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Plan for disabled children gets Flaherty's support

Gloria Galloway and Andre Picard, Globe and Mail

OTTAWA, MONTREAL — Federal Finance Minister Jim Flaherty expects the next budget will include a plan to allow parents of severely disabled children to set aside up to \$200,000 taxfree for their care.

The report, which was written by a panel established by Mr. Flaherty and led by Toronto tax lawyer Jim Love, also calls on Ottawa to provide parents of children with severe disabilities with cash grants of at least \$1,000 annually over 20 years, and to double those payments to low-income families.

When asked yesterday if he liked the dollar amounts included in the panel's report, Mr. Flaherty, the father of teen triplet sons, one of whom has a mental disability as a result of contracting encephalitis when a toddler, replied, "Yes, I do."

And he offered hope to parents of disabled children that they may not have to wait long to see the recommendations implemented.

It's modelled on the RESP-type of initiative," Mr. Flaherty said, referring to tax-sheltered Registered Education Savings Plans. "I would be surprised if that weren't in the budget."

That means the creation of the benefit would be contingent on the budget being passed by the House.

It is possible opposition parties will vote against the Tory fiscal plan in order to force an election. But the Liberals also promised, during the last campaign, to bring in a registered disability savings plan that would allow parents of disabled children to put money into a tax-sheltered plan like an RRSP.

In the meantime, the Finance Minister is pleased with the option before him. "I have not had an opportunity to review it in tremendous detail, although I did read the full draft of the report and I have discussed it with the chair and the members of the panel," he said.

The panel, which also included Quebec actor Rémy Girard, who has a disabled child, and Laurie Beachell of Winnipeg, who is the national coordinator for the Council of Canadians with Disabilities, "were three terrific people who agreed to do this and I think they've come up with a very good idea."

The money would be in addition to welfare payments and social assistance programs that most people with disabilities now receive, which the panel deemed inadequate.

The panel recommended a threepart plan that includes creation of a Disability Savings Plan, a Disability Savings Grant and a Disability Bond. Such a plan would cost the treasury up to \$112million a year, according to the 82 page report, entitled *A New Beginning*.

One of the thorniest issues the panel dealt with was eligibility criteria. For simplicity, it recommended the same criteria be used as those now employed for parents to claim the Disability Tax Credit.

Doing so requires a health professional to verify that a person suffers from "one or more severe and prolonged impairments of physical or mental functions" and that restrict the activities of daily living.

That means all children using wheelchairs, for example, would be eligible and that most suffering from autism would be as well.

One of the most intriguing aspects of the report is the eligibility criteria for contributors. The panel said there should be no restrictions on who can contribute it can be parents, grandparents, siblings, even neighbours and friends.

In addition to the ability to contribute money to the plan tax-free (to a maximum of \$200,000), the panel called on Ottawa to provide annual grants of at least \$1,000. That money would be matching dollars on a 1to1 basis for families with income below \$72,756, and a 1to3 ratio for families whose income is above that threshold.

The third aspect is a Disability Bond. That money, recommended to be at least \$2,000 a year, would go to low-income families and would not have to be matched.