

Supporting Families
and Communities
and Standing Up for
Those Who Helped
Build Canada





Highlights

Budget 2010 takes action to support vulnerable Canadian families and communities by:

- ✓ Providing \$6.6 million to enhance the existing Federal Victims Strategy, including facilitating access to Employment Insurance sickness benefits for families affected by a crime.
- ✓ Improving the taxation of the Universal Child Care Benefit so single parents receive comparable tax treatment to single-earner two-parent families.
- ✓ Providing \$62 million to support Canada's elite athletes and encourage participation in amateur sport.
- ✓ Reforming the disbursement quota to reduce administrative complexity and better enable charities to focus their time and resources on charitable activities.
- ✓ Improving Registered Disability Savings Plans to allow more flexibility for contributions.
- ✓ Providing \$45 million over three years for the Enabling Accessibility Fund to remove barriers for Canadians with disabilities.
- ✓ Providing \$199 million to meet higher than expected funding needs in support of the settlement agreement with former students of the Indian residential school system.
- ✓ Providing \$53 million to ensure further progress toward a prevention-focused approach to child and family services for First Nations children and parents.
- ✓ Reforming the Food Mail Program to improve access to affordable healthy food for Northerners.

Budget 2010 also stands up for those who helped build Canada by:

- ✓ Providing \$2 million for a Community War Memorial Program.
- ✓ Improving access for military families to Employment Insurance parental and sickness benefits.
- ✓ Providing \$10 million for the New Horizons for Seniors Program to support projects that focus on volunteering among seniors.
- ✓ Reaffirming the Government's commitment to ensure that Canada's retirement income system remains strong and efficient through spring consultations and a review of policy options at the May Finance Ministers' meeting.



The quality of life enjoyed by Canadians rests in large part on the health of our families and communities. It reflects the efforts of the men and women who have helped build this country.

Supporting Families and Communities

The Government has taken action to strengthen communities across the country through investments in infrastructure, support for families and workers, and steps to make communities safer.

Budget 2010 builds on these actions. The budget introduces measures to protect Canadian families and communities, support the vulnerable, invest in the health of those living in the North and encourage participation in sport.

Protecting Canadian Families and Communities

Canadians want to feel safe and secure in their homes and communities. To that end, this budget provides additional resources for victims of crime, DNA processing and the Canadian Security Intelligence Service. The budget also provides funding to establish a new, independent civilian oversight organization for the RCMP.

Increasing Support for Victims of Crime

One of the most common frustrations that victims of crime report is that they feel excluded from the Canadian justice system. They want to be heard and respected. Canadians who have been the victim of a crime deserve to have a strong advocate within government. Budget 2006 announced the Federal Victims Strategy, which enhanced programming, and created the Federal Ombudsman for Victims of Crime. Building on this investment, Budget 2010 provides funding of \$6.6 million over two years, to enhance support for victims of crime, including providing facilitated access to EI sickness benefits for eligible workers who have lost a family member as a result of a crime.

Strengthening Law Enforcement Tools

DNA is an important tool for Canadian law enforcement agencies, as it helps police across the country to identify the guilty and exonerate the innocent. Budget 2010 provides \$14 million over two years to increase the ability to process DNA samples so that the results could be added to the National DNA Data Bank.



In order to improve the effective processing of forensic materials and help law enforcement more efficiently tackle crime, the Government will explore options for different delivery models, including potential privatization of the RCMP Forensic Laboratory Services. A new approach should improve the timeliness of processing samples, ensure sound financial administration and increase research and development in forensic science.

Canadian Security Intelligence Service

The Canadian Security Intelligence Service (CSIS) plays a leading role in protecting the national security interests of Canadians.

Budget 2010 provides CSIS with \$28 million over two years to ensure its effective operation in the current global environment, which remains volatile and complex. This funding will help ensure the protection of Canada's national security interests and the safety of Canadians.

A New Review Mechanism for the RCMP

In response to concerns expressed by the public, provinces and territories, parliamentary committees and several major reports, including the Brown Task Force and the O'Connor Commission of Inquiry, the Government is taking action to enhance the independent review of RCMP actions.

Budget 2010 provides \$8 million over two years to establish a new organization. The creation of a new civilian independent review and complaints commission for the RCMP will contribute to the overall reform and modernization efforts underway at the RCMP.

