEY RECOMMENDATION

Specifically, the MS Society is asking the federal government to develop an income security strategy, on a priority basis, for people affected by MS and other episodic disabilities, chronic diseases and disabilities. While the development of such a strategy should involve consultation with people with disabilities and chronic diseases and the organizations that work on their behalf, the MS Society suggests beginning with three practical steps that fall under federal jurisdiction:

Recommendation: The federal government should develop an income security strategy for people affected by MS and other episodic disabilities, chronic diseases and disabilities. The strategy should include the following immediate steps:

1. Make Employment Insurance sickness benefits more flexible to allow people with MS and other episodic diseases to work part-time and receive partial benefits.
2. Make the Disability Tax Credit a refundable benefit.
3. Allow spouses to claim the Caregiver Tax Credit

INTRODUCTION

MS is an expensive disease. It is most often diagnosed between the ages of 15 and 40, during the career and family building years. Many people with MS are no longer able to work and family members who are caregivers often have to cut back on their own jobs to provide needed care.

Unfortunately, Canada has one of the highest rates of MS in the world. The Multiple Sclerosis Society of Canada asks the federal government to develop an income security strategy for people with MS and others with episodic disabilities, chronic diseases and disabilities. Within this strategy, we focus on several practical improvements that could be implemented immediately to improve income security and to allow more people with MS to stay in the work force and remain active participants in their communities. These modest improvements would help people affected by MS, their families and caregivers gain the income they require to cover essential needs.

Encouraging an attachment to the workforce is aligned with the government's goal to create an educated, skilled workforce and to maximize employment opportunities for Canadians to address our country's labour shortage. Specifically, the Honourable Monte Solberg, Minister of Human Resources and Social Development, has stated that "Canada's social safety net, our tax system and our education system all have to be in harmony with that goal."

The MS Society acknowledges recent positive policy changes that have been initiated to date for people with disabilities. The Registered Disability Savings Plan (RDSP) is an excellent program, and we applaud its development. We are letting our members know about the RDSP, and how they might use it. In addition, the elimination of the capital gains tax on gifts of securities to registered charities has resulted in a tremendous increase of these kind of donations to the MS Society of more than \$1 million since May 2006.

This type of approach fits in very well with the issues that we are raising today. Having an adequate income, being able to work as much as the disease allows so individuals can contribute to the well being of their families and communities are vital parts of what are called the social determinants of health. The RDSP recognizes the important connection of income to health.

THE IMPACT OF MULTIPLE SCLEROSIS

Multiple sclerosis – or MS – is an often progressive and disabling disease of the brain and spinal cord. Canada has one of the highest rates of MS in the world with an estimated 55,000 to 75,000 people affected by the disease across the country. MS also has a profound impact on the ability to earn a living. Most people with MS are diagnosed between the ages of 15 and 40, just when they are finishing school, starting careers and beginning families. As the disease progresses, it takes a toll on a person's ability to stay in the work force. Over time, up to 80 percent of people with MS can no longer work. Sometimes, this is because the disability caused by MS becomes more severe, but at other times, it's because of a lack of understanding and accommodation by employers.

WHAT IS NEEDED

The MS Society's recommendation for change will make it easier for people with MS – and other people with other episodic disabilities, chronic diseases and disabilities - to stay in the work force, receive some additional financial help and provide a small tax break for spouses who take on the vital role of caregivers.

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1. Make Employment Insurance sickness benefits more flexible to allow people with MS and other episodic diseases to work part-time and receive partial benefits.
2. Make the Disability Tax Credit a refundable benefit.
3. Allow spouses to claim the Caregiver Tax Credit – right now this isn't allowed.

1. MAKE EI SICKNESS BENEFITS MORE FLEXIBLE

Allowing people who have an unpredictable and episodic disease – diseases such as MS, lupus, some forms of mental illness, cancer, arthritis and Hepatitis C and HIV – to have the option of working part time while receiving partial Employment Insurance sickness benefits, encourages them to stay in the work force. It also encourages employers to think of them as valuable employees, not as people who are ill and unreliable. Canada faces labour shortages in many parts of the country; it makes good economic sense to keep experienced workers as long as possible.

We recommend that EI rules be changed to allow individuals to work part time and receive partial sickness benefits for 150 half-days instead of the current 15 weeks or 75 full-days. This modest step would contribute to the health and well-being of people with MS and other episodic disabilities and, ultimately, of Canada. While this change has the potential of increasing the number of EI sickness benefit payouts, this cost will be substantially offset by the increased number of people who will be able to remain at work, earning salaries and paying taxes.

2. MAKE THE DISABILITY TAX CREDIT REFUNDABLE

The second part in the MS Society income security recommendation is to make the Disability Tax Credit refundable. Having a disability automatically brings expenses that an able-bodied person avoids. Need a cane, walker or wheelchair? These are all expensive even if an individual is fortunate to have extended health benefits through employment, or if the provincial government provides some funding. The person with the disability still ends up paying part – and in some cases all - of the cost. Even getting to work can be expensive.

For many people with MS, fatigue is more disabling than any other symptom. Walking even short distances is impossible, and riding a bus is like running a marathon. A car becomes a necessity and if the individual uses a wheelchair or scooter, the car has to be exchanged for a van, which is much more expensive to buy and to operate. At some point, the van may have to be modified, which is yet another expense. Making the Disability Tax Credit refundable will assist people who can work, but will have the greatest impact on those who have the least – people who have no income against which they can apply the credit. Often these individuals have to leave work prematurely because of disability or have never had the opportunity to work because of illness.

3. MAKE SPOUSES ELIGIBLE FOR THE TAX CREDIT FOR CAREGIVING

The third part of the income security recommendation is to allow spouses to claim the tax credit for caregiving. This is an issue about which the MS Society hears frequently. Typically, someone who is a caregiver works his/her way through the tax form and comes to the Caregiver Amount portion. In the past year, the spouse has become much more disabled and the caregiver has had to spend much more time at home – away from work – providing care throughout the day: getting their loved one up in the morning, helping with dressing, making breakfast, cleaning up, making lunch and dinner, and putting their loved one to bed.

With that in mind, the caregiver reads the details about who is eligible for the Caregiver Amount: “you or your spouse or common-law partner's child or grandchild; or you or your spouse or common-law partner's brother, sister, niece, nephew, aunt, uncle, parent, or grandparent who was resident in Canada.” The person who is not included as eligible to receive this credit - the spouse - is the person who most usually provides care on an ongoing basis.

The MS Society believes this is unfair and undervalues the caregiving that spouses provide every day, every week, of every year. The Canadian Caregiver Association estimates that caregivers contribute \$5 billion of unpaid labour annually to the health care system, saving governments millions of dollars in annual costs for hospitalization, long-term institutional care and home care, often at the expense of reduced employment earnings due to the extra time they spend at home caring for their loved ones. Making spouses eligible for the Caregiver Amount would be a small step forward and a strong signal that the federal government recognizes the exceptional contribution that spouses make as caregivers.

CONCLUSION

Specifically, the MS Society asks the federal government to:

Recommendation: Develop an income security strategy for people affected by MS and other episodic disabilities, chronic diseases and disabilities. The strategy should include the following immediate steps:

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2. Make the Disability Tax Credit a refundable benefit.
3. Allow spouses to claim the Caregiver Tax Credit – right now this isn't allowed.

These modest, but important changes will support people affected by MS and by other disabilities in their efforts to remain part of the work force and part of their communities. We believe our suggestions will assist the Committee in making recommendations that will promote both prosperity and a culture of inclusion. We thank the members of the Finance Committee for their time and consideration.