

Income Security Advocacy Centre

Recommendations for Federal Budget 2024

Recommendation 1 – Immediately implement Employment Insurance reforms to ensure an accessible, adequate, and equitable program for workers

Recommendation 2 – Adequately invest in the implementation of the Canada Disability Benefit in 2024, ensuring broad eligibility, exemption from clawbacks, and low-barrier appeal rights

Recommendation 3 – Increase access to the Canada Child Benefit

Recommendation 4 – Forgive pandemic debt overpayment for low-income individuals

Recommendation 5 – Invest in policy initiatives that will improve income security in vulnerable communities and account for the intersecting factors that influence and entrench poverty

Recommendation 6 – Make relevant, needed financial investments in Indigenous communities

Recommendation 7 – Bring in a comprehensive and inclusive regularization program for all migrants



Immediately implement Employment Insurance reforms to ensure an accessible, adequate, and equitable program for workers

The Canadian government has continued to promise much-needed reform and modernization of Canada's primary social safety net, the Employment Insurance (EI) program. Yet the promise has not translated into action. In the absence of reform, the growing number of low-wage precarious workers, including women, First Nations, Inuit, Métis, racialized, disabled, and migrant workers are the most affected. Throughout the two phases of federal government consultations over two years, the government has heard that there is an urgent need to change the system by removing the barriers that low-wage and precarious workers face in accessing EI, improving the adequacy of the benefit rates, and making EI more procedurally accessible.

Similarly, there is widespread recognition of the need to implement a modernized, fair, and accessible EI appeals process to ensure an inclusive, accountable, and responsive EI system. The government [introduced a bill](#) in December 2022 to gradually institutionalize a Board of Appeal (BOA) to replace the existing General Division - Employment Insurance at the Social Security Tribunal. The tripartite BOA, which includes government, labour, and employer representatives, will allow workers to tell their stories in a community-based, receptive setting. Despite this promise, there has been no recent progress in institutionalizing the body.

We urge the federal government to immediately implement the long-promised EI reforms, with adequate investment to ensure an equitable safety net for all workers.

1. Implement the tripartite appeal process by establishing the Board of Appeal
2. Set a minimum benefit floor of \$500 per week
3. Eliminate unfair disqualification rules that hurt vulnerable workers the most (including management-labelled "quit-fire")
4. Expand access to migrant workers and those misclassified as independent contractors

Adequately invest in the implementation of the Canada Disability Benefit in 2024, ensuring broad eligibility, exemption from clawbacks, and low-barrier appeal rights

As the *Canada Disability Benefit Act* comes into force in June 2024, it is high time for Budget 2024 to adequately fund it and ensure that the much-anticipated benefit has its intended impact on providing income security for persons with disabilities. While there are many elements of the Benefit to get right, Budget 2024 must include enough funding to ensure that the benefit rates bring people with disabilities above the Official Poverty Line. The [Parliamentary Budget Officer's recent report](#) estimated an amount between \$2.1 billion and \$20.0 billion to fully implement CDB. Thus, we urge the Government of Canada to commit at least \$10 billion annually to deliver this benefit.

Eligibility for the CDB must be broad and based on the definition of disability included in the *Accessible Canada Act*. Using the Disability Tax Credit definition, which is limited and targets those with higher incomes, as a vehicle to deliver CDB, will defeat the purpose of the Benefit.

Furthermore, for the Benefit to support those most in need, the federal government must work with provincial and territorial counterparts to safeguard against any clawbacks of the benefit.

Finally, we strongly recommend that Budget 2024 also include the funding required to implement a low-barrier, timely appeal process through an accessible administrative tribunal. This will ensure CDB claimants' right to challenge decisions denying them the Benefit, which may profoundly impact their livelihoods. A tribunal structure provides a less formal appeal venue that allows for more flexible evidentiary requirements, a focus on dispute resolution, and expertise in adjudicating matters that are brought by self-represented parties.

1. Invest at least \$10 billion to roll out the Canada Disability Benefit at a rate that brings people with disabilities who live in poverty above the Official Poverty Line
2. Ensure eligibility determination is broad and work with provinces and territories to safeguard the Benefit against clawbacks
3. Invest in establishing an administrative tribunal to ensure an accessible appeal process

Increase access to the Canada Child Benefit

With the end of federal emergency pandemic benefits, the child poverty rate in Canada is increasing, with [more than one million children](#) currently growing up in poverty in the country. The Canada Child Benefit (CCB) has been effective in reducing child poverty in Canada for the families who can access it. Unfortunately, not every child living in poverty has access to the CCB.

The CCB is a tax-delivered benefit, meaning families who do not file their taxes are excluded from accessing CCB. There are many reasons why a family may not file their taxes. For example, First Nations families living on reserve have lower rates of tax-filing compared to others in Canada, citing barriers such as infrequent access to technology and reliable internet services, difficulty with obtaining supportive tax-filing services, and fear of scrutiny from government agencies. This causes a gap in access for very vulnerable families. While the reasons for low uptake vary between Indigenous communities and families, without additional investments to support First Nations, Métis, and Inuit families with access to tax-delivered benefits, income inequities faced by members of these communities will become even more entrenched.

Families with parents who are refugee claimants are not able to access the CCB regardless of whether they are filing taxes. Recent data shows that the majority of refugee claimants are single mothers, many of whom are racialized. We recommend the government immediately invest an estimated [cost of extension of at least \\$160 million](#) to allow for increased access to the CCB for all children in Canada.

