# The Canada Disability Benefit: Model and Scenarios

The Parliamentary Budget Officer (PBO) supports Parliament by providing economic and financial analysis for the purposes of raising the quality of parliamentary debate and promoting greater budget transparency and accountability.

This report presents the PBO's microsimulation model to estimate the cost of the Canada Disability Benefit. The model can accommodate many different design elements of the announced benefit. In addition, the report explores the cost of three hypothetical implementations of the Canada Disability Benefit.

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# Table of Contents

# Highlights

The PBO developed a microsimulation model to estimate the cost of the Canada Disability Benefit under different potential designs of the program.

In addition, this report examines three separate hypothetical scenarios for the benefit based on different assumptions of its design by varying five parameters: the maximum benefit amount, the claw back, whether beneficiaries can also receive the DTC, whether the benefit is taxable, and the eligibility criteria for the benefit.

The findings in this report underscore that the government's choices regarding design elements can wield a substantial influence on both the program's cost and the number of individuals who stand to benefit from it.

# Summary

This report presents a cost analysis of the Canada Disability Benefit (CDB), which was passed into legislation through Bill C-22 in June 2023. The Canada Disability Benefit program seeks to reduce poverty and to support the financial security of working-age persons with disabilities.[1]

While the legislation has been passed, most of the benefit's design elements are yet to be determined. The Governor in Council will be responsible for making the necessary regulations that will determine the structure of the benefit. The government's decisions regarding eligibility criteria, benefit amount and how the benefit is clawed back, which play a pivotal role in determining the cost of the program, are still unknown.

To inform parliamentarians on the potential magnitude of the costs of establishing the CDB, the PBO created a microsimulation model using linked data from the 2017 Canadian Survey on Disability (CSD) and individual tax returns (T1 family file). The model can estimate the costs of a wide range of potential program parameters. For this report, the PBO explored three hypothetical scenarios of the CDB program.

| Scenario 1 | Scenario 2 | Scenario 3 |
|---|---|---|
| • The maximum CDB is equal to the gap between social assistance and the poverty threshold adjusted for the cost of living with a disability.<br>• It is clawed back with individual net income.<br>• Recipients can claim both the Disability Tax Credit (DTC) and the CDB.<br>• Take-up is based on self-reported disability status (severe disability as defined in the CSD).<br>• The benefit is not considered taxable income. | • The maximum CDB is equal to the gap between social assistance and the poverty threshold.<br>• It is clawed back with family net income.<br>• Eligible individuals can claim either the DTC or the CDB.<br>• The take-up of the CDB is based on adjusted DTC take-up levels.<br>• The benefit is treated as taxable income. | • The maximum CDB is equal to the gap between social assistance and the poverty threshold.<br>• It is clawed back with individual net income.<br>• Eligible individuals can claim either the DTC or the CDB.<br>• The take-up of the CDB is based on adjusted DTC take-up levels.<br>• The benefit is not considered taxable income. |

Under the three hypothetical scenarios that the PBO explored, the cost of the Canada Disability Benefit Program ranged from between $532 million and $5.1 billion in fiscal year 2023-2024, and from between $2.1 billion and $20.5 billion the following year. In addition, the number of beneficiaries varied greatly between scenarios. It is important to emphasize that these figures do not provide a definitive assessment of the actual program cost. Instead, this report underscores that the government's choices regarding design elements can wield a substantial influence on both the program's cost and the number of individuals who stand to benefit from it.

# Introduction

## Proposed legislation

The Canada Disability Benefit (CDB), passed into legislation in June 2023, aims to establish a new benefit program to support individuals with disabilities in Canada.[2] The CDB seeks to reduce poverty and to support the financial security of working-age persons with disabilities.

Currently, the passed legislation includes few details on design elements such as eligibility criteria, the benefit amount, or delivery method. Rather, the design of the CDB has been left to regulation. The legislation does state that this benefit will be made available to working-age adults and that regulations must take into consideration the Official Poverty Line as defined in section 2 of the *Poverty Reduction Act* and the additional costs associated with living with a disability.[3]

In addition, from public statements made to the media, it is understood that the CDB will be designed to elevate recipients' income to a level comparable to the Guaranteed Income Supplement, without replacing existing provincial benefits.[4]

The next section covers how the model was built, including what data sources where used and what assumptions were made for each of the three scenarios. The results section covers the cost of the program, the total number of beneficiaries and the average benefit received under each scenario.

