

A Guide to Understanding the Canada Child Disability Tax Credit

To receive Government benefits for your child's disability it is beneficial to have an understanding of the process by which that disability is obtained, the benefits that are available and how said benefits are then accessed. Below is a short guide to help you understand both the applicable benefit programs and the appropriate steps to begin the process

The National Benefit Supplement

The National Child Benefit Supplement (NCBS) is a component of the Canada Child Tax Benefit (CCTB) program. That program - administered jointly by federal, territorial and provincial governments - is the nation's primary instrument for supporting families with children while the NCBS component provides additional supplemental assistance specifically to low income families.

The Child Disability Benefit

The Child Disability Benefit (CDB) is a tax-free benefit of up to \$224.58 per month (\$2,685 per year) for families that care for a child under 18 who suffers from a severe and prolonged impairment of their physical and/or mental functions.

The Child Disability Benefit is paid on a monthly basis to individuals eligible for the [Canada Child Tax Benefit](#) and as a supplemental payment to the [Children's Special Allowances \(CSA\)](#).

Below is a list of disabilities that may qualify your child for the Child Disability Benefit.

Autism - Autism is a baffling and complex disorder with the initial diagnosis typically occurring when a child is between 2 and 3. First indications of the presence of autism or Autism Spectrum Disorder (ASD) include a failure to begin speaking, an aversion to social interactions and a lack of physical warmth toward parents and siblings.

The degree to which children are affected by the disorder can vary considerably. In the most severe cases mental retardation may accompany autism and complicate matters further. While some children with ASD may go on to find a niche for themselves others, sadly, will not. In such cases the burden of long term care will fall to the family and the costs can be considerable: as much as \$25,000+ per year.

Read more about [disability tax credit eligibility for Autism](#)

Asperger's Syndrome - Like ASD Asperger's is a socialization disorder commonly diagnosed when a child is very young. In the case of Asperger's that would typically be around the age of 3 or 4. At this point many children enter preschool or daycare situations and are expected to start interacting with their peers. Children with Asperger's commonly show little interest in doing so.

Children with Asperger's may seem to lack empathy for, or interest in, the problems of others. They may become progressively more isolated through poor communication skills, atypical physicality and repetitive behaviours. Over time this isolation may become severe with the child developing anxiety or depression as well. The cost of raising a child with Asperger's will vary but in some severe cases it can be comparable to the cost of raising an autistic child.

Read more about [disability tax credit eligibility for Asperger's Syndrome](#)

Celiac Disease - With celiac disease the small intestine loses the ability to absorb nutrients effectively due to an autoimmune cross-reaction triggered by gluten proteins. Symptoms can range from a failure to thrive to anemia to chronic diarrhea and more. In older children progression of the disease can result in stunted growth, delayed puberty, learning disabilities and lack of coordination. The only effective treatment involves committing to a gluten-free diet.

Families of children with celiac disease must regularly consult with a range of typically pricey medical specialists. In addition, the cost of raising a child with celiac disease is exacerbated by the fact that gluten free food products can cost 2, 3 or even 5 times as much as other foods.

Read more about [disability tax credit eligibility for celiac disease](#)

ADHD / ADD - It is estimated that some 8% of children under 17 suffer from ADHD. Symptoms vary from person to person but commonly include an inability to stay focused, difficulty paying attention, an inability to control one's behaviour as well as hyperactivity. As they get older these children will likely have trouble organizing, staying focused on important goals and holding down meaningful employment.

The costs of treating ADHD/ADD can be significant with individual costs estimated at nearly \$4,000 per year. Considering that ADHD medications such as Adderall can cost nearly \$300 a month it should be no surprise that in severe cases the costs of treating ADHD can become an enormous burden on a family's finances.

Read more about [disability tax credit eligibility for ADHD/ADD](#)

Crohn's Disease - Crohn's disease is a long term disease wherein the intestine becomes ulcerated, inflamed and beset by sores. Crohn's disease can develop in very young children although it's most commonly first diagnosed in teens and young adults. Children with Crohn's face a set of vexing challenges that include the possibility of stunted growth (due to ineffective nutrient absorption), weak, brittle bones as well as delayed puberty.

The cost of treating a child or teen with Crohn's disease can be prohibitive with the cost of a single 100 mg dose of an approved drug like Remicade costing around \$900. Other factors that impact the price of caring for a child with Crohn's include doctor visits, multiple over-the-counter medications and possible bowel surgery, which can typically cost \$35,000 or more.

Read more about [disability tax credit eligibility for crohn's disease](#)

Oppositional Defiance Disorder (ODD) - Children with ODD exhibit angry, resentful behaviour, are quick to blame others for their mistakes, are short tempered, spiteful and often behave in ways intended to annoy

others. These behaviours often result in the child becoming socially isolated over the long term and running an elevated risk of developing major depression.

