The Disability Tax Credit Ultimate Resource Guide

An extensive guide to help you navigate around the Disability Tax Credit

Learn all about the Disability Tax Credit Definition, Eligibility and Application Process
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Introduction

The Disability Tax Credit (DTC) is a Canadian tax law aimed at helping tax paying disabled Canadians, their families or supporters deal with the various financial implications and medical expenses of having a disability or a substantial impairment.

Even though the Disability Tax Credit law has been available since 1988, it is still under-utilized and often misunderstood by most Canadians and their medical practitioners.

Disability Credit Canada Inc. is a private firm dedicated to helping Canadians and their families receive the Disability Tax Credit, Child Disability Tax Credit and CPP Disability Benefits from the Canadian government. With over 5 years in the business, we have helped hundreds of individuals and families across Canada receive the Disability relief they are deemed eligible for.

The following Disability Tax Credit guide makes sure to deliver thorough, well-written information and provide clear answers to most common questions Canadians have regarding the Disability Tax Credit application process, eligibility criteria, how to claim the refund and much more.

We decided to create the Disability Tax Credit guide for the following reasons:

- The Canadian public is not fully aware of the DTC and its many benefits
- A great number of DTC applicants get denied, even though they may have qualifying impairments and should be approved
- Potential applicants and their supporters are not familiar with the eligibility criteria, so they choose not to apply at all.
- Medical practitioners may not fully understand the Disability Tax Credit eligibility and process they must take to have their patients approved
- Those who are approved for the Disability Tax Credit may not know how to maximize their retroactive and annual refunds
- Being approved for the DTC opens up more Government benefits and/or programs

Disclaimer: We at Disability Credit Canada did our best to make sure all the information provided in this guide is as accurate, relevant and up to date as possible using our extensive knowledge and experience. Every piece of content was carefully written and edited in order to serve your best interest. However, this guide is by no means a legal document or an official CRA guide or statement and is not meant to replace the information set forth by the CRA.

Should you have any questions or concerns regarding the Disability Tax Credit, we encourage you to call the CRA or visit their website.
What Is the Disability Tax Credit?

The Disability Tax Credit is a non-refundable tax credit created by the Canadian Government and Canada Revenue Agency (CRA) in order to reduce the amount of income tax Canadians with disabilities and/or their families & supporters would have to pay annually.

How Was the Disability Tax Credit Established?

The Canada Revenue Agency (CRA) introduced the Disability Tax Credit initiative with the purpose of helping 22% of Canadians who are living with prolonged physical or mental impairment (CSD, 2017) and their families offset the various costs associated with those impairments such as medications, special equipment, personal support etc.

According to the findings from the 2017 Canadian Survey on Disability (CSD), one in five Canadians (6.2 million) has one or more disabilities that restrict the performance of their daily activities.

Prior to 1986, the Canada Revenue Agency had a standard deduction reserved for individuals who used wheelchairs or were blind. When more disabilities and mental illnesses became more visible and recognized, taxable income benefits were offered to the persons who suffered from these conditions as well.

In 2005, “prolonged impairments” became the key definition to help people determine their eligibility. This definition created a path for persons with disabilities that struggled with day-to-day common tasks to receive disability benefits.

DID YOU KNOW?

How Does The Disability Tax Credit Affect Your Other Governmental or Provincial Benefits?

- Once found eligible for the Disability Tax Credit, you are also qualified to set up a Registered Disability Savings Plan (RDSP). The RDSP is a long-term savings plan providing benefits in the form of disability savings grants and bonds.

- The Disability Tax Credit is a federal program and it does not affect or alter your status of other government or provincial programs such as OSAP/student loans, ODSP (Ontario), AISH (Alberta), Disability Assistance (British Columbia), etc.

- As part of the Disability Tax Credit, the Child Disability Benefit is a tax-free monthly payment (not based on federal taxes paid) made to families who care for a child under age 18 with a severe and prolonged impairment in physical or mental functions.
What Are The Disability Tax Credit Eligibility Criteria?

To be eligible for the Disability Tax Credit you must:
1. Be a Canadian citizen
2. Prove that either you cope with a prolonged impairment, marked restriction, have two or more significant restrictions, or you are dependent upon “life-sustaining” therapy
3. You or your supporter paid federal taxes in the years you are claiming the Disability Tax Credit for.

