

When you're working or making income, you might pay a portion of what you're earning in income tax. The Disability Tax Credit (DTC) is an income tax credit that can help reduce the income tax that you or someone who supports you, owes.

The credit is non-refundable. This means the government will not pay you money for the credit if you do not owe income taxes. However, even if you do not owe income taxes, you may still be able to benefit from the DTC. The DTC gives you access to other supports, such as the Registered Disability Savings Plan (RDSP).

You must apply to the Canada Revenue Agency (CRA) to qualify for the DTC. It's important to know that the DTC eligibility may not be permanent, even if your conditions are lifelong.

You may need to apply more than once over your lifetime.

This help sheet explains:

1. Potential benefits of the DTC
2. How to apply and qualify for the DTC
3. Ways to strengthen your application.

Potential Benefits

Disability Amount

The Disability Amount is the amount you can claim as a credit on your tax return. For the 2023 tax year, this amount is \$8,986. Because the federal non-refundable tax rate is 15%, the amount your taxes may be reduced with the 2023 Disability Amount is about \$1,347.90.

The Disability Amount increases slightly every year. You might get additional money depending on the province/territory in which you live because of how taxes are calculated provincially.

If you do not owe income taxes, it is sometimes possible to transfer the Disability Amount to your spouse or a family member who helps you with food, shelter or clothing on a regular basis.

Registered Disability Savings Plan (RDSP)

The RDSP is a long-term savings plan for people who qualify for the DTC. If you open an RDSP before the end of the year that you turn 49, you can qualify for up to \$90,000 in grants and bonds.

Canada's Workers Benefit (CWB) Disability Supplement

The CWB helps people with low income who get most of their money from employment. If you qualify for the DTC and are working, you may also receive more support with the CWB Disability Supplement. The maximum CWB Disability Supplement in BC for the 2022 tax year is \$737.

Child Disability Benefit (CDB)

Families with children under the age of 18 who qualify for the DTC may receive more benefits through the CDB. From July 2023 to June 2024, you could get up to \$3,173 per year (\$264.42 each month) for each child eligible for the DTC.

Canada Caregiver Credit (CCC)

The CCC is available to those who provide family members with physical or mental impairments with food, shelter, and clothing. The tax credit is non-refundable. This means the government will not pay you money for the credit if you do not owe income taxes. If your family member is eligible for the DTC, you do not need a signed letter from your doctor to receive the credit.

Medical Expenses and Disability Supports Deduction

Certain medical expenses, including some prescription therapies and a personalized therapy plan, can only be claimed on your tax return if you have the DTC. You may also be able to claim a Disability Supports Deduction for some medical expenses.

Home Buyers' Amount

People eligible for the DTC do not have to be a first-time home buyer to qualify for the Home Buyer's Amount, which is a non-refundable credit that allows you to claim up to an additional \$10,000 for a qualifying home as of the 2022 tax year. Because the non-refundable tax rate is 15%, most people will actually see a tax reduction of around \$1,500.

Ways to Qualify for the DTC

The DTC is a Canada-wide benefit and there is no age requirement. A person of any age, including children and seniors, can qualify if they meet the requirements. However, there are age requirements for some programs connected to the DTC, such as the Registered Disability Savings Plan.

To qualify for the DTC, your disability must be prolonged and severe. This means your disability is likely to continue for at least 12 months **and**:

1. You are markedly restricted in an activity of daily life. This means you are unable or take a lot longer to perform at least one of the daily activities below (substantially all of the time).

Even if you are not markedly restricted in one of these categories you can still qualify if

You:

2. Have cumulative significant restrictions in two or more of the daily restriction categories listed below, such that you have a marked restriction overall, or,
3. Require life-sustaining therapy at least three times per week, for an average of 14 hours per week (this will soon change to two x per week, likely in time for the next tax filing season).

The different **daily restriction categories** that you may qualify under are:

- Speaking
- Hearing
- Vision (to claim vision as a marked restriction, you must be legally blind)
- Walking
- Eliminating (using the toilet)
- Feeding (eating or preparing food)
- Dressing
- Mental functions necessary for everyday life.

Applying for the DTC

You apply for the DTC by filling out a form from the Canada Revenue Agency (CRA) called the Disability Tax Credit Certificate (form T2201). Copies of this application are available online or can be requested from the CRA. The form is 16 pages long and has two parts.

Part A (pages 1 to 2)

Part A must be completed and signed by you or your legal representative. You can also fill out Part A of the form online through your CRA - My Account or by calling the CRA. You will receive a reference number for your file and to be given to your assessor.

Part B (pages 3 to 16)

Part B is a medical report that must be completed and signed by your doctor, nurse practitioner or another qualified health professional. Other health professionals can only fill out the form for you if your disability is within their area of practice.

Please note: Medical practitioners now have the option to fill out their section of the form online. You can give your medical practitioner your reference number to allow them to submit your application on your behalf.

Health professionals who can complete this form include:

- Doctor
- Nurse Practitioner
- Optometrist (vision)
- Speech Language Pathologist (speaking)
- Audiologist (hearing)

- Occupational Therapist (walking, feeding, dressing)
- Physiotherapist (walking)
- Psychologist (mental functions necessary for everyday life)

You do not need to qualify under every daily restriction category (listed on the previous page). Only have your medical practitioner fill out information for the categories that apply to you; the rest of the categories can be left blank. If you are found eligible, the CRA will determine if you're markedly or cumulatively restricted.