# Building the model

Since the government has not announced most of the Canada Disability Benefit's design elements, the PBO developed a microsimulation model to estimate the cost of different potential designs of the program. This report focuses on costings for three separate possible scenarios for the CDB program.

The PBO primarily used responses to the 2017 Canadian Survey on Disability (CSD) linked to individual tax returns, the T1 Family File (T1FF), for working-age adults in 2017, to create the baseline for the model. Income and other related variables from this dataset were projected forward to 2024 using the economic assumptions from the PBO's latest economic and fiscal outlook.[5] Income information for non-filers and their households were imputed by employing CSD variables in linear models.[6]

Eligibility criteria, based on disability and income levels, were used to determine take-up rates, after which the model calculated the individual benefit amount each beneficiary would receive under each program design.

Though one possible implementation of the benefit is through monthly payments, no considerations were made for a more granular monthly take-up. Instead, the model based the program cost on the total yearly amount that each beneficiary would receive.

The model allows take-up to be further refined by letting beneficiaries choose between the CDB and the Disability Tax Credit (DTC) if the government requires beneficiaries to claim only one of these benefits. It was assumed that the beneficiary would opt into the program that maximized their after-tax income. The microsimulation model then calculates the total cost of the program by summing the amount of benefit each individual recipient would receive in 2024. The total program cost was

then scaled by population and inflation indices for years 2025 through 2030.

Administrative costs are assumed to be 2 per cent of the total value of paid-out benefits.

However, the model is also capable of costing out many other different scenarios. The benefit amount, age of target population, and claw back rate can all be customized. Eligibility criteria can be expanded or narrowed based on several other socioeconomic indicators in the dataset such as severity or type of disability and presence of income from other disability benefits from other sources. Furthermore, the income threshold level and number of income thresholds on which exemptions and claw back rates are based can be adjusted. These are just some of the ways the model can be adapted to incorporate different design elements.

These considerations are crucial for policymakers and stakeholders involved in shaping the final form of the benefit program and can greatly influence the cost of the program and the number of individuals who would benefit from it.

## Data sources

As mentioned above, the PBO primarily used responses from the Canadian Survey on Disability (CSD) linked to the T1 Family File (T1FF) for working-age adults in 2017. Microdata from the Social Policy Simulation Database and Model (SPSM/D) and the PBO's own economic forecasts were used to scale values into later years.

The Canadian Survey on Disability, an initiative conducted by Statistics Canada every few years, serves to gather information on the experiences and challenges faced by individuals with disabilities in Canada. The dataset encompasses various aspects, such as income, disability type, and severity. The datasets based on the T1 Family File (T1FF) are derived from T1 income

tax returns. The linked dataset provides insight into the income levels and use of the DTC by all individuals identified as having a disability.

The PBO also used SPSD/M microdata on income, province, and age to create income quintile brackets and regional growth rates for working-age adults from 2017 to 2024.[7] The year-over-year regional growth rates between income quintiles were then applied to income variables in the PBO model to extend income projections to 2024. The national growth rate was used to grow income for individuals in the territories. Inflation and population indices from the PBO's March economic and fiscal outlook were used as cost drivers to grow the total cost of the program into subsequent years.

# CDB program parameters and model assumptions

This report examines three separate hypothetical scenarios for the benefit based on different assumptions of its design (Table 1). For the costings of the three scenarios, the PBO focused on varying five parameters: the maximum benefit amount, the claw back, whether beneficiaries can also receive the DTC, whether the benefit is taxable, and the eligibility criteria for the benefit. Each of these five parameters is explained in detail in the following section. The designs of the scenarios were influenced by public submissions made to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.[8] Additionally, the PBO took inspiration from other existing income support programs, such as the Guaranteed Income Supplement program. The parameter values for each scenario can be found in Appendix B. For this analysis, we assume that the CDB program starts on January 1, 2024, in all scenarios.