How to Determine Your Eligibility for the Disability Tax Credit

The Disability Tax Credit is intended to help people who cope with a prolonged or permanent impairment. The impairment must cause a significant restriction in the person’s ability to carry out ‘activities of daily living’ (ADL).

The ADL, recognized as a strong marker for Disability Tax Credit eligibility in Canada, includes bathing, dressing, walking, carrying, lifting, and other elements of personal care.

The eligible impairments can be generally divided into 3 main categories. However, it is crucial to understand that the eligibility for the Disability Tax Credit is not based on the diagnosis of the impairment, but rather the severity of the impairment and the way it affects your ‘activities of daily living’ as described above. The 3 main impairment categories that determine the Disability Tax Credit eligibility are:

**PHYSICAL IMPAIRMENTS**
- Chronic pain
- Visual disabilities
- Hearing disabilities
- Elimination disabilities

**EMOTIONAL, MENTAL OR PSYCHOLOGICAL IMPAIRMENTS**
- Mood disorders (such as depression or bipolar disorder)
- Anxiety disorders
- Personality disorders
- Psychotic disorders (such as schizophrenia)
- Eating disorders
- Trauma-related disorders (such as post-traumatic stress disorder)
- Substance abuse disorders

**NEUROLOGICAL IMPAIRMENTS**
- Multiple sclerosis
- Alzheimer’s disease
- Parkinson’s disease
- Epilepsy
- Stroke

NOTE: In regard to physical impairments, the disability must also affect the corresponding psychological activities of daily life such as making decisions, making judgement, memory, concentration, etc.
What is “Markedly restricted” as it pertains to the eligibility for the Disability Tax Credit?

“Markedly restricted” is also identified as a qualifying criterion when:

- The individual is unable to perform, or take an inordinate amount of time to perform two or more of ADL’s listed above, even with therapeutic assistance, technological/adaptive devices, and/or medication
- “inordinate amount of time”: usually 3 times longer than the amount of time an able person of the same age would take to complete the activity
- The severe restriction must affect the individual 90% of the time or more OR the combination of two or more moderate restrictions such as walking and dressing for example cumulatively add up to a 90 percent restriction

Life sustaining therapy as a Disability Tax Credit eligibility marker

Life sustaining therapy is another marker Disability Tax Credit eligibility, where one must spend an excess of 14 hours per week on treatment required for survival such as insulin therapy, chest physiotherapy (helps with breathing), kidney dialysis (blood filter). While the term “Life sustaining therapy” may sound daunting, it is recognized as a treatment that takes up a substantial amount of money and time. Therefore, individuals whose lives depend on life sustaining therapy are subject to receive the non-refundable tax credit to help alleviate the medical expenses, loss of income etc.

What is “prolonged impairment” as it pertains to the eligibility for the Disability Tax Credit

The CRA has identified “prolonged impairment” as the working condition to determine one’s eligibility for the Disability Tax Credit.

Following are what they look for:

- The individual requires and receives extensive therapy to aid in performing activities of daily living
- The individual has had surgeries, hospitalizations, short- and long-term disability, employment restrictions, etc.
- The individual’s impairment has lasted, or is expected to last for a minimum of 12 consecutive months.

List of prolonged impairments

The following is a list of some of the more common conditions that the CRA continues to mark one’s eligibility for the Disability Tax Credit:

- Osteoarthritis
- Digestion Disorders: Inflammatory Bowel Disorder, Colitis, Prostate Problems
- Limited Mobility Issues – Chronic Pain, Fibromyalgia, Arthritis, Spinal Stenosis, Ankylosing spondylitis, Back and Neck Problems
- Breathing Disorders: COPD, Emphysema, Tuberculosis, Asthma
- Hearing Impairments
- Cognitive Impairments: Memory Loss, Dementia, Alzheimer’s, traumatic and acquired brain injury, Parkinson’s
- Psychological Disorders: ADHD, Autism, Depression, Panic Disorder, Mood Disorders, Bipolar Disorder, Psychosis.
- Autoimmune Diseases: Rheumatoid arthritis, Diabetes Type 1
How Does The Disability Tax Credit Work?

