

A NURSE PRACTITIONER'S GUIDE TO THE DISABILITY TAX CREDIT

To help nurse practitioners support patients applying for the Disability Tax Credit (DTC)

Created by Access RDSP in partnership with the BC Nurse Practitioner Association.



The Disability Tax Credit (DTC) offers significant benefits for people with disabilities who qualify. Nurse practitioners can play a key role in supporting patients' application for the DTC.

WHY SHOULD PATIENTS APPLY?

- The DTC is available to individuals with any level of income, including patients receiving the Persons with Disabilities (PWD) benefit, patients who work full time and patients with no income.
- The DTC allows individuals to open a Registered Disability Savings Plan (RDSP). Patients under the age of 50 may qualify for up to \$90,000 in government grants and bonds.
- In the 2017 tax year, the DTC provided a non-refundable tax credit of \$8,113. An additional \$4,733 was available for eligible children younger than 18 years of age, for a total of \$12,846.
- The DTC credit may be transferred to a family member/spouse.

WHO IS ELIGIBLE?

The qualification criteria for the DTC are specific and limited to the following areas. Please focus your section of the application on these criteria to best support your patient.

- Patients who have a disability **in one or more of the following areas** may qualify for the DTC:
 - Vision (acuity and field of vision) or hearing
 - Walking, dressing or eliminating
 - Feeding or preparing food
 - Mental functions necessary for everyday life
 - Requires life-sustaining therapy (14 hours per week)
 - **Prolonged:** the person's disability must last, or be expected to last, at least 12 months.
 - **Severe (marked restriction):** the patient is unable or takes an inordinate amount of time (approximately three times longer) to perform the activity **all or substantially all of the time** (approximately 90% of the time) even with appropriate therapy and devices.
 - Only **one severe (marked)** restriction is required to qualify.
 - Patients with **two or more less severe** restrictions (significant restrictions) may qualify for the DTC in the "Cumulative Effects" section.

GENERAL APPLICATION TIPS

- Do **not** include the patient's ability to work, housekeep, manage a bank account, drive or engage in recreational activities. These activities are not considered relevant to DTC eligibility.
- **Only** complete the sections about your patient's disability. If your patient does not have a speech restriction, for example, it is not necessary to complete that section.

SECTION-SPECIFIC TIPS

Mental functions necessary for everyday life

Patients may qualify under this section, if they have:

- Difficulties with self-care, simple transactions (e.g. grocery shopping), appropriate social interactions, appropriate decision-making and judgment
- A memory impairment
- A mental health impairment characterized by periodic episodes, if these episodes cause the patient to be unable to maintain stable daily functioning without support and/or supervision

Cumulative effects

Patients with two or more significant restrictions may qualify under this section. A significant restriction moderately restricts the clients functioning. For example, your patient can prepare food, but must take time to recuperate afterward due to pain or inflammation. Or, your patient is able to carry out most mental functions, but struggles to initiate or respond appropriately in social interactions due to their acquired brain injury.

Effects of impairment

Include your patient's relevant diagnoses, while emphasizing the effects of the disabling condition(s) on their everyday life and daily functionality. Compare this functioning to an average person of the same age.

For the patient with mental health challenges, include details such as their need for educational assistance, an inability to manage personal care, risk of self-harm/suicide, effect on social relationships (peers and family members), requirements for repeated instructions or cues, impulsivity, and the effects of medication.

Consider answering the following questions when you complete the "Effects of Impairment" section:

- What is this patient's diagnosis and how does the condition restrict them?
- How often does this effect occur? Explain how the patient is restricted at least 90% of the time.
- Does this patient require help with daily activities? Do they use any assistive devices?
- What is an example from the patient's life which demonstrates how they are impacted by this restriction in function? Do they take 2 or 3 times longer to do a task than the average person?
- Does this patient need any supervision?
- How have this patient's social abilities been impacted by their disability?

EFFECTS OF IMPAIRMENT | EXAMPLE TEXT

"Cumulative Effects-Walking and Mental Functions: Patient can walk 100 meters, but then must take time to recuperate. Patient can carry out the mental functions necessary for everyday life, but cannot concentrate on any topic for longer than 2 minutes. The cumulative effect of these two significant restrictions is equal to being markedly restricted."

QUESTIONNAIRE

The Canada Revenue Agency (CRA) frequently requests additional information regarding the applicant in a follow-up questionnaire specific to each patient.

In this questionnaire, the CRA may ask you to provide examples from your patient's life, explaining how they require additional time to perform activities or are unable to complete certain activities. The CRA may ask you to verify that your patient experiences their restriction(s) at least 90% of the time and that the restrictions are severe. You may need to re-submit information you already provided.

Please use our guidelines in **General Application Tips** and **Section Specific Tips** to assist you in completing the questionnaire.

RESOURCES

Canada Revenue Agency Resources

- www.canada.ca: Guide RC4064 Disability-Related Information
- www.canada.ca: Tax credits and deductions for persons with disabilities
- A dedicated CRA line for health care providers is available to discuss the DTC program, application criteria and the Income Tax Act. Call 1-800-280-2639.

Access RDSP

We provide free supports and services for nurse practitioners and patients, including:

Disability Tax Credit Support:

- For one-on-one support with the DTC, email: rdsp@disabilityalliancebc.org or call Toll-free: 1-800-663-1278

RDSP Support:

- Assistance to open an RDSP
- Specialized support and navigation for Indigenous peoples
- RDSP & Disability Planning Helpline
- RDSP & DTC Info sessions for individuals, organizations and professionals
- \$150 grant for low-income BC residents

For more on these services, call toll-free: 1-844-311-7526, email: info@rdsp.com or visit www.rdsp.com.

Access RDSP is a partnership between BC Aboriginal Network on Disability Society (BCANDS), Disability Alliance BC (DABC) and Plan Institute.

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