**Table 1**
Assumptions Guiding Three Scenarios

|  | Scenario 1 | Scenario 2 | Scenario 3 |
|---|---|---|---|
| **Benefit Amount** |  |  |  |
| Based on Market Basket Measure (MBM) |  | X | X |
| Based on MBM adjusted for living with a disability | X |  |  |
| **Claw back based on:** |  |  |  |
| Individual income | X |  | X |
| Family Income |  | X |  |
| **Presence of DTC** |  |  |  |
| Can claim both | X |  |  |
| Can claim one |  | X | X |
| **Take-up** |  |  |  |
| Based on DTC levels |  | X | X |
| Based on Disability level | X |  |  |
| **Is the Benefit taxable?** |  |  |  |
| Yes |  | X |  |
| No | X |  | X |

## How much will the maximum benefit be?

While the monetary value of the benefit is not outlined in the legislation, the government's intent is "to reduce poverty and to support the financial security of persons with disabilities."[9] In addition, the then-minister of Employment, Workforce Development and Disability Inclusion also stated that this benefit would be designed to supplement and not replace existing supports and services provided by the provinces and territories.[10] To obtain a reasonable maximum monetary value for the benefit, the PBO took the projected gap in 2024 between welfare incomes for unattached singles with a disability by province and territory and their corresponding poverty threshold.

The PBO referenced Maytree's Welfare in Canada report for existing provincial financial support and Statistics Canada's Market Basket Measure (MBM) thresholds for poverty to calculate the gap between income support and the poverty threshold in every province and territory. Canada's official measure of poverty, the MBM thresholds, vary across 53 different geographic areas across and within provinces and territories.[11] The PBO opted to use the MBM threshold for the capital city of each province and territory when calculating the gap between welfare and the poverty threshold. Each of these were forecasted for 2024 using the PBO's inflation indices.

Given the diversity of provincial disability support systems and the variability of poverty thresholds across provinces and territories, the PBO opted to set the maximum benefit to match the largest gap. For 2024, this amount was set at $14,356 a year.

## Poverty thresholds and existing social assistance

Market Basket Measure (MBM) thresholds are Canada's official measure of poverty and vary across and within provinces and territories. The PBO opted to use the MBM threshold for the capital city of each province and territory when calculating the gap between social assistance and the poverty threshold.

Across Canadian provinces and territories, the existing disability support programs demonstrate a significant disparity in the level of financial assistance provided. In 2022, available social assistance for unattached singles with disabilities ranged from $10,884 in New Brunswick to $31,744 in the Northwest Territories (Maytree, 2023).

While social assistance levels tend to reflect the cost of living by region, in no province or territory did income support reach the poverty threshold. On average, social assistance falls short of the MBM threshold by around 40 per cent.

However, when determining the amount of the benefit, the legislation also requires the government to consider the additional costs associated with living with a disability. Some advocates argue that a better measure for the poverty threshold for persons with disabilities is around 30 per cent higher than the standard poverty threshold.[12] In response to this insight, the PBO examined another maximum benefit amount that was equivalent to a 30 per cent increase of the largest provincial gap. For 2024, this amount is equal to $22,701.

In the case that a recipient is married or in a common-law relationship, it is anticipated that the government will adjust the maximum benefit amount

or claw back rate, depending on whether the partner is also a recipient of the benefit. To best approximate how the benefit will be adjusted, the model was built to loosely mirror the design approach for Guaranteed Income Supplement (GIS) payments.

When both partners were recipients, the total household maximum benefit was scaled by the square root scale, so that each partner receives a benefit amount that is less than what they would receive as a single-member household.[13] For 2024, for an individual in a common-law relationship, the maximum benefit amount was set to $10,151 using the MBM threshold. Note that family equivalence and how each member of a household, with or without a disability, should be treated by the program is a complex issue, and the choices of benefit levels in this report are not to be taken as a policy recommendation but only to highlight the impact of those levels on the magnitude of the cost of the CDB program.

## Will the benefit amount be based on individual income or family income?

Another factor that could greatly impact the cost of the program is whether the government decides to base the benefit amount on net individual or net family income. Clawing back the benefit based on individual income would be more costly to the government but in line with stakeholder suggestions. Basing the benefit amount on family income would be consistent with how claw backs are calculated for the GIS payment program or the Canada Child Benefit (CCB) program. The PBO explored both options in its analysis.