The Disability Tax Credit is a refund on federal taxes paid by Canadian individuals with disabilities OR their supporter, i.e. if the disabled person or their supporter have paid or are paying federal taxes (usually above 20-25k income). They will be able to claim and receive a portion of the paid amount should they qualify for the DTC.

The Disability Tax Credit refund methods:

1. **Retroactive one-time refund** – The CRA will evaluate your DTC application and if you were diagnosed or had the symptoms of the qualifying disabilities, they will approve you for the DTC for up to the past 10 years. If you or your supporter has been paying federal taxes during those years, you will receive a lump sum payment as a refund for the years you were found eligible.

2. **Annual refund** – If your impairment started recently and you have been found eligible to receive the DTC, you will be able to claim the Disability Tax Credit refund annually when you prepare your taxes.

A key to understanding how the Disability Tax Credit works, is to understand the differences between the disabled and the claimant as it pertains to the Disability Tax Credit application process.

**What is the difference between The Disabled and The Claimant?**

When a person is applying for the Disability Tax Credit they can be both the disabled and the claimant but there are many situations where the disabled and claimant are not the same person so we must understand the difference between both.

- **The Disabled**: The disabled is the individual who has impairments or conditions that qualify them for the Disability Tax Credit. In many cases, the person’s impairments may have prevented them from working and paying federal taxes. They will qualify for the DTC based on their impairments and can “transfer” those credits to their supporter who will then become the claimant.

- **The Claimant**: In order to be considered as a claimant by the CRA you must meet the following criteria:
  - Have proof of ongoing support for the disabled person for these necessities of life: food, shelter, and clothing.
  - The disabled person is your spouse, common-law partner, parent, grandparent, child, grandchild, brother, sister, aunt, uncle, niece, or nephew.

**Important Notes:**

1. Paying federal taxes is NOT an eligibility criterion for the DTC as it is not based on your income rather your impairments.
2. Once you’re found eligible for the DTC and you want to maximize the refunds, you can transfer the credits to your supporter (some of the years or all of the years)
3. In child DTC cases you don’t even need to have been paying federal taxes because if a child is found eligible for DTC the parent / guardian will have their Canada child benefits increased for those years.
How to Apply For The Disability Tax Credit?

As discussed in previous sections, the Disability Tax Credit application process is rather straightforward and can be done with relative ease. However, in order to get approved and gain access to the applicable refund, one must consider the route that works best for their situation. Following are the three common Disability Tax Credit application methods.

**Option 1: Apply for the Disability Tax Credit on Your Own**

To apply for the DTC, all you must do is take the following steps:

1. Download the T2201 Form from the CRA’s website
2. Print the T2201 and take it to your health care practitioner to fill out and sign.
3. Send the signed T2201 by mail to the CRA’s processing center

The main benefit of taking this “DIY” route is the minimal cost associated with it. There will be a cost of $25 up to $150 to be paid to the health practitioner as a fee for filling out the form. However, there are a few drawbacks to the “DIY” approach:

- Many health practitioners are not familiar with the eligibility criteria and may not fully and thoroughly certify your condition.
- Your DTC application may result in a “follow-up questionnaire” request from the CRA. This questionnaire requires further details and in-depth explanation of your impairments and their effects on your “activities of daily living”, to be provided by your medical practitioner. Some medical practitioners may encounter confusion with this questionnaire as they must spend more time and effort with you and your DTC application. If not filled properly and accurately, your DTC application will be denied by the CRA.
- If your application is successful and you get approved for the DTC, you may not have the knowledge & understanding of how to maximize your credits and benefits applicable. Therefore, you may not have access to the maximum refund that is available to you.

**Option 2: Apply for the Disability Tax Credit with the Help of An accountant or a Bookkeeper**

All accountants and bookkeepers should know about the DTC as it is part of the Canadian Tax code. Once you inform your accountant about your qualifying disability, they will print out the T2201 and suggest that you have it filled out and signed by your doctor.

The main benefit again is the minimal cost involved: Most accountants consider this as a simple service and will not charge you for their advice. There are a few drawbacks of using an accountant or bookkeeper:

1. Accountants have very little knowledge of the actual eligibility criteria required by the CRA and they will usually just refer you to your doctor.
2. If approved, the accountant may charge a flat fee as they will need to apply for the credits and benefits on your behalf.