Supporting the Vulnerable

Budget 2010 proposes several program and tax changes to improve support for the most vulnerable in our society and those who care for them. Also, improvements are proposed to the taxation of the Universal Child Care Benefit to better enable single parents to support their young children. In addition, significant reforms are proposed to the disbursement quota to reduce administrative complexity and better enable charities to focus their time and resources on charitable activities.



Improvements are also proposed to the Registered Disability Savings Plan to help parents and family members provide long-term financial security for a severely disabled child. Budget 2010 also proposes to extend the Enabling Accessibility Fund, which supports projects that allow the full participation of people with disabilities in their communities. As well, the budget provides support for First Nations child and family services, continues to address the legacy of residential schools and takes action to address violence against Aboriginal women.

Improving the Taxation of the Universal Child Care Benefit for Single Parents

The Universal Child Care Benefit (UCCB) is included in the income of the lower-income spouse or common-law partner in two-parent families. For single parents, the UCCB is included in their income and taxed at their marginal tax rate. As a result, a single-parent family can pay more tax on the same UCCB than a single-earner two-parent family with the same income.

Budget 2010 proposes to improve the taxation of the UCCB for single-parent families by allowing single parents to choose to include UCCB payments in their own income, or in the income of the dependant for whom an Eligible Dependant Credit is claimed, thereby providing treatment comparable to single-earner two-parent families. In most cases, the dependant would not be subject to tax. This change will ensure that single parents are not disadvantaged by their family status and will provide up to \$168 in tax relief for single parents with one child under six in 2010.

It is estimated that this change will reduce federal revenues by a small amount in 2009–10, \$5 million in 2010–11 and \$5 million in 2011–12.

Helping Charities: Disbursement Quota Reform

The Government is proposing significant reforms to the disbursement quota to reduce administrative complexity and better enable charities to focus their time and resources on charitable activities.

The disbursement quota, introduced in 1976, was intended to ensure that a significant portion of a registered charity's resources is devoted to its charitable purposes. Many observers have noted that the disbursement quota has been unable to achieve its intended purpose, as it does not take account of the varying circumstances of individual charities. Stakeholders such as Imagine Canada have also noted that the disbursement quota imposes “an unduly complex and costly administrative burden on charities—particularly small and rural charities.”



In recent years, the Canada Revenue Agency's ability to ensure the appropriateness of a charity's fundraising and other practices has been strengthened through the introduction of new legislative and administrative compliance measures and the provision of additional resources. These actions provide a more effective and direct means to fulfill many of the objectives of the disbursement quota.

Budget 2010 proposes to eliminate all disbursement quota requirements except those related to the requirement to annually disburse a minimum amount of investments and other assets not used directly in a charity's operations. This requirement is being updated to provide charitable organizations a greater ability to maintain reserves to deal with contingencies.

The reformed disbursement quota rules will apply to charities for fiscal years ending on or after March 4, 2010. These changes will have no fiscal impact.

Registered Disability Savings Plans (RDSPs)

Carry Forward of RDSP Grants and Bonds

The RDSP was introduced in Budget 2007 to better enable parents and others to ensure the long-term financial security of a child with a severe disability. The Government of Canada supports these plans by providing Canada Disability Savings Grants (CDSGs) and Canada Disability Savings Bonds (CDSBs).

In recognition of the fact that families of children with disabilities may not be able to contribute regularly to their plans, Budget 2010 proposes to allow a 10-year carry forward of CDSG and CDSB entitlements.

It is estimated that this change will cost \$20 million in 2010–11 and \$70 million in 2011–12.

Working With Provinces and Territories to Ensure the Success of the RDSP

The RDSP has been highly successful thanks in large part to the cooperation of provinces and territories in ensuring that RDSP benefits are not clawed back by reductions in social assistance payments.



A number of adults with disabilities have experienced problems in establishing a plan as the nature of their disability precludes them from entering into a contract. Questions of appropriate legal representation in these cases are a matter of provincial and territorial responsibility. In many provinces and territories, the only way that an RDSP can be opened for these individuals is for the individual to be declared legally incompetent and have someone named as their legal guardian—a process that can involve a considerable amount of time and expense on the part of concerned family members. In the event of delays, however, the proposed carry forward will preserve a beneficiary's entitlement to CDSGs and CDSBs, so that they are available when a plan is opened.