In the model simulations, two income thresholds were used for the claw back, depending on whether the benefit was based on individual or family income. For 2024, the exempted income for a single individual was set to $5,000. The exempted family income was set to $7,100 for individuals who

were married or in a common-law relationship. This is in line with other income support programs such as the GIS.[14]

The claw back rate for single individuals was set to 50 per cent of their income after the income threshold. For recipients married or in a common-law relationship, their benefit is clawed back at a rate of 25 per cent.

## How to determine eligibility

How the government determines the eligibility criteria for the benefit will significantly affect the program's cost and reach. This report delves into two potential sets of criteria: one set based on the existing DTC eligibility criteria and another set based on self-reported disability severity. The first method aligns the eligibility criteria with an established federal framework, while the second method ties eligibility to the level of disability prevalent within the Canadian population. In both scenarios, anyone who has claimed the DTC was considered to be eligible for the benefit.

## The Disability Tax Credit

A source of support for persons with disabilities is the federal Disability Tax Credit (DTC), which was first introduced in 1988. The DTC a non-refundable tax credit that reduces the amount of income tax that a person with a disability (or a supporting family member) pays. The DTC requires that beneficiaries have an impairment that is present all or most of the time and is expected to last at least a year. The amount that can be claimed varies on the severity and impact of the disability and is determined through an assessment by a qualified medical practitioner.

As this is a non-refundable tax credit, it can only be claimed by tax-filers who have to pay tax, which many persons with a disability do not due to low income. In addition, the application process for the DTC can be complex, which can prevent some from applying.

When determining eligibility under the first set of eligibility criteria, the following steps were taken. First, individuals with a severe disability were categorized by disability class, a variable that divides CSD survey respondents into five classes based on relative severity of disability. Within each of these disability classes, individuals were divided into income groups. For each income group within each disability class, the share of DTC claimants was calculated. To determine the percentage of individuals in each disability class who would be eligible for the benefit, the PBO used the highest share of DTC claimants among income groups of that disability class and then assigned it to the whole disability class. This was done to account for changes to incentives to apply for the benefit compared to the DTC.[15] The same process was applied for spouses, except every possible combination of income groups between an individual and their spouse was

considered. This method of determining eligibility was used in scenarios 2 and 3 of this report.

Under the second set of eligibility criteria, the scope of eligibility was expanded to those who report having a severe disability that has existed for a year or more. This method of determining eligibility was used in scenario 1 of this report. If barriers to applying for the benefit are low, the PBO would expect the numbers of recipients to be closer to what is self-reported in the Canadian population, given income restrictions. In the model, both the severity and duration of the disability can be changed to increase or narrow the scope of eligibility.

## Interactions with the Disability Tax Credit

Another consideration is the presence of the DTC and its interaction with the proposed benefit. As the government has not indicated whether the CDB program will replace or complement the DTC, it was assumed that the DTC will continue to exist after the implementation of the CDB. However, this raises the question of whether the government will allow beneficiaries to receive both or only one. The PBO model allows for either situation. In the case in which beneficiaries can claim only one, the model selects the one that maximizes their net family income. In this report, both scenarios 2 and 3 examine what would happen if the CDB and DTC benefits were harmonized.

## Will the benefit be considered taxable income?

Lastly, an essential consideration for the government is whether the CDB income will be taxable. Currently, some income support programs, such as the CCB, are non-taxable, while others, like OAS payments, are. Making the CDB taxable would reduce the cost of the program as, for some households, the benefit amount would be partially clawed back through taxation. In scenario 2 of this report, the benefit is treated as taxable.

# Results

Under the three hypothetical scenarios that the PBO explored, the gross cost of the CDB ranged from between $2.1 billion and $20.0 billion in its first full year of implementation in 2024 (Table 2). This would translate to between $531 million and $5.1 billion for fiscal year 2023-24, and from between $2.1 billion and $20.1 billion the following year. In addition, the number of beneficiaries varied greatly between benefit designs, from roughly 276 thousand beneficiaries to 1.4 million beneficiaries in 2024.