The 2 options above can work well if the applicant’s impairments are severe and their medical practitioner has experience and understanding of the eligibility criteria for the Disability Tax Credit.

However, not all cases are “clear-cut” and simple. In fact, most DTC applicants may fall into a “gray area” where they may demonstrate some qualifying impairments but not enough to be found eligible.

Most importantly, we have found in the past that if your DTC application was denied by the CRA, reversing their decision is harder because you now have to “explain” your impairments in a different way and may even need to use a different medical practitioner.
Option 3: Apply for the Disability Tax Credit with the Help of a Disability Tax Credit Firm

Some disabled Canadians choose to go with the third option of hiring a specialized Disability Tax Credit firm to help them with the whole application process. There are many benefits to working with a specialized Disability Tax Credit firm (like Disability Credit Canada):

1. The firm has a strong understanding of the eligibility criteria and knows the specific CRA requirements for various disabilities.
2. The firm will review your medical records and communicate with your medical practitioner. They will then work with them to fill out the T2201 certificate and if necessary, fill out the “follow-up questionnaire”.
3. Once your Disability Tax Credit application is approved, the firm will apply for all credits and benefits and work towards maximizing the amount of refund you are eligible for.
4. It is stress-free – most of the work is taken care of by the DTC firm.
5. Most DTC firms work on a NO WIN-NO FEE basis. They have an incentive to get you approved and gain you maximum refund. If the application is not successful, you don’t have to pay any cost. The only drawback to working with a DTC firm is the fee at the end of the process. Once your application is approved and you successfully gain access to the refund, you will be required to pay the firm a certain percentage off the retroactive refunds recouped by them.

CASE STUDY

Marcus, 13 from Ontario suffering from ADHD, Learning Disabilities, Depression & Anxiety

Marcus was diagnosed with severe ADHD, Learning disabilities as well as Depression & Anxiety. Prior to working with Disability Credit Canada, Marcus’ parents applied for disability tax credit on their own and were denied even though they had a very supportive pediatrician who did their best to help them.

Marcus was having a very difficult time at school due to his learning disabilities and felt he was discriminated against to a point where he stopped attending school and was receiving home visits from a special social worker to monitor his situation. When Disability Credit Canada took over Marcus’ case we submitted a new DTC application to the CRA. The CRA replied to our application with a questionnaire they sent to the physician. We then dug deeper into Marcus’ case, requested additional documents from the family doctor, specialists, school and parents, we interviewed the parents regarding Marcus’ ongoing challenges and together with the doctor we were able to reply to the CRA, explaining the issues Marcus was having in a detailed manner.

Marcus DTC application was approved, and he was found eligible for the DTC for the years 2014-2021. His parents received $12,383.64.
What Is the Disability Tax Credit Certificate Form T2201?

In order to apply for the Disability Tax Credit, one must fill out Form T2201 also known as the Disability Tax Credit Certificate. You must have a certified medical practitioner sign the T2201 and then submit the signed form to the CRA as no application for the Disability Tax Credit is considered without it. You can find and download the T2201 form on the CRA’s website.

The Disability Tax Credit certificate, Form T2201 consists of 2 main components:

1. Part A: You must enter the personal information of the disabled person as well as the claimant (if they are not the same person). Some of the information that you will be asked to provide in this section is Name, Address, Date of Birth, and Social Insurance Number.

2. Part B: To be filled and certified by a medical practitioner (this part encompasses pages 3-6 of the T2201 Form)
   - The medical practitioner will be asked to certify your medical state in areas including: Vision, Speaking, Hearing, Walking, Eliminating (bowel or bladder functions), Feeding, Dressing, and Mental Functions.
   - Each respective part must be filled out by the corresponding health care practitioner. For example, the vision section must be certified by a medical doctor or optometrist and hearing section must be certified by a medical doctor or audiologist.
   - Page 4 (top): This page is only to be completed if the disabled is on life sustaining therapy and must be completed by a doctor.
   - Page 4 (bottom): This page is about the cumulative effects of the restrictions on your daily living.

Who can fill out Part B of the Disability Tax Credit Certificate Form T2201?