Some provinces, such as British Columbia, have instituted more streamlined processes to allow for the appointment of a trusted person, such as a parent or friend, to manage resources on behalf of a disabled individual. The Government of Canada encourages other provinces and territories to determine whether such streamlined processes would be appropriate for their jurisdiction.

Rollover of RRSP/RRIF Proceeds to an RDSP

An important concern for parents caring for a disabled child is to ensure that the child will be adequately provided for in the event that one or both parents die. Two key provisions assist parents in achieving financial security for their disabled child. The RDSP, which became available in 2008, helps parents and others save to ensure the long-term financial security of a child with a severe disability. In addition, under the current rules for Registered Retirement Savings Plans (RRSPs) and Registered Retirement Income Funds (RRIFs), a deceased individual's RRSP or RRIF proceeds may be rolled over, on a tax-free basis, to the RRSP or RRIF of a financially dependent infirm child or grandchild.

To give parents and grandparents more flexibility in providing for a disabled child's long-term financial security, Budget 2010 proposes to allow a deceased individual's RRSP or RRIF proceeds to be transferred, on a tax-free basis, to the RDSP of a financially dependent infirm child or grandchild.

It is estimated that this change will reduce federal revenues by a small amount in 2009–10 and 2010–11, and by \$5 million in 2011–12.



Enabling Accessibility for Persons With Disabilities

In Budget 2007, the Government demonstrated its commitment to helping all Canadians, regardless of physical ability, to participate fully in their communities through the creation of the Enabling Accessibility Fund. The Fund has supported hundreds of community-based projects across Canada.

Budget 2010 builds on the success of this program by extending the Fund and providing an additional \$45 million over the next three years. The budget expands eligibility for the program to include mid-sized projects, allowing for communities to undertake larger retrofit projects or foster partnerships for new facilities. Details will be announced by the Minister of Human Resources and Skills Development over the coming months.

Making Further Improvements to First Nations Child and Family Services

In 2007, the Government launched a prevention-focused approach to child and family services to ensure that more First Nations children and parents get the help they need to prevent crises that lead to family breakdown. Beginning with Alberta in 2007, the Government has signed tripartite agreements with First Nations partners and Nova Scotia, Saskatchewan, Quebec and Prince Edward Island. Budget 2010 commits \$53 million over two years in order to ensure further progress.

Addressing the Legacy of Residential Schools

In 2005, an historic and unprecedented settlement agreement was reached between the Government of Canada and religious and Aboriginal organizations to address the legacy of Indian residential schools. Budget 2006 provided support for the Indian Residential Schools Settlement Agreement, including payments to former students.

Funding needs under the agreement have exceeded expectations. Recognizing this, Budget 2010 commits an additional \$199 million over the next two years to ensure that necessary mental health and emotional support services continue to be provided to former students and their families, and that payments to former students are made in a timely and effective manner.



Taking Action to Address Violence Against Aboriginal Women

The Government is committed to ensuring that all women in Canada, including Aboriginal women, are safe and secure regardless of the community in which they live. Aboriginal women remain particularly vulnerable to violence and can face challenges in accessing the justice system, which should be protecting them. Budget 2010 invests \$10 million over two years to address the disturbingly high number of missing and murdered Aboriginal women. Concrete actions will be taken to ensure that law enforcement and the justice system meet the needs of Aboriginal women and their families. The Minister of Justice will announce details in the coming months.

Investing in a Healthy North

Through its comprehensive Northern Strategy, the Government is making progress to help the North realize its true potential as a healthy, prosperous and secure region within a strong and sovereign Canada. Together with its partners, the Government is helping to create a vibrant Northern economy, with safe, healthy and prosperous communities.

Canada's Economic Action Plan took action to increase Northerners' access to skills training and education and to better housing. Budget 2010 builds on this action with strategic investments that will address key health care challenges for Northerners.

Improving Access to Healthy Food for Northerners

Consumption of nutritious food is a key component of a healthy lifestyle. In order to provide Northerners living in isolated communities with greater access to affordable healthy food, the Government has operated the Food Mail Program since the late 1960s. Over the past year, the Government has consulted Northerners in order to develop a more modern, efficient and cost-effective program.