Forgive pandemic debt overpayment for low-income individuals

Over the last two years, the Canada Revenue Agency (CRA) has engaged in aggressive efforts to recover alleged overpayments of pandemic benefits, including the Canada Emergency Response Benefit (CERB) and the Canada Recovery Benefit (CRB). The Auditor General of Canada has recommended more post-payment verifications and repayments of pandemic benefits, and to

apply tax refunds and GST credits to debts owed. Since then, low-income people in Canada have received overpayment notices demanding repayment of thousands of dollars. Alarming, community legal clinic caseworkers have seen that since March 2023, the CRA has no longer offered low repayment plans but instead demanded minimum repayments as high as \$200 per month.

Many low-wage precarious workers who engage in cash-based, self-employed work, including housekeepers, babysitters, handypersons, and others, have been asked by the CRA to verify that they met the \$5,000 minimum income threshold to receive pandemic benefits. Workers who are unable to satisfy the CRA of their eligibility because of a lack of formal paperwork must challenge the CRA's decision through an application for judicial review at the Federal Court of Canada. The process is complex, inaccessible, and unaffordable.

Meanwhile, the CRA has refrained from investigating and attempting to recover the \$15.5 billion paid out in Canada Emergency Wage Subsidy benefits to employers who may have been ineligible, deeming it "not worth the effort". This amounts to de-facto forgiveness of billions of dollars for major corporations who, while receiving pandemic wage benefits meant for their workers, paid out dividends to shareholders, afforded bonuses to executives, experienced billions of dollars in windfall profits, hired replacement workers during strikes, or proceeded with massive layoffs.

The CRA should hold accountable major corporations and ensure that they repay the public funds. This pursuit must be paired with a broad program of debt forgiveness for low-income individuals who received pandemic benefits and may not have been eligible.

Invest in policy initiatives that will improve income security in vulnerable communities and account for the intersecting factors that influence and entrench poverty

The federal government will need to take a variety of measures to ensure that the pace of poverty reduction continues. Communities that historically have not felt the impact of ongoing poverty reduction measures must be included and supported in income security and prosperity.

Poverty reduction targets for 2025, which were created through the official Poverty Reduction Strategy (PRS) in 2018, have been met ahead of schedule due to widespread, low-barrier access to temporary federal pandemic benefits like the CERB and the CRB in 2020 and 2021. However, we are already seeing an increase in national poverty rates, rising to 7.4% in 2021, from 6.4% in 2020, as well as a rise in deep-income poverty rates, rising to 3.6% in 2021, from 3.0% in 2020.

Canada's poverty reduction approach must be updated to account for the impact of the pandemic on communities made vulnerable to poverty, including the impacts of Long COVID and the current cost of living crisis. National programs that are working, such as the Canada Workers Benefit, should be expanded, enhanced, and resourced.

Make relevant, needed financial investments in Indigenous communities

For many in Canada, income insecurity is connected to experiences of oppression (both historical and current) and inequitable policies, laws, and regulations enacted by all orders of government. Nowhere is this more evident than in the way federal commitments are made to First Nations, Métis, and Inuit communities across the country, and then ignored or followed through in half-measures. In recent years, the Federal Budget's Indigenous-specific investments have [reduced year-over-year](#), while investment in critical areas such as housing, health, land, economics, and self-determination has fallen significantly short of the expectations of the Indigenous advocacy bodies including the Assembly of First Nations (AFN), Métis National Council (MNC), and Inuit Tapiriit Kanatami (ITK).

The past federal budgets have also fallen short of addressing the [concerns of Ontario First Nations](#) about the disproportionate burden placed by the *Greenhouse Gas and Pollution Protection Act (GGPPA)* on on-reserve communities who do not access the Climate Action Plan Incentive tax rebate. As a solution, the Chiefs of Ontario have recommended that the Federal Government make the GGPPA revenue-neutral on-reserve.

Yellowhead Institute research fellow Riley Yesno [pointed out four criteria](#) for consideration with regard to Indigenous-specific investment: i) responsiveness in meeting the demands made by Indigenous people; ii) accessibility of the investment without multiple bureaucratic layers on the way; iii) depth of the investments in terms of direct impact on their lives; and iv) affirming self-determination by supporting pathways for Indigenous capacity-building on their terms. Evidence of these considerations in the development of federal budgets is lacking.

We therefore support the budget submissions and calls for investment from major Indigenous advocacy bodies such as the AFN, MNC, ITK, Native Women's Association of Canada, and the Chiefs of Ontario.

Bring in a comprehensive and inclusive regularization program for all migrants

There are 1.7 million migrants (making up 1 in 23 residents in Canada) who are on temporary work, study, or refugee claimant permits, or are undocumented. Among them, [up to 600,000](#) undocumented migrants, mostly low-waged, racialized people, make essential contributions to Canada's public health and economic progress. Lack of permanent resident status makes it difficult, and often impossible, for migrants to attain their rights at work or to access services, including those they may be eligible for, because of a well-founded fear of reprisals, termination, eviction, and deportation.

Despite the federal government's numerous promises for a regularization program, little progress has been made. Instead of a new program, thousands of undocumented migrants are being deported, with the Canada Border Services Agency spending [over \\$300 million](#) to remove fewer than 7,500 people in the 2021-2022 fiscal year. At the same time, there has been an uptick in migrants being unjustifiably blamed for the current housing affordability crisis. We urge the federal government to invest in a comprehensive regularization program to improve living and working conditions for migrant workers.