After your medical practitioner fills out Section B, they will sign it and return the application form to you. You can then submit your application online through MyAccount or by mail.

Medical Practitioners can also submit online on your behalf if you provide them with your reference number.

Before You See Your Doctor

It's a good idea to prepare for your appointment with your medical practitioner.

You should be able to answer the following questions:

- Which DTC daily restriction categories do you think apply to you? (E.g.: walking, dressing, mental functions necessary for everyday life)
- Which symptoms do you have and how do they affect these activities? (E.g., pain, numbness or dizziness may affect walking; poor dexterity; stiffness or loss of motor control may affect dressing).
- How often do your symptoms occur? To qualify, the CRA requires that you are restricted in one or more activities **all** or **substantially all of the time**. Remember that "restricted" could either mean you cannot perform the activity or that it takes you significantly longer to do it.

Fees

The CRA does not charge a fee to apply for the DTC. However, your doctor may charge a fee to fill out the form. If you cannot afford a fee, some doctors may be willing to reduce or waive it, if you explain your circumstances.

Some companies will charge a fee to help you apply for the DTC. Typically, they will claw back a percentage of any money you recover. This could mean you pay hundreds or thousands of dollars for this service. If you need help to apply for the DTC, we encourage you to look for a non-profit organization that will not charge you to help with your application.

Where to Send Your Application

Send your completed application to your nearest tax centre. If you live in BC, your completed DTC application can be mailed to the CRA

Winnipeg Tax Centre:

Post Office Box 14001, Station Main

Winnipeg MB R3C 3M2

You can also submit your application online through your CRA MyAccount. If you and your medical practitioner filled out the application online, your medical practitioner may be able to submit your application on your behalf.

We strongly encourage you to make a copy of your completed application and keep it in a safe place in case you need to refer back to it later. This may be particularly helpful if you ever need to re-apply for the DTC.

After You Submit Your Application

The CRA will send you a Notice of Determination after you submit your application, which will tell you if you have been found eligible for the DTC. To check the status of your application, call the CRA or check online through your MyAccount. If you have not received your Notice within a month of submitting your application, contact your medical practitioner to see if they have received a follow-up questionnaire.

Follow-up Questionnaire

After you send in your DTC application, the CRA may send you or your medical practitioner follow-up questions, if they need more information. If you or your medical practitioner are not confident responding to these questions, you may want to get an opinion from an advocate or someone knowledgeable about the DTC. As mentioned above, if you have not received a decision from the CRA within a month of submitting your application, it is a good idea to check with your medical practitioner to ensure that they have completed and submitted the questionnaire.

If You Are Approved

You can be approved to claim the DTC for the current year, a past year(s) and/or a future year(s).

After you have been approved, you can claim the Disability Amount on your tax return for the years that you have been approved (up to 10 years retroactively depending on the time of disability onset as confirmed by your medical assessor). Remember that you may need to re-apply for the DTC in the future. Keep a copy of your old applications, so you can refer to them if you need to send in a new application. The number of years you've been approved for will be noted in your Notice of Determination letter.

If the applicant is a minor, note any expiry date for the DTC. Often, upon reaching the age of majority (Federally, age 18), a person will have to reapply.

If You Are Denied

You have three main options if your application is denied.

1. Request for Second Review

Ask for a Request for Second Review. This means you are asking the CRA to review your application, as well as any new supporting information you give them. There is no specific deadline to request a second review. However, we recommend you act as quickly as possible, since the CRA may refuse your request if you take too long. You can make this request by sending a short letter to the CRA (in BC, the Winnipeg Tax Centre) explaining why you think their decision was wrong. You must provide some additional supporting medical documentation from your medical practitioner that you have not already sent.

This can include updated medical reports or a letter from your medical practitioner. We recommend you contact an advocate to get advice on a Request for Second Review.

2. Notice of Objection

If you think you should have been eligible with the application you sent in and have no medical reports to add that can support your case, you can submit a formal objection within 90 days of the Notice of Determination letter. There are two options to appeal:

- i. Send an objection through your MyAccount, through a representative, or to the Chief of Appeals
- ii. If you are denied again and disagree with the decision, you can file an appeal to Tax Court.

We recommend you consult an experienced advocate, accountant or lawyer for assistance with this process.

3. Reapply

The CRA can consider a new application, if the circumstances of your disability change or you have new evidence they did not consider in a previous application.

Credits:



John Davies was born and raised in North Vancouver. Graduated from UVic's School of Social Work in 1991. He joined WFG's Victoria office, in 2017. Prior to becoming a WFG team member, John worked for the province of British Columbia. As a senior leader in the disability field John worked in a variety of different roles. He started his career as a front-line social work and progressed up the corporate ladder through a variety of roles. He is the architect of a number

of provincial programs that empower people with disabilities to be in control of their financial resources. His social work background now forms a cornerstone to his work with individuals and families through WFG's vision - No Family Left Behind. In his personal life, John is married and has 5 amazing children. Three of his children live with disabilities. John is focused on helping others take advantage of the Disability Tax Credit and the Registered Disability Savings Program. He applies his personal and professional background to this work. John understands the power of information and is a champion of RDSP offered through several of our corporate partners. He is a passionate educator and is always looking for new partners to get the word out to the more than 130,000 British Columbians who are eligible for the RDSP but have never heard about it.

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