Budget 2010 commits \$45 million over two years to fund this new program. Including existing funding, this will bring the annual budget of the program to \$60 million. The program will alleviate the costs of shipping healthy foods by air to isolated communities and include activities to encourage nutritious eating. The program will focus on supporting a basket of healthy foods that will be based on Canada's Food Guide, and will include a process for ensuring program sustainability. The Minister of Indian Affairs and Northern Development will announce further information on this new program in the coming months.



Territorial Health System Sustainability Initiative

To support the provision of timely access to quality health care in the North, the Government provides territories with long-term predictable funding through both the Canada Health Transfer and Territorial Formula Financing. In addition, in 2005, the Government provided the territories a five-year targeted fund to facilitate the transformation of territorial health systems to ensure greater responsiveness to Northerners' needs and improve community level access to services. Budget 2010 temporarily extends this supplementary funding by \$60 million over two years to consolidate the progress made in reducing the reliance on outside health care systems and medical travel.

Encouraging Participation in Amateur Sport

Canadian athletes are ambassadors, both at home and on the world stage, through their dedicated performances and athletic endeavours. The Government recognizes the importance of sport and physical activity for all Canadians.

Budget 2010 provides \$44 million for Canada's high performance athletes. This includes \$10 million over two years to renew funding for the identification and development of elite athletes, and \$34 million over two years to renew and enhance programs that support training and preparation for competition for both winter and summer elite athletes.

In the coming months, the Minister of State (Sport) will announce details on this new funding to ensure that it, as well as the existing funding, is targeted effectively and encourages private sector investment in elite athlete training. This funding will build on the success of Own the Podium.

Budget 2010 also provides:

- \$10 million over two years to the Canadian Paralympic Committee to build on the successes of our Paralympians and continue to encourage persons with disabilities to actively participate in sport.
- \$2 million over two years to Special Olympics Canada to help continue to enrich the lives of Canadians with an intellectual disability through sport and competition and prepare them for competition in Special Olympics events.
- \$6 million over two years for ParticipACTION to enable the organization to promote more healthy lifestyles for Canadians through physical activity and fitness. This support will also highlight the inspirational work of Pierre Lavoie and his initiative, le Grand défi Pierre Lavoie, to promote healthy living and physical activity with school children across Canada.



Standing Up for Those Who Helped Build Canada

Budget 2010 recognizes the significant efforts of those who have helped to build our country and make it strong. The budget recognizes the efforts of Canadian forces and veterans, invests in seniors and affirms the Government's commitment to a strong and efficient retirement income system.

Community War Memorial Program

Budget 2010 provides \$1 million per year for the Community War Memorial Program to partner with communities across our country who wish to build memorials to commemorate the achievements and sacrifices made by those who served our country.

This new program will work with communities and contribute a share of the capital costs for the construction of new cenotaphs and monuments that commemorate those who served Canada. Approved projects will have strong community support and will be erected in public places. Details of the Community War Memorial Program will be announced by the Minister of Veterans Affairs over the coming months.

Access to Employment Insurance Parental and Sickness Benefits for Military Families

The Employment Insurance (EI) program provides parental benefits to individuals who are adopting a child or caring for a newborn. For Canadian Forces members whose parental leave is deferred or interrupted because of military requirements, the Government will extend the period in which they are eligible by another 52 weeks.

The EI program also provides sickness benefits to eligible individuals who are unable to work because of sickness, injury or quarantine. In order to support the families of Canadian Forces members, the Government will provide facilitated access to EI sickness benefits for eligible workers who have lost a loved one as a result of a service-related injury.



Enhanced Support for Seniors

The New Horizons for Seniors Program provides funding to organizations that help ensure that seniors can benefit from, and contribute to, the quality of life in their communities through active living and participation in social activities.

Budget 2010 provides \$10 million over two years to increase funding for the New Horizons for Seniors Program. The enhanced funding will support projects which focus on volunteering among seniors and ensuring that today's seniors can mentor the next generation of volunteers, passing on their valuable skills. It will also support projects that focus on raising awareness of financial abuse of seniors.