The CRA will not consider just any “medical practitioner” as a signing authority on the Disability Tax Credit Form T2201. Below is a full list of different medical practitioners authorized to certify Part B of The Disability Tax Credit Certificate Form T2201:

- **Vision**: Medical doctor, nurse practitioner, or optometrist
- **Speaking**: Medical doctor, nurse practitioner, or speech-language pathologist
- **Hearing**: Medical doctor, nurse practitioner, or audiologist
- **Walking**: Medical doctor, nurse practitioner, occupational therapist, or physiotherapist
- **Eliminating (bowel or bladder functions)**: Medical doctor or nurse practitioner
- **Feeding**: Medical doctor, nurse practitioner, or occupational therapist
- **Dressing**: Medical doctor, nurse practitioner, or occupational therapist
- **Mental Function Necessary for Everyday Life**: Medical doctor, nurse practitioner, or psychologist
- **Life-sustaining Therapy**: Medical doctor or nurse practitioner
- **Cumulative Effect of Significant Restrictions**: Medical doctor, nurse practitioner, or occupational therapist

**IMPORTANT NOTES:**

In the 2017 Federal Budget, nurse practitioners (not to be confused with “registered nurses”) have been included in the list of medical practitioners authorized to certify DTC Certificates for any functions that medical doctors are authorized. Providing Nurse Practitioners the ability to certify the Disability Tax Credit just like medical doctors is great news for Canadians living with disabilities where Nurse Practitioners are their first point of contact (e.g.: Canada’s North, remote communities etc.)
How Is the Disability Tax Credit Calculated?

Calculating the Disability Tax Credit and understanding how much money you will receive at the end of the DTC process can be a daunting task for a regular person who is not an accountant or a bookkeeper, so in order to simplify it one must understand that the Disability Tax Credit is comprised of a “Base Amount” and where applicable a “Supplemental Amount”.

Furthermore, the “Base Amount” and “Supplemental Amount” portions are given from both federal and provincial sources:

- The federal Disability Tax Credit portion is 15% of the disability amount for that tax year.
- The “Base Amount” maximum for 2019 is $8,416, according to CRA’s Indexation Chart.
- The supplemental amount for children with disabilities is a maximum of $4,909 (2019) According to the CRA’s Indexation Chart.
- The provincial Disability Tax Credit portion is approx. 10% (percentage varies from province to province) of the disability amount for that tax year.

**The Disability Tax Credit Base Amount:**

If the eligible person is an adult, he/she will receive the federal and provincial “Base Amount” ONLY.

For example:

- The federal disability amount for 2018 is $8,235 and 15% of that is $1,235.25
- The provincial disability amount in Ontario for 2018 is $8,365 and 10% of that is $836.5

Therefore, a DTC eligible adult in Ontario would have received $1,235.25 + $836.5 = $2,071.75

**The Disability Tax Credit Supplemental Amount:**

If the eligible person is under 18 years of age at the end of the tax year then he/she will be eligible to receive the “Base Amount” as well as the “Supplemental Amount”.

For example:

- The federal supplemental disability amount for 2018 is $4,804 & 15% of that is $720.6
- The provincial supplemental disability amount in Ontario for 2018 is $4,879 and 10% of that is $487.9

Therefore, a DTC eligible MINOR in Ontario would have received:

- “Base Amount” as calculated above of $2,071.75
- “Supplemental Amount” of $720.6 + $487.9 = $1,208.5

If we add “Base Amount” and “Supplemental Amount” we will see that an eligible person under 18 years of age in Ontario would receive $3,280.25 in Disability Tax Credits for the 2018 tax year.

In order to make it even easier to understand and to be able to calculate the approx. Disability Tax Credits you are eligible for you can follow the formula below:

- An eligible adult can receive a total of $1,500-$2,500 per year of eligibility
- An eligible Minor can receive a total of $3,000-$4,500 per year of eligibility

DisabilityCreditCanada.Com
Disability Tax Credit Calculation Examples:
In order to calculate the total amount of disability tax credit you stand to receive, you need to multiply the number of years by the amount per year.

- If an adult is found eligible to receive the Disability Tax Credit for the past 10 years, he/she will receive between $15,000 and $25,000 in a lump sum amount.
- If a minor is found eligible to receive the Disability Tax Credit for the past 10 years, he/she will receive between $30,000 and $45,000 in a lump sum amount.