Treatment of ODD tends to center around various behavioural modification therapies as well as psychotherapy for the child in concert with management and coping therapies for parents. Each course of therapy can represent a significant expense and not all health plans will cover them.

Sensory Processing Disorder (SPD) - Children with sensory processing disorder experience difficulty responding to common sensory input. As a result they may seem uncoordinated or clumsy, they may be unable to judge their position in space and consequently bump into things and they may find it difficult to engage other children in normal play. There are many specialists who believe SPD is actually a symptom of another more pervasive disorder like autism.

As children with SPD mature they may find it difficult to obtain steady work and may be seen by employers as a potential liability. Treatment of SPD typically involves physical and occupational therapy that in many cases must be paid for out of pocket by the family of the sufferer.

Read more about [disability tax credit eligibility for sensory processing disorder](#)

Auditory Processing Disorder (APD) - APD makes it difficult for children to distinguish between similar sounding words or phrases. For example: they may hear “How do cows and chairs differ?” as “How do crowds of hair differ?” APD can have profound effects on a child’s academic performance which in turn can negatively impact their long term career prospects.

Effective treatment of APD can take many years and primarily involves the participation of a range of specialists. Many families will find it difficult to afford all the professional assistance that may be required to give their child a chance at having a productive, rewarding future.

Down Syndrome - Whereas some other disabilities may be difficult to quantify such is not the case for children with down syndrome. Down syndrome is a genetic disorder caused by an extra copy of chromosome 21. This extra chromosome sparks a range of cascading physical and mental effects including stunted growth, lower IQ, congenital heart defects and various characteristic facial features.

There is no cure for down syndrome although various therapies and treatments can improve the quality of life for many sufferers. It is estimated that medical costs incurred by children with down syndrome are typically 12 to 13 times those of children without the condition.

Read more about [disability tax credit eligibility for down syndrome](#)

Epilepsy - Epilepsy is one of the oldest recognized neurological disorders. It is a disorder of the central nervous system wherein normal nerve cell activity is disrupted. Epilepsy is accompanied by seizures which can range in severity from moderate to extreme and can be anywhere from relatively easy to control to nearly impossible to control. Although some children outgrow the condition they may suffer long term physical and emotional damage from their experience.

There is no cure for epilepsy though there are several treatments that have proven successful in controlling seizure activity in many sufferers. Children with epilepsy can incur up to \$10,000 in annual medical costs including doctor visits, emergency room visits, medication and therapy.

Read more about [disability tax credit eligibility for epilepsy](#)

Spina Bifida - Spina Bifida is a birth defect caused when some of the bones of the spine don't form correctly. While the disorder takes several forms the most severe form entails the nerves of the spine being pushed out of the misshapen spinal canal and damaged. In some babies these nerves may even be exposed to the air. Children with spina bifida typically have little or no feeling in their extremities, bowel or bladder problems and a curved spine that makes walking difficult.

The financial burden imposed on the families of children with spina bifida can be overwhelming. The annual costs of medical care alone can exceed \$65,000 a year for young children and only slightly less for adolescents and young adults.

Depression - While commonly thought of as an adult affliction depression actually affects some 2% of school aged children. There is no single cause of depression in adults or children. A range of factors are typically considered causative including biological, environmental and developmental issues. Depression in children can cause irritability, a general loss of interest and an inability to derive pleasure from normal play or stimuli.

Treatment for depression often involves years of drug and talk therapy. The financial burden on the family can be significant with the most popular drugs costing anywhere from \$10 to \$35 per dose. Psychotherapy can run anywhere from \$100 to several hundred dollars per session.

Read more about [disability tax credit eligibility for depression](#)

Anxiety - It is estimated that anxiety disorders affect one out of every eight children. Children with undiagnosed or untreated anxiety often go on to drop out of school, miss out on many important rites of passage and eventually engage in high risk activities such as drug and alcohol abuse. Anxiety disorders often co-occur with other disorders such as ADHD.

With proper diagnosis, support and treatment children can learn to manage their anxiety related symptoms and many will go on to live normal lives. Professional therapists are not inexpensive however and the cost of drug therapies alone can run into the hundreds of dollars per month.

Read more about [disability tax credit eligibility for anxiety](#)

Developmental Delay - Developmental delays in your children can take many forms and have many causes. Some common developmental delays involve language, motor skills, social skills and cognitive skills. On occasion development may be delayed in all these areas in what is called a "global developmental delay". This phenomenon may be the result of genetics, fetal alcohol syndrome, down syndrome or other birth defects. Sometimes global developmental delays occur for no discernible reason.

There is no one treatment for developmental delay since its possible causes are many and varied. Instead treatment proceeds on a child by child basis taking all relevant factors into consideration.

