

The Disability Tax Credit (DTC) – How can It Help Your Family?

The DTC decreases Income Tax

Do you pay income taxes?

- Look at Line 43500 on your tax return or CRA notice of assessment. If there is an amount there, you paid income taxes that for that year, even if you received a refund.
- The DTC reduces your tax payable by approximately **\$2,000**, or eliminates it, if your tax payable is lower than that.
- If your tax payable is already zero, then the DTC will not change the income tax return's result. **Income tax will not be reduced to less than zero.**
- You can transfer unused DTC to a supporting person.

The DTC enhances other tax credits and deductions

Examples include:

- *Medical Expense Tax Credit (METC)* – Unlocks the ability to claim attendant or nursing home expenses more easily.
- *Home Accessibility Tax Credit (HATC)* – Allows for qