



Toronto ABI Network Conference 2010:

Challenging the Challenges

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Financial cost recovery strategies for families impacted by Acquired Brain Injury (ABI):
Identifying accessible financial supports for ABI affected families

Presented by

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Financial cost recovery strategies for families impacted by Acquired Brain Injury (ABI):
Identifying accessible financial supports for ABI affected families

- The financial impacts for families facing ABI can be insurmountable. In addition to medical, psychological and social pressures that occur for families, the knowledge needed to access financial supports such as tax credit information and navigate governmental programs such as RDSPs, ODSP, SSAH and ACSD are areas that challenge many families.

- This presentation provides conference attendees with ten useful tips to optimize access to vital financial support opportunities for families impacted by ABI. A checklist resource tool helps demystify financial strategies to better help families facing ABI-related financial pressures.

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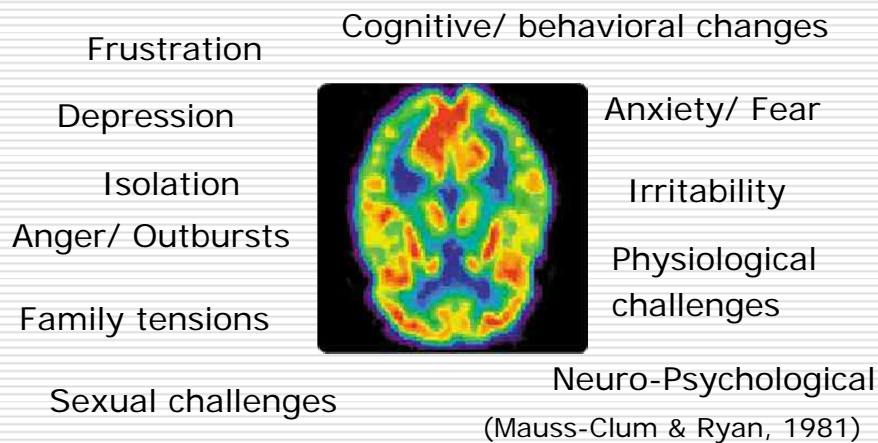
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Financial cost recovery strategies for families impacted by Acquired Brain Injury (ABI): *Identifying accessible financial supports for ABI affected families*

The learning objectives of this presentation are:

- 1) To review traditional issues associated with ABI such as affective, behavioral, cognitive, medical and psychological.
- 2) To present the economic costs and financial burdens associated with ABI on families.
- 3) To provide a range of financial remedies for families impacted by ABI that can help families navigate some of the financial burdens of ABI.
- 4) To offer a ten-point resource that can help demystify financial support remedies for families impacted by ABI and, subsequently, help ameliorate family stress.

1) Traditional Contexts of Acquired Brain Injury (ABI) Intervention Strategies



1) Traditional Responses to ABI

- Hospitalization
- Psycho-social assessments
- Psychological rehabilitation
- Neuro-psychological diagnostics
- Cognitive-Behavioral therapy
- Community integration
- Occupational therapy
- Physiotherapy, Chiropractic, RMT
- Social work
- Speech-Language pathology
- Vocational re-training

2) Economic costs/ financial burden connected with ABI

There is strong commentary in the literature that indicates considerable stress and financial burden is often concomitant to the onset of ABI in family and/or caregiving frameworks (Aitken, McCarthy, Slomine & Ding, 2009; DeMatteo, Cousins, Lin, Law, Colantonio, & Macarthur, 2008; Jacobs, 1988; Kolakowsky-Hayner, Miner & Kreutzer, 2001; Kreutzer & Kolakowsky-Hayner, 2001); yet, concrete interventions could be better developed.

A Social Determinants of Health (SDOH) Approach Supports Income Intervention



Financial/ income considerations have been identified as primary level determinants that account for much variance in terms of health and quality of life.

(Hutchinson & Stuart, 2004)

Science and Statistics Behind SDOH

- Kirby (2002) reported that 75% of what contributes to the health and well-being of Canadians are factors that are not bio/medical/clinical – they are, rather, social, environmental and physical.

- Raphael (2002) showed close to 40% of health/ quality of life outcomes ($r^2=38\%$) are accounted for by income inequality across demographic strata when controlling for other variables.

The Financial Price of ABI

- ❑ A price cannot be put on the cost of emotional, psychological and physical issues connected with a brain injury.
- ❑ BrainandSpinalCord.org, however, has suggested that a concrete price can be placed on the financial burdens of a severe brain injury for an individual and their family (taking into account monetary costs vary case-by-case).

Estimating Financial Costs of ABI

- ❑ Estimated financial costs associated with long-term effects of brain injuries – such as caring for survivors of severe brain injuries – is between \$600,000 and \$1,875,000 over a lifetime (Online at: www.brainandspinalcord.org)
- ❑ Precise (broken-down) costs such as lost earnings, work time, productivity and providing community and social services is not as evident.