Applying for the Child Disability Benefit

If you have been found eligible for the Canada Child Tax Benefit and wish to be considered for the Child Disability Benefit you must file Disability Tax Credit Form [T2201](#). A doctor or other recognized medical practitioner must certify the severe and prolonged impairment described above has lasted or is expected to last for a period of at least 12 months and describe its effects in full in Part B of Form T2201. The completed form must then be submitted to the Canada Revenue Agency (CRA) for consideration. Upon review of the completed Form T2201 the CRA will make a determination regarding the eligibility of the child for the Disability Tax Credit. Should eligibility be denied the family will not be eligible for the Child Disability Benefit regardless of whether or not they qualify for the Canada Child Tax Benefit. Also note that being eligible for the Child Disability Benefit will not impact your Universal Child Care Benefits.

Family Net Income

Family net income is a key component in determining the Child Disability Benefit amount. It is arrived at by adding the amount entered on line 236 of your income tax return to the net income of your spouse or common-law partner. Your child's net income (if any) does not play a part in determining family net income. If you, your spouse or common-law partner resided outside of Canada for all or part of the year, your family net income will include income from all sources for the time one or both of you were not Canadian residents.

Calculating the Child Disability Benefit amount

To determine the amount of your Child Disability Benefit, your adjusted family net income as described above is weighed against a base amount determined in part by the number of children you have. You will receive the full Child Disability Benefit amount if your adjusted family net income is less than the base amount for your family size, as indicated in the chart below.

Number of Canada Child Tax Benefit eligible children	Base amount
1	\$44,701
2	\$44,695
3	\$44,678
4	\$50,438
5	\$56,198
6	\$61,958
7	\$67,717
8	\$73,477
9 or more	Contact the CRA

An adjusted family net income greater than the base amount will result in your Child Disability Benefit being reduced as follows:

- For one Child Disability Benefit eligible child the Child Disability Benefit is reduced by 2% of adjusted family net income that is greater than the base amount as shown in the chart above.
- For two or more children eligible for the Child Disability Benefit the benefit is reduced by 4% of adjusted family net income that is more than the base amount shown above for the appropriate number of children.

Request for Retroactive Benefits

If you have applied for the Canada Child Tax Benefit for a child that has been found eligible for the Disability Tax Credit the Child Disability Benefit will be automatically calculated for the current year as well as the two previous years of Canada Child Tax Benefit years. If you wish to file a request for retroactive Child Disability Benefit benefits dating back beyond the two previous Canada Child Tax Benefit years you must make a written request to the CRA. Keep in mind however that, even if approved, it may take up to six months for you to receive your refund check.

Additional Verification for Retroactive Benefits

In response to a request for retroactive benefits the CRA may require the submission of additional medical records as well a concurring second opinion in order to verify the existence and effects of the impairment in question. It is vital that any requested documentation be submitted without delay and that information submitted on form [T2201](#) is complete and accurate. In addition the CRA may, at its discretion, require claimants to fill out follow-up questionnaires in order to obtain more information about the impairment before making a determination relative to the claimant's eligibility.

In cases of autism, asperger's syndrome, ADHD, ADD, ODD and various genetic syndromes relevant medical professionals familiar with the child's condition may be asked to submit in writing a detailed assessment of the child's impairment and how it relates to the loss of their physical and/or mental functions as well as their professional prognosis. Supporting letters from parents detailing the history of their child's impairment and how it has impacted the financial well-being of the family will also be considered when making a determination for eligibility for extended Child Disability Benefit benefits.

Future Eligibility for Child Disability Benefit

If the child has been found eligible for retroactive Child Disability Benefit benefits such eligibility shall extend into future years for as long as the disability period is approved and the child has not reached majority age; subject to the income eligibility requirements outlined in the above chart. At its discretion the CRA may request information pertinent to the disability in order to ascertain if a significant impairment is still active.

Change of Status

If the number of children in your care or your marital status have changed, you will need to contact the CRA as soon as possible and update your profile. Since such changes can affect the tabulation of family net income and/or the base amount against which your Child Disability Benefit amount is weighed, as well as other aspects of your case, it is important that you not delay in reporting such changes.

Denial of Benefits

The CRA reserves the right to decline Child Disability Benefit benefits based on the information you have submitted. In such cases you have the right to amend your application by submitting additional relevant information. If your request for benefits is denied yet again you then have the right to file a formal objection in order to appeal the decision.

Conclusion

The Child Disability Benefit is a cornerstone in the government of Canada's efforts to stem the spread of childhood poverty by helping deserving individuals and families overcome the financial hardships caused by excessive health-related costs. If your child suffers from a disability and you believe you qualify for the Child Disability Benefit it is in your interest to apply for benefits as soon as possible. If you are unable to complete the application form yourself for some reason or feel you need assistance with the application process it's recommended you enlist the aid of a qualified individual or organization to assist you.

About the author

Josh Pugen is a disability benefits specialist with over 8 years of experience in the disability tax credit and social work fields.

Josh and Disability Credit Canada Inc. advocate for disabled Canadians, helping them maximize their disability tax credits and benefits.

Lear more about Josh and Disability Credit Canada Inc. [HERE](#)