A Strong and Efficient Retirement Income System

A strong and efficient retirement income system provides Canadians with the confidence that their efforts to work and save will allow them to enjoy their retirement years.

The current government-supported retirement income system in Canada is recognized around the world by such organizations as the Organisation for Economic Co-operation and Development as a model that succeeds in reducing poverty among Canadian seniors and in providing high levels of replacement income to retired workers.

The Government, in collaboration with provinces and territories, is committed to maintaining a strong and efficient retirement income system to ensure that Canadians have the best available opportunities to save adequately and effectively for their retirement. In May 2009, the Minister of Finance, along with provincial and territorial Finance Ministers, launched a process to expand understanding of the issues. They received a report in December and are continuing their collaborative work, leading to a review of policy options at the next meeting of Finance Ministers in May 2010.

In preparation for the May meeting, the Government will undertake consultations with the public on the government-supported retirement income system, including the main issues in saving for retirement and approaches to ensuring the ongoing strength of the system. This process will be launched in March.



Ensuring Canada's Retirement Income System Is Strong

To ensure a strong and efficient retirement income system, the Government has taken significant actions, including:

- Ensuring the ongoing sustainability of the Canada Pension Plan with the completion of the Triennial Review with provinces and territories in May 2009.
- Introducing tax measures to improve rules for Registered Pension Plans (RPPs) and Registered Retirement Savings Plans (RRSPs), including:
 - Increasing the age limit for maturing pensions and RRSPs to 71 from 69.
 - Allowing more flexible phased retirement arrangements under defined benefit RPPs.
 - Increasing the pension surplus threshold for defined benefit RPPs to 25 per cent from 10 per cent.
- Introducing the Tax-Free Savings Account to increase tax-efficient savings opportunities for Canadians.
- Introducing pension income splitting to improve retirement income security for seniors and other pensioners.
- Announcing important changes to strengthen federally regulated private pension plans.
- Creating the Task Force on Financial Literacy, which recently launched its public consultation.



Table 3.4.1

Supporting Families and Communities and Standing Up for Those Who Helped Build Canada

	2009–10	2010–11	2011–12	Total
	(millions of dollars)			
Supporting Families and Communities				
<i>Protecting Canadian Families and Communities</i>				
Increasing support for victims of crime		3	3	7
Strengthening law enforcement tools		7	7	14
Canadian Security Intelligence Service		8	20	28
A new review mechanism for the RCMP		3	5	8
Subtotal—Protecting Canadian Families and Communities		21	35	56
<i>Supporting the Vulnerable</i>				
Improving the taxation of the Universal Child Care Benefit for single parents		5	5	10
Helping charities: disbursement quota reform				
Carry forward of RDSP grants and bonds		20	70	90
Rollover of RRSP/RRIF proceeds to an RDSP			5	5
Enabling accessibility for persons with disabilities		15	15	30
Making further improvements to First Nations child and family services		18	35	53
Addressing the legacy of residential schools		93	106	199
Taking action to address violence against Aboriginal women		5	5	10
Subtotal—Supporting the Vulnerable		155	241	397
<i>Investing in a Healthy North</i>				
Improving access to healthy food for Northerners		12	32	45
Territorial Health System Sustainability Initiative		30	30	60
Subtotal—Investing in a Healthy North		42	62	105



Table 3.4.1 (cont'd)

Supporting Families and Communities and Standing Up for Those Who Helped Build Canada

	2009-10	2010-11	2011-12	Total
	(millions of dollars)			
Encouraging Participation in Amateur Sport				
Elite athletes' development		5	5	10
Summer and winter elite athletes		17	17	34
Paralympics		5	5	10
Special Olympics		1	1	2
ParticipACTION		3	3	6
Subtotal—Encouraging Participation in Amateur Sport		31	31	62
Standing Up for Those Who Helped Build Canada				
Community War Memorial Program		1	1	2
Access to Employment Insurance parental and sickness benefits for military families		1	1	2
Enhanced support for seniors		5	5	10
Subtotal—Standing Up for Those Who Helped Build Canada		7	7	14
Total—Supporting Families and Communities and Standing Up for Those Who Helped Build Canada				
		257	376	633
Less: funds existing in the fiscal framework		35	35	70
Net fiscal cost		222	341	563

Note: Totals may not add due to rounding.