If your Disability Tax Credit application has been approved and you are trying to figure out how much you’ll be receiving, our Disability Tax Credit Calculator is available on DisabilityCreditCanada.com to help you further understand and estimate your refunds.

### MAXIMUM DISABILITY AMOUNTS (FEDERAL)

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### CASE STUDY

Jacob, 20 from Ontario suffers from ADHD, learning disabilities, severe anxiety and depression

Jacob was diagnosed with ADHD, severe anxiety and depression. He receives speech and language therapy and is being monitor by specialized social worker as well as provided an IEP (Individual Education Plan). The CRA requested detailed information about Jacob’s impairments so DCCI talked to his family doctors, specialized medical practitioners and his social worker and made extensive amendments to provide the CRA with the adequate proof that Jacob had been and will be needing specialized care and treatment. Jacob’s DTC application was approved, and he was found eligible for the DTC from 1999 – 2022. Jacob’s parents received $33,765.87 in total retroactive refunds.
Disability Tax Credit Eligibility Related Questions

Q: Will I still be eligible to apply for the Disability Tax Credit even if I do not have a taxable income as my disability prevented me from working?
Yes, you can. As previously explained, your impairment’s effect on your daily living is what determines your eligibility for the DTC. If you do not have a taxable income, but you have someone supporting you who is paying Federal taxes, then you can apply for the DTC. If found eligible, you can transfer the credits to your supporter as long as you can prove that he/she has provided you ongoing support for food, shelter, and clothing in the years the qualifying disability existed.

Q: If I am deemed eligible for the Disability Tax Credit, will it affect my chances of getting approved for other government loans such as OSAP?
No. not at all. The Disability Tax Credit is a federal program aimed at helping tax paying Canadians and is not affected or related to other government or provincial programs such as OSAP/student loans, ODSP, AISH etc.

Q: Can I still qualify for Disability Tax Credit if my condition has since improved?
If the physical or mental condition/impairment was present for at least 12 months, continuously, sometime during the last 10 years, you can still apply for Disability Tax Credit.

CASE STUDY

Marie, 73 from British Columbia suffering from Crohn’s Disease
Marie had been diagnosed with Crohn's disease over 50 years ago. Her condition limits her everyday activities as she suffers from diarrhea leakage and abdominal pain and cramps, occasional blood in the stool and was even hospitalized for a segmental resection over 10 years ago. Marie was not aware of the DTC nor was her doctor until she reached out to us for help. DCCI collected Marie’s medical documentation and worked with her physician throughout the Disability Tax Credit application process. Marie’s DTC application was approved, and she was found to be eligible for the DTC from 1993 indefinitely. Marie was awarded $11,256.64 in retroactive refunds.
Disability Tax Credit Application Process Questions

Q: How long does it take to get the Disability Tax Credit?
The Disability Tax Credit application process is different from one individual to another, but it can be broken down into 2 main stages:

- **Approval stage** - Once you send the Disability Tax Credit certificate, form T2201 to the CRA, they will assess the information provided by your medical practitioner and determine if you are eligible for the DTC. The CRA may not find sufficient evidence within the T2201 form and will often request additional information from your health practitioner where applicable. This whole process can take anywhere from 6 weeks to 6 months.

- **Reassessment stage** – Now that CRA found you eligible for the Disability Tax Credit they will re-assess your eligible years’ taxes to determine the amount you should be receiving retroactively. If you did not pay taxes in those years, you may want to transfer the credits to a supporting person so they can receive the refunds. The reassessment process can take a few weeks or up to 6 months or more depending on the complexity of the person’s tax filings, their supporter’s credit transfer etc.

To summarize, the total duration of the Disability Tax Credit application process can be as short as 3 months but in some cases it can take over a year. On average, you should expect about a 6 month turn around time from beginning to end.

Q: Where do I send my forms to?
Tax services offices (TSO) are located throughout Canada. Find the one serving your area on the CRA website. – provided with the updated list of centers

Q: Once I’ve been approved for the Disability Tax Credit, do I have to re-apply each year?
No, you do not need to re-apply every year. In most cases, the CRA approves the applicant for several years in the future (usually 3-5 years). When your DTC eligibility expires you must go through the application process again (just as you did initially). Note: If the CRA determines that your impairment is irreversible or have no chance of improving they may approve you indefinitely.

