Pre-Budget Submission: JDRF Canada

JDRF IMPROVING LIVES. CURING TYPE 1 DIABETES.

Background

- Type 1 diabetes (T1D) is a chronic, potentially fatal, autoimmune disease in which a person's pancreas stops producing insulin, a hormone that transforms food into energy causing a lifetime dependence on daily injections or infusions of insulin to maintain glucose control.
- Those with T1D must carefully balance food intake, physical activity and insulin to maintain blood glucose within a target range. Failure to stay in range can result in life-threatening hypo- or hyper-glycaemia which can lead to an emergency room visit or, in worst cases, coma or death. Poor management over the long-term may lead to costly and devastating complications such as kidney failure, blindness, nerve damage, amputation, heart attack or stroke.
- The Government of Canada has long offered relief to Canadians with disabilities through a *Disability Tax Credit* (DTC). According to the Government of Canada's website, "The purpose of the DTC is to provide for greater tax equity by allowing some relief for disability costs, since these are unavoidable additional expenses that other taxpayers don't have to face."
- Out-of-pocket costs of managing Type 1 Diabetes are significant. Depending on individual income and insurance coverage, costs range between $1000-15,000 annually, according to Diabetes Canada. New life-changing technologies such as insulin pumps and continuous glucose monitors (CGMs) are helping Canadians with type 1 better manage their disease and are a boon to patients and the taxpayer, improving glucose control and increasing time in target range which means fewer emergency room visits and long-term complications. These devices are expensive and not fully covered by provincial or private insurance plans.
- In 2000, the notion of *life-sustaining therapy* was introduced with respect to Canada's *Disability Tax Credit*. It was extended to cover situations in which the amount of time spent administering therapy markedly restricted an individual's ability to engage in everyday activities. To be eligible therapy must "be administered at least three times each week for a total duration averaging not less than 14 hours a week."
- JDRF regularly receives complaints from Canadians with type 1 who have been arbitrarily denied the *Disability Tax Credit* despite their doctors having certified they spend more than 14 hours a week managing their disease.

Recommendation

Insulin therapy is by definition a life sustaining therapy, considering that people cannot survive without insulin.

JDRF believes that every Canadian with T1D should qualify for the DTC. The costs of managing T1D are growing, creating more inequity between those who must pay additional disability expenses and other taxpayers

To achieve this, JDRF recommends that

- Section 118.3 (1.1) (d) of the *Income Tax Act* be amended by striking the words "even if those" and replacing with the words "except where those" in order to specifically include the function of calculating carbohydrates in determining the time spent managing an illness for the purposes of claiming the DTC. Calculating carbohydrate intake is currently excluded yet it is a vital and inseparable function in calculating appropriate insulin dosage, a medical necessity for those with type 1 diabetes.
- Section 118.3 (1) (a.1) (ii) and section 118.3 (1.1) of the *Income Tax Act* be amended by changing "14 hours" with "10 hours" to remove uncertainty and inequity of eligibility for Canadians with T1D

Ensuring Canadians with T1D are not denied access to this vital relief mechanism is consistent with the Government of Canada's commitment to ensuring tax fairness for Canadians.

Founded by parents of children with type 1 diabetes, JDRF is the leading global charity focused on research to cure, prevent & treat the disease.

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