RECOMMENDATION

**A sound financial strategy/
financial plan as part of a
holistic intervention approach
is as important, if not
foundational, for optimal
efficacy of an overall ABI
intervention framework.**

3. Possible financial remedies to help navigate financial burdens of ABI

Disclaimer:

The remainder of this presentation and its presenter, Dr. Anthony Hutchinson, does NOT represent, endorse or hold 100% accurate any of the referrals or information presented. It is the urging of this presentation/ presenter that all stakeholders consult with a lawyer, Chartered accountant (or other appropriate certified/ regulated financial professional) or government or organizational representative to verify accuracy and/or informational integrity of information shared in the remainder of this presentation.

The primary purpose of this presentation is for general awareness and indications of possible directions that may be helpful or useful for those impacted or "at-risk" of being impacted by financial burdens of Acquired Brain Injury (ABI) circumstances while putting first and foremost the necessity of all person's practicing the utmost or prudence, caution and informed judgment before proceeding in any specific undertaking related to a person's financial, legal or other vital circumstance impacting quality of life.

Sources of Money/ Income Support

- A. Employment Income (reduced by Federal and Provincial Taxes)
- B. Insurance Companies: Lump-Sum Payouts/ Structured Settlements/ Critical Illness
- C. Federal Government: Income Tax Credits/ RDSPs/Grants/ Bonds
- D. Provincial Government: Income and Caregiving Support Programs (ACSD/ SSAH/ ODSP)
- E. Private Sources
 - Not-for-Profit Bursary/ Scholarship Programs
 - For-Profit Lending Sources

Key Point # 1

✓ Have a Plan and Stick to It

There are a number of sources out there. Get to know them and engage them based on your own financial need and understanding. Often, a professional such as a lawyer, accountant, financial planner, banker, lender, insurance professional or financial specialist in areas of disability tax credits may have to be consulted. Remember, you are the client and they all want your business. Keep the focus on you.

A. Employment Income

- Easiest to comprehend
- More money in – more options

MOST IMPORTANT POINT

- Use and update your ***TD1*** and ***TD1ON***
- Recover income tax credits upfront rather than waiting until getting a refund at tax time
- A number of different tax credits including:
child amount, age amount, disability amount,
equivalent-to-spouse amount and transfers

Key Point # 2

- If employed, update your TD1 and TD1ON.**

Recover your income tax credits upfront rather than waiting until a year later for the government to “refund” them back to you.

Know tax credits for which you are eligible.
Consult an accountant, lawyer or a disabilities tax credit financial specialist.

B. Insurance Companies

- ❑ ***Lump-Sum Payouts*** (pluses and minuses)
 - ❖ consult a Certified Financial Planner and/or a lawyer and/or an insurance professional and/or a professional accountant
- ❑ ***Structured Settlement*** (i.e., annuities)
 - ❖ consult a lawyer and/or a structured settlement specialist (pluses and minuses)
- ❑ ***Critical Illness Insurance***
 - ❖ Sun Life Financial appears to be the only insurance company in Canada offering financial protection against ABI.

Key Points # 3 and #4

- ✓ **Know who you are dealing with.**

Check with local Business Bureau. Make sure the company you are dealing with has been in business for a few years and can do business across Canada. How financially sound are they?
- ✓ **Remember you are the client.**

Is the representative you are dealing with (i.e., lawyer, lender, financial service representative) being clear and forthright and answering questions directly, clearly, knowledgeably, confidently, respectfully, sensitively and professionally?

Key Points # 5 and #6

- ✓ **Beware of “red flags”.** Be cognizant of sales tactics: “Humming and hawing”/ “It depends...”/ “Every case is different...”/ “Your case is unique...” (despite dozens of similar cases each year...). There are no conspiracies as professionals do need to earn a living. The focus, however, should be on service and building relationship not sales.
- ✓ **Get disclosure up front.** Ask about commitments on timing, fees and guarantees on payout dollar amounts. Know implications for income tax situations. Where are funds held in trust and what happens to interest earned in trust accounts?

C. Government of Canada: I of IV

Income Tax Credits on T1 General

- ❖ tax credits minimize income tax payable for injured persons or caregivers to allow for use of household income to be re-allocated to caregiving rather than go to personal income tax obligations
- ❖ consider it is better to use proactive planning (Form TD1) v.s. retroactive tax credit recovery (T1 General: Schedule 1)
- ❖ consult a professional accountant or a disability tax credit specialist

C. Government of Canada: II of IV

Registered Disability Savings Plan (RDSP)

A registered disability savings plan (RDSP) is a savings plan that is intended to help parents and others save for the long-term financial security of a person who is eligible for the Disability Tax Credit (disability amount).

Contributions to an RDSP are **not tax deductible** and can be made until the end of the year in which the beneficiary turns 59 years of age. Contributions that are withdrawn are not to be included as income for the beneficiary when paid out of a RDSP. However, the Canada disability savings grant (CDSG), Canada disability savings bond (CDSB) and investment income earned in the plan will be included in the beneficiary's income for tax purposes when paid out.

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C. Government of Canada: III of IV

Canada Disability Savings Grants (CDSGs)

- ❖ A CDSG is an amount that the government of Canada contributes to an RDSP. The government will pay matching grants of 300, 200, or 100 percent, depending on the beneficiary's family income and the amount contributed.
- ❖ An RDSP can receive a maximum of \$3,500 in matching grants in one year, and up to \$70,000 over the beneficiary's lifetime. A grant can be paid into an RDSP on contributions made to the beneficiary's RDSP until December 31 of the year the beneficiary turns 49 years old.

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C. Government of Canada: IV of IV

Canada Disability Savings Bonds (CDSBs)

- ❖ A CDSB is an amount paid by the government of Canada directly into an RDSP.
- ❖ The government will pay income-tested bonds of up to \$1,000 a year to low-income Canadians with disabilities, regardless of the amount contributed.
- ❖ The lifetime bond limit is \$20,000. A bond can be paid into an RDSP until the year in which the beneficiary turns 49 years old.

Key Points # 7 and #8

- ✓ **Know what is available from the Federal government and access it.** Remember, there are no conspiracies. The government is not trying to “hide information”; however, outreach and promotion with your tax dollars can be costly. Bureaucracy, forms and disclosure, however, can be challenging and onerous; and, bureaucrats can be difficult to navigate. Letting them lead is usually a formula for success.
- ✓ **Shop around when dealing with financial institutions.** Remember points 3, 4, 5 and 6. Verify best interest rates and investment options.

D. Province of Ontario: I of IV

Income Tax Credits on ON 428

- ❖ tax credits minimize income tax payable for injured persons or caregivers to allow for use of household income to be re-allocated to caregiving rather than go to personal income tax obligations
- ❖ consider it is better to use proactive planning (Form TD1ON) vs retroactive tax credit recovery (T1 General: ON 428)
- ❖ consult a professional accountant or a disability tax credit specialist

D. Province of Ontario: II of IV

Assistance for Children with Severe Disabilities (ACSD) Funding

ACSD provides financial assistance to parents to help with the extraordinary costs related to their child's severe disability. It is a direct funding program for low and moderate income families. Generally, family incomes fall below \$42,000 but may be as high as \$64,000; there are a number of limitations and exceptions based on the following to determine eligibility:

- ❖ The age of the child
- ❖ Household gross income
- ❖ The number of children in the home
- ❖ The extent to which the child is severely limited in activities pertaining to normal living
- ❖ The expenses that the parent/guardian is incurring or might incur solely by reason of the severe disability of the child

D. Province of Ontario: II of IV

ACSD Benefits

- ❖ The amount of financial assistance is determined based on yearly extraordinary expenses and gross family income. Minimum monthly payment is no less than \$25 per month and no more than \$400 per month.
- ❖ A drug card (includes prescriptions drugs)
- ❖ A Dental card (basic coverage)
- ❖ Vision and Hearing Services
- ❖ Items related to vision and hearing services
- ❖ The consumer contribution for an Assistive Device under the Assistive Devices Program (provided through the Ministry of Health and Long-Term Care)
- ❖ The cost of an assessment for an assistive device and the cost of batteries and repairs necessary for mobility devices.

D. Province of Ontario: III of IV

Special Services at Home (SSAH) Funding

Special Services at Home (SSAH) helps family's caring for individuals with a disability. If approved, families are provided with funding to purchase supports and services which they could not normally provide themselves and are not available elsewhere in the community. Funds may be provided for the following:

- ❖ Personal Development and Growth – Helping a person acquire new skills and abilities, such as improving communications skills or supporting a person as he or she undertakes more and more of the activities associated with daily living.
- ❖ Respite and Support – Respite provides a break for the family and may help avoid burn-out, stress and fatigue. It provides an opportunity for the family to have a different experience, build new relationships and learn new skills.

D. Province of Ontario: IV of IV

Ontario Disability Support Program (ODSP)

Ontario Disability Support Program (ODSP) Program Income Support helps people with disabilities who are in financial need pay for living expenses, like food and housing. The program provides eligible people with disabilities with:

- ❖ Financial help (income support) to help people with disabilities who are in financial need pay for living expenses, like food and housing.
- ❖ Employment Supports help people with disabilities who can and want to work prepare for and find a job.
- ❖ The maximum normal monthly amount of funding received under this program per individual is \$1,042 which is reduced to \$796 if the person with a disability lives in their family home. The monthly amount is reduced based on a formula basis based on other income received.

