

**To: Sherri Torjman and Robert Brown Co Chairs,
Technical Advisory Committee on Tax Measures for Persons with Disabilities**

Re: Taxation barriers to full implementation of the Opportunities Fund

I am writing on behalf of our organization, ORW Opportunities through Rehabilitation and Work Society and I.A.M CARES, International Association of Machinists Centre for Administering Rehabilitation and Employment Services, a Community Coordinator delivering the Opportunities Fund Program. This particular issue was identified by the BC Federal/ Provincial Persons with Disabilities Advisory Committee; raised at a community consultation with Senator E. Lawson and responded to by William Gardner, Regional Executive Head, British Columbia and Yukon Region, Human Resources Development Canada, who indicated they "would raise this concern at every appropriate opportunity". To date, this issue has not been resolved.

The following case study highlights the issue:

Individual: A young person aged 19-25 with a developmental disability who cannot successfully participate in the special education skills training program that uses a classroom, lab and multiple 4 week practicum model because the Individual is very anxious in new settings and changes need careful introduction at first.

- Young person not independent on public transit
- Person had no high school work experiences
- Person on Disability Benefits assistance level
- Person has Disability Tax Credit Status already

Proposal: Create a long term work experience into a job with the cooperation of an employer, college, agency and Opportunities Funding (estimated period of 12 months).

Supports Requested in OF proposal: January to December timeframe

Tuition 12 months x \$165.00 \$ 1,980.00 (non-taxable)

Behavioural Consultant

42 hours x \$50.00/hr 2,100.00

Transportation (Handydart) 385.00

Shoes with orthotic inserts 700.00

Job Coach

12 hours x 50 weeks x \$30/hr 10,800.00

Total needed \$15,965.00

If taxed at 26% on taxable items 3,636.10

Funds Received \$ 10,348.90

Problem or Barrier to Success:

1. As a result of tax deducted at source, the person does not receive the funds needed to complete the plan, so how does the person pay for these costs? or are they forced not to proceed with the needed supports and fail?

2. Tax Receipts received for that calendar year:

- o T2202A for college attendance with credit for school attendance
 - o T4E for Supports with Income Tax deductions included
 - o Disability Benefits Assistance which is non taxable income
 - o Attendant Care costs (line 215) deducted for job coach and behavioural consultant
- This would now mean a transfer of credits to another family member if they live at home.

3. When they receive a tax refund in the following year it is then deducted from Disability Benefits Assistance as the next year's earnings would not likely be over \$7,000.

4. Why are costs related to purchase of services and supports needed for disability reasons, taxed in the first place?

We urge you to make recommendations that would resolve this issue as you examine federal tax assistance intended for persons with disabilities/

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