Q: Can I re-apply for Disability Tax Credit if I was previously denied?
Yes, you can. A person can re-apply for the DTC as many times as they want without penalty. However, if your Disability Tax Credit application was previously denied you now must work twice as hard to get it overturned. In our experience, if the CRA has previously denied your DTC application, the re-applying process requires a thorough and proper approach to formulate the new application, as we don’t know what the reason was for their denial. If you had been denied, we strongly recommend that you contact a specialized Disability Tax Credit firm to help you.

Q: Should I wait until income tax time (spring) to claim this credit, since it is an income tax credit?
If you were found eligible to receive the DTC for previous years, you don’t have to wait for “tax season” to request the reassessment. However, if you were approved and already received your retroactive refund, you should be claiming the Disability Tax Credits annually when preparing your taxes. If you “neglect” to claim the DTC while preparing your taxes, you will not receive the refund for that year as part of your tax refund. Please note: if you are eligible and you neglect to claim the Disability Tax Credit refund when preparing your taxes, it doesn’t mean that the money is lost rather, you will now have to request the CRA to re-assess that specific year, which will take longer to process as compared to claiming the DTC when filing your taxes.
Q: Can I still apply for the Disability Tax Credit if my condition has improved?
If you can prove that the physical or mental condition/impairment was present for at least 12 months, continuously, you can apply for Disability Tax Credit.

Q: Can I apply on behalf of my child, or a family member?
The answer is YES for both cases. Not only can parents of children with disabilities apply for the Disability Tax Credit on behalf of their children, the Canadian government grants additional amounts for children under 18. In many situations, we can claim these additional amounts even if the child is now over 18. In the family member case, if the person with the disability does not have sufficient income to qualify for the full amount, then you can receive the credits directly. To understand the relationship between the disabled and the claimant see page 7 section: “What is the difference between The Disabled and The Claimant?”

Q: Can I apply for the DTC on behalf of a deceased person?
If the disabled person passed away but he/she had eligible impairments in the years before their passing, they can qualify for the DTC.

In order to claim the Disability Tax Credit for a deceased person you must:
1. Prove your support or relationship to the deceased person – spouse, dependent, family member etc.
2. Have a will or executorship giving you the power to act on their behalf

CASE STUDY

David, 59 From BC, suffering from gout and other physical impairments

David was diagnosed with Gout in 2010 and has been having severe physical impairments since 2008 where he is having real difficulties with daily living activities such as dressing, walking, self care & housework as well as chronic pain and fatigue.

Disability Credit Canada collected and reviewed David’s medical history and submitted his DTC application but the CRA wasn’t convinced and requested additional information from the medical practitioner. Disability Credit Canada collected the medical data and worked with the medical practitioner to answer the questionnaire properly.

David was found eligible for the Disability Tax Credit from 2008 – indefinitely and ended up receiving $15,399.66 in retroactive credits and benefits.
Disability Tax Credit Claiming Related Questions

Q: How to claim the disability amount once the DTC application is approved?
You can claim the disability amount on your tax return once the person with the disability is eligible for the DTC. Following are the instructions if you are claiming in the same year you are preparing your taxes:
• To claim the disability amount for yourself, see line 316.
• To claim the disability amount for your dependant, see line 318.
• To claim the disability amount for your spouse or common-law partner, see line 326.
NOTE: If a person was eligible for the Disability Tax Credit for previous years but did not claim the disability amount when they filed their tax return, they can request the CRA to re-assess their adjustments for up to 10 years retroactively.

Q: How do I know if my Disability Tax Credit is claimed?
You can sign in to your CRA online account and check your past year Income Tax Report for Line 316 (if you were claiming for yourself), Line 318 (if you were claiming for your dependant) or Line 326 (if you were claiming for your spouse or common-law partner).

Q: What is the difference between the Canadian Disability Tax Credit (DTC) and other health related income benefits programs?
• The Disability Tax Credit is a federal program that is a refund on federal taxes paid by Canadian with disabilities.
• Other health related income benefits programs, such as ODSP (Ontario), AISH (Alberta), Disability Assistance (British Columbia) are financial support programs, operate on provincial scale.
• You can still access your provincial financial support refund from the ODSP, AISH or Disability Assistance while being eligible for the Disability Tax Credit.
• Moreover, the Canada Pension Plan (CPP), is administered by the Human Resources and Social Development department of the government and is the largest long-term disability pension plan of its kind in Canada.
• The CPP operates as insurance, once a person contributes into the CPP during prior working years; he/she will receive a monthly payment that is determined based on the contributed amount.

Q: Does the Disability Tax Credit benefit expire?
The CRA will review your application and will send you a letter to notify you of your approval for the Disability Tax Credit and the time frame you were found eligible for.
For example, if you were found eligible from 2015 to 2023, the letter will state the following: “2015 - 2023 - You are eligible to claim the disability tax credit for yourself.”
In our experience, the CRA will often approve a person’s DTC for up to 3-5 years into the future, based on the severity and the status of the disability.
Once your Disability Tax Credit eligibility expires, you must re-apply and prove your disability to the CRA again, just like you did the first time around.

NOTE: in small percentage of applications the CRA may find the applicant’s impairments irreversible and therefore grant them indefinite eligibility i.e. their Disability Tax Credit eligibility will never expire.
Case Studies

Sadie, 5 from Ontario suffering from Ehlers Danlos Syndrome
Sadie was diagnosed with Ehlers Danlos Syndrome (EDS) at 3, wears a Spio suit (meant to brace her fragile body), requires extensive one-on-one care with ADL (activities of daily living) as well as speech therapy and physiotherapist. Despite her severe impairments Sadie’s initial Disability Tax Credit application was denied by the CRA so when her parents approached DCCI we carefully reviewed the original DTC application and found several issues that had to be corrected in order to have the application approved. We reviewed Sadie’s medical records; spoke with her paediatrician and medical specialists, then thoroughly formulated a new case using the new information. The CRA reviewed Sadie’s DTC appeal and found her eligible for the DTC from 2016 to 2023. Sadie’s parents received a total of $8,454.84 in retroactive refund and are expecting about $4000 each year in Child Disability Benefits for the next 5 years.

Greg, 65 from Ontario suffering from Osteoarthritis
Greg was diagnosed in 2005 with Osteoarthritis, underwent knee surgery in the same year due to tears in both knees. It takes him 3 times longer than a normal person to walk or perform any other activities in daily living. Greg has to sit to put on garments and socks. He has difficulties standing up from seated position, and this action can cause him serious pain. His wife does most of the housework due to his severe condition. Disability Credit Canada formulated a case for Greg based around his “markedly restricted” impairments. Greg’s Disability Tax Credit application was approved, and he was found eligible to receive the DTC from 2012-2023. His retroactive refund was $10,552.76.

Louis, 58 from Quebec suffering from Type 1 Diabetes
Louis suffers from Diabetes Type 1 which requires him to be injected with insulin 4 times per day as well as check his blood a few times daily. Disability Credit Canada worked with Louis’ physician to formulate a case where we detailed the amount of time, effort and activities Louis is doing on daily basis and submitted that information to the CRA as part of Louis’ DTC application. Louis DTC was approved; he was found eligible to receive the DTC from 2000 to 2022 and he got $9,582.88 in retroactive refunds.

Ruta, 55 from Ontario suffering from a Depressive Disorder
Ruta’s major depressive disorder was diagnosed in 1998 and she became drug resistant 6 years ago, due to her severe mental disorder, Ruta cannot perform daily living activities and cannot make appropriate decisions or judgments. In order to approve Ruta’s DTC the CRA requested additional information from her physician. Disability Credit Canada reviewed the medical history again and worked with the Dr. to provide the CRA with the information they requested. Ruta’s DTC was approved, she was found eligible for the DTC from 1986-2023 and received $16,135.76 in total retroactive refund.

J’yquan, 18 from Ontario suffering from ADHD & Learning Disability
J’yquan learning disability was diagnosed when he was 6. He has severe memory problems, he neglects hygiene, cannot make appropriate decisions/judgments, does not perform daily living skills and has history of violence. Disability Credit Canada had to interview his parents, teachers and review his medical history carefully as we prepared the initial DTC application and helped with the questionnaire sent to the medical practitioner by the CRA. J’yquan was found eligible for the Disability Tax Credit from 2007-2019 and his parents received $22,070 in retroactive credits and benefits.