Key Point # 9

- ✓ **Know what is available from the Provincial government and access it.** One more time, there are no conspiracies; however, bureaucracy and forms and disclosure can again be challenging and onerous. Let bureaucrats lead and you will usually get what you need. Be calm. Be patient and answer their questions directly and completely.

5) Private Sources on Money

Not-for-Profit Bursary/Scholarships

- ❖ Check out the Brain Injury Association of Canada(BIAC) for more information
- ❖ Check out other local brain injury associations for respite support services or contact local ABI networks where available

For-Profit Lending Sources

- ❖ Small bridging loans from \$500 to \$10,000.
- ❖ Important for consumers to verify interest rates and administration fees.

Final Point # 10

- ✓ **Consult a professional where appropriate.**
Lawyers, accountants, financial planners, insurance professionals and others are generally relationship and service-oriented in current business climates. Remember, however, the previous nine points, especially having your plan and sticking to it and remembering it is all about you. Remember there are generally no conspiracies; but in life, however, most things do come at a cost. On occasion, there are goodwill supports from organizations such as BIAC. While government supports are normally free-of-charge, government support normally comes at the price of invasion of your privacy.

4) Review of 10 Points to Demystify Securing Financial Sources

- ✓ **Have a Plan and Stick to It.** Get to know products available.
- ✓ **If employed, keep your TD1 and TD1ON up-to-date.** Get your tax credits up-front.
- ✓ **Know who you are dealing with.** Are they a reputable company; check their references. How long have they been in business?
- ✓ **Remember you are the client.** You deserve to have your answers given clearly, directly, clearly, knowledgeably, confidently, respectfully, sensitively and professionally.
- ✓ **Beware of "red flags".** Be cognizant of sales tactics. There are no conspiracies; all professionals need to earn living. Professionals should focus on service quality and relationship-building not sales.

4) Review of 10 Points to Demystify Securing Financial Sources cont...

- ✓ **Have you gotten all information and disclosures upfront?**
Ask about commitments on timing, fees and guarantees on payout dollar amounts. Where are funds held in trust and what happens to the interest held in trust accounts?
- ✓ **Access what is available from the Federal government.** The government is generally not trying to hide information.
- ✓ **Shop around when dealing with financial institutions.** Remember points 3, 4, 5 and 6. Verify best interest rates and investment options.
- ✓ **Access what is available from the Provincial government.** Let bureaucrats lead and you will usually get what you need.
- ✓ **Consult a professional where appropriate.** Remember especially to have a plan and stick to it. Remember, it is all about you.

Resources/ References

Federal Government

RDSP: CRA

<http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/rdsp-reei/menu-eng.html>

RDSP: HRSDC

http://www.hrsdc.gc.ca/eng/disability_issues/disability_savings/index.shtml

TD1 Forms

<http://www.cra-arc.gc.ca/formspubs/frms/td1-eng.html>

Provincial Government

ACSD

<http://www.children.gov.on.ca/htdocs/English/topics/specialneeds/disabilities/index.aspx>

SSAH

<http://www.children.gov.on.ca/htdocs/English/topics/specialneeds/specialservices/index.aspx>

OSDP

<http://www.mcsc.gov.on.ca/en/mcsc/programs/social/odsp/>

Resources/ References

Specialists in Tax Credits and/or Disability Tax Credits

Tax Tips

Online at: <http://www.taxtips.ca/personaltax/employees/td1forms.htm>

<http://www.taxtips.ca/filing/attendantcareexpenses.htm>

The National Benefit Authority

Claims to collect up to \$35,000 per application. Fee may be up to 30%.

Online at: www.thenba.ca

Handy Tax

Possibly may collect between \$1,400 and \$30,000 in rebates per client.

Online at: www.handytax.ca Fee may be about 22%.

RDSP/ RDSGs/ RDSBs

RBC / BMO/ TD Canada Trust/ CIBC

Resources/ References

Structured Settlement Specialists

Henderson Structural Settlement LP

www.henderson.ca

McKellar Structured Settlements Inc.

www.mckellar.com

Structured Settlements Group Inc.

www.structures.ca

Critical Illness Insurance

Sun Life Financial

www.sunlife.ca

Possible Bursary/ Scholarships Opportunities for ABI Survivors

Brain Injury Association of Canada (BIAC)

<http://biac-aclc.ca/en/>

Bridging Loans from \$500 to \$10,000 for ABI Survivors

Settlement Lenders

www.settlementlenders.com

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<http://www.socialjustice.org/pdfs/PovertyIncomeHealth.pdf>

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