



The Disability Tax Credit

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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 which means the government will not pay you money for the credit if you or the person who claims it does not owe income taxes. However, even if you do not owe income taxes, you may still be able to benefit from the DTC because it gives you access to other supports such as the Registered Disability Savings Plan (RDSP).

To qualify for the DTC you must apply to the Canada Revenue Agency and have your application approved. It's important to know that the DTC is usually not permanent. 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 2016 tax year, this amount was \$8,001. Because of the way taxes are calculated, the amount your taxes may be reduced with the 2016 Disability Amount is about \$1,200. The Disability Amount increases slightly every year.

If you do not owe income taxes, it is sometimes possible to transfer the Disability Amount to your spouse or a family member who supports you by providing food, shelter or clothing.



Disability Alliance BC

Information in this Help Sheet is based on the legislation that was current at the time of writing.

The legislation and policy may be subject to change. Please check the date on this Help Sheet.



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 you turn 49, you can qualify for up to \$90,000 grants and bonds. See our Help Sheet 14B on the RDSP for more information.

Working Income Tax Benefit (WITB) Disability Supplement

The Working Income Tax Benefit 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 qualify for a Disability Supplement to the Working Income Tax Benefit which makes it easier to qualify for the WITB and provides you with more money. The maximum WITB Disability Supplement in BC for the 2016 year was \$573.

Child Disability Benefit (CDB)

Families with dependent children under the age of 18 who qualify for the DTC may get more Child Tax Benefits through the Child Disability Benefit. The maximum CDB for 2016 was \$2,730 per year (\$227.50 each month).

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 Buyer 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 allows you to claim an additional \$5,000 as of the 2016 tax year.



10 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 you fall into **any one of the ten categories below**:

1. You are blind (or legally blind)
or you are markedly restricted in an activity of daily life. This means you are unable or take significantly longer to perform at least one of these functions (substantially all of the time).
2. Speaking
3. Hearing
4. Walking
5. Eliminating (bowel or bladder functions)
6. Feeding
7. Dressing
8. Mental functions necessary for everyday life, or,

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

9. Have cumulative significant restrictions in two or more of the activities listed above such that you have a marked restriction overall, or,
10. Require life-sustaining therapy at least three times per week, for an average of 14 hours per week.



Applying for the DTC

You apply for the DTC using a form from the Canada Revenue Agency 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 five pages long and has two parts.

Part A (page 1)

Part A must be completed and signed by you or your legal representative.

Part B (pages 2 to 5)

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. 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).

Tips for Applying

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, like DABC, that will not charge you to help with your application.



Before You See Your Doctor

It's a good idea to prepare for your appointment with your doctor or other health professional. You should be able to answer the following questions:

- Which DTC 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.

There is a checklist at the end of this Help Sheet that may help you. You can bring it with you to your doctor to make your conversation about the DTC easier.

Where to Send Your Application

If you live in BC, your completed DTC application can be mailed to the CRA's Winnipeg Tax Centre:

Winnipeg Tax Centre
66 Stapon Road
Winnipeg MB R3C 3M2

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.

Follow-up Questionnaire

After you send in your DTC application, the CRA may send you or your doctor follow-up questions, if they are not sure whether you qualify. If you or your doctor are not confident responding to these questions, you may want to get an opinion from an advocate or someone knowledgeable about the DTC.

If You Are Approved

You can be approved to claim the DTC for the current year, a past year and/or a future year. After you have been approved, you can claim the Disability Amount on your tax return for the years that you have been approved. Remember that you may need to re-apply for the DTC again 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.



If You Are Denied

You have three main options if your application is denied.

Re-apply

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.

Request for Redetermination

If your application for the DTC is denied, you can ask for a Request for Redetermination. 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 redetermination. However, we recommend you act as quickly as possible, since the CRA may refuse your request for redetermination 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. It's a very good idea to provide some additional supporting medical documentation from your doctor or other health professional. You may want to contact an advocate to get advice on a Request for Redetermination.

Notice of Objection

This is a formal process available to you to dispute the CRA's decision. You have 90 days from the date on your notice to file an objection. You may need to consult an experienced advocate, accountant or lawyer for assistance with this process.



DTC Application Checklist

1. Year my disability began _____
2. Even with treatment and therapy, my disabilities cause me to be restricted in the following ways.

“Markedly Restricted” means I am restricted all or substantially all of the time.

“Significantly Restricted” means I am restricted some of the time.

For each box below, I’ve provided a brief explanation of **how** I am restricted.

Example: “I am restricted in walking because of my ongoing pain and stiffness from arthritis. I require a cane for walking and it takes me three times longer to walk.”

Disability	Markedly Restricted	Significantly Restricted
Vision (best corrected vision 20/20 in both eyes or field of vision less than 20 degrees)	<input type="checkbox"/>	<input type="checkbox"/>
Explanation		
Hearing	<input type="checkbox"/>	<input type="checkbox"/>
Explanation		
Speaking	<input type="checkbox"/>	<input type="checkbox"/>
Explanation		
Walking	<input type="checkbox"/>	<input type="checkbox"/>
Explanation		



Eliminating (bowel or bladder)	<input type="checkbox"/>	<input type="checkbox"/>
Explanation		
Feeding	<input type="checkbox"/>	<input type="checkbox"/>
Explanation		
Dressing	<input type="checkbox"/>	<input type="checkbox"/>
Explanation		
Mental functions necessary for everyday life		
Explanation		

If you have listed “significantly restricted in two or more categories above, let your doctor know you want to apply under **“Cumulative effect of significant restrictions.”**”

Alternative to Qualify: Life-sustaining Therapy

Do you need therapy to support a vital function, even if this therapy has eased the symptoms?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Do you need this therapy at least three times a week?	<input type="checkbox"/> YES <input type="checkbox"/> NO
Does this therapy average at least 14 hours per week?	<input type="checkbox"/> YES <input type="checkbox"/> NO

Therapy time cannot include time spent managing a dietary or exercise regime, travel time, medical appointments or shopping for medication.

If you indicated “Yes” to all of the above questions, tell your doctor you want to apply under the **“Life-sustaining Therapy”** category.





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