**Table 2**

Summary statistics for the 2024 calendar year

|  | Scenario 1 | Scenario 2 | Scenario 3 |
|---|---|---|---|
| **Maximum benefit amount** | $22,701 | $14,356 | $14,356 |
| **Average benefit received** | $14,555 | $7,683 | $9,293 |
| **Total recipients** | 1,371,000 | 276,000 | 358,000 |
| **Total benefits distributed ($ billions)** | $20.0 | $2.1 | $3.3 |

Source:
Parliamentary Budget Officer

Note:
Total recipients represent individuals who elected to choose the benefit and received an amount greater than zero. For Scenario 2, the amount for total benefits distributed is the sum of benefits net of tax payments.

It is important to emphasize that these figures do not provide a definitive assessment of the actual program cost. Instead, this report underscores that the government's choices regarding design elements have a major impact on both the program's cost and the number of individuals who stand to benefit from it. The following tables present the annual fiscal costs of the three scenarios.

**Table 3**

Scenario One: Cost by fiscal year ($ millions)

| Projection Year | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
|---|---|---|---|---|---|---|
| Gross cost | 4,991 | 20,105 | 20,677 | 21,258 | 21,798 | 22,159 |
| Savings from DTC | - | - | - | - | - | - |
| Administration cost | 100 | 402 | 414 | 425 | 436 | 443 |
| Net cost | 5,091 | 20,507 | 21,091 | 21,683 | 22,234 | 22,602 |

Source:
Parliamentary Budget Officer

This first scenario is the costliest of the three, with a total cost of $20.1 billion in its first full fiscal year of implementation. Under this design, the CDB would reach about 1.4 million recipients with an average benefit amount of $14,555 in its first calendar year of implementation.

**Table 4**

Scenario Two: Cost by fiscal year ($ millions)

| Projection year | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
|---|---|---|---|---|---|---|
| Gross cost | 531 | 2,137 | 2,198 | 2,260 | 2,317 | 2,356 |
| Savings from DTC | (9) | (37) | (38) | (39) | (40) | (41) |
| Administration cost | 11 | 43 | 44 | 45 | 46 | 47 |
| Net cost | 532 | 2,143 | 2,204 | 2,266 | 2,328 | 2,362 |

Source:
Parliamentary Budget Officer

Note:
The gross cost is calculated based on the benefit amount recipients would receive after tax.

Under this second scenario, the CDB would cost approximately $2.1 billion in 2024-25. Under this design, the CDB program would reach 276 thousand recipients with an average after-tax benefit amount of $7,683 in its first calendar year of implementation. In this scenario, the number of recipients

is lower than the number of eligible individuals because some would opt to claim the DTC over the benefit.

**Table 5**

Scenario Three: Cost by fiscal year ($ millions)

| Projection year | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
|---|---|---|---|---|---|---|
| Gross cost | 831 | 3,349 | 3,444 | 3,541 | 3,631 | 3,691 |
| Savings from DTC | (34) | (136) | (137) | (138) | (139) | (140) |
| Administration cost | 17 | 67 | 69 | 71 | 73 | 74 |
| Net cost | 814 | 3,280 | 3,376 | 3,473 | 3,564 | 3,624 |

Source:
Parliamentary Budget Officer

Under the final scenario, the CDB would cost approximately $3.3 billion in in 2024-25. The CDB program would reach 358 thousand recipients with an average benefit amount of $9,293 in its first calendar year of implementation. In this scenario, the number of recipients is lower than the number of eligible individuals because some would opt to claim the DTC over the benefit.

# Concluding comments

In this analysis, it is crucial to acknowledge that the precise details of the CDB program remain unknown. As such, the caveat to the PBO's assessment is that it can only offer orders of magnitudes of the corresponding costs depending on certain broad design elements. The choices made regarding eligibility criteria, benefit amount and how the benefit is clawed back will play a pivotal role in determining both the uptake of the benefit and the level of support it will provide to recipients. The three scenarios presented in the report should not be taken as definitive costings of the CDB program but more as a demonstration of the model's capabilities.

Furthermore, while the microsimulation model was built to estimate the cost and impact of several different benefit designs, it should be noted that, like all models, it has some limitations.

The PBO's model was built using data from 2017. Over that period the population of Canada has increased and its composition has changed. The model assumes that the number of beneficiaries has grown, and will continue to grow, at the same rate as the working-age population. This assumes that the distribution of the characteristics of potential recipients has not materially changed over this period. Demographic changes in recent years could therefore alter the cost of such a program. Nonetheless, the impacts of these changes are hard to predict and could bias the results both upwards and downwards.

Another aspect to consider is that the model treats the benefit as an annual amount determined by that same year's income and assumes that eligible recipients receive the benefit for the entire year. For example, it does not accommodate program designs where eligibility is determined (and payments are made) monthly.

Potential interactions of the new CDB with other tax credits and deductions and other federal programs is not calculated in this report. In addition, the PBO's analysis does not account for any potential behavioural effects of this benefit, which could impact employment and income patterns.

# Appendix A: 2024 parameter values

## Assumptions guiding three scenarios in 2024

|  | Scenario 1 | Scenario 2 | Scenario 3 |
|---|---|---|---|
| **Benefit amount** |  |  |  |
| **Single individual** | $22,701 | $14,356 | $14,356 |
| **Individual in common-law relationship** | - | $10,151 | - |
| **Income exemption threshold** |  |  |  |
| **Single individual** | $5,000 | $5,000 | $5,000 |
| **Individual in a common-law relationship (family income)** | - | $7,100 | - |
| **Claw back rate** |  |  |  |
| **Single individual** | 0.5 | 0.5 | 0.5 |
| **Individual in a common-law relationship** | - | 0.25 | - |

Note: For scenario 1 and 3, the benefit is based on individual net income, therefore the marital status has no impact on the benefit amount, income exemption threshold or claw back rate.

# Notes

[1] S.C. 2023, c. 17 at s.3, https://www.parl.ca/DocumentViewer/en/44-1/bill/C-22/royal-assent

[2] S.C. 2023, c. 17, at s.3, https://www.parl.ca/DocumentViewer/en/44-1/bill/C-22/royal-assent

[3] S.C. 2023, c.17 at ss. 11(1.1), https://www.parl.ca/DocumentViewer/en/44-1/bill/C-22/royal-assent

[4] CBC, Canadians with disabilities getting new benefit-but critics say its coming late and with few details.

[5] PBO, Economic and Fiscal Outlook - March 23.

[6] By employing various income-related variables from the CSD, the PBO developed linear models to estimate income for non-filers and their spouses. Combining the generated values for income for the non-filers with the T1FF data depicted income levels for all Canadians eligible to receive this benefit. Some noise was introduced to obtain more realistic cross-sectional variation.

[7] The assumptions and calculations underlying the SPSD/M simulation results were prepared by the PBO, and the responsibility for the use and interpretation of these data is entirely that of the PBO.

[8] Over 150 written briefs were submitted to the committee by various stakeholders and members of the public. The briefs can be found on HUMA's website.

[9] S.C. 2023, c.17 at ss. 11(1.1), https://www.parl.ca/DocumentViewer/en/44-1/bill/C-22/royal-assent

[10] CBC, Canadians with disabilities getting new benefit-but critics say its coming late and with few details.

[11] Maytree, Welfare in Canada, 2022.  Statistics Canada, Table 2.2 Market Basket Measure (MBM) thresholds for economic families and persons not in economic families, 2020

[12] Income Security Advocacy Centre. Brief for the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities Study of Bill C-22. November 16, 2022.

[13] The square root scale is used by the MBM as a family equivalence scale adjustment when calculating poverty thresholds for economic families of different sizes. This adjustment captures how an economic family's needs increase, but at a diminishing rate, with the addition of more members. Statistics Canada, Market Basket Measure (MBM).

[14] The model allows for different benefit levels, exemptions, income brackets and claw back rates depending on the marital status and whether one or both members of the household claim the CDB.

[15] Under the CDB, the PBO operated under the assumption of higher eligibility rates and, in some cases, a higher take-up rate than for the DTC. This assertion is founded on two key considerations. First, the CDB is presumed to give an incentive to non-filers with disabilities to file their income tax return. This is particularly the case considering Budget 2023 announced that the CRA will pilot a new automatic filing service starting in 2024 that will help vulnerable Canadians who currently do not file their taxes receive the benefits to which they are entitled. Second, for many low-income individuals with disabilities, the monetary value of the CDB benefit will be greater than one would expect from claiming the DTC. It is anticipated that this would increase the incentive of those already eligible to apply who would receive either nothing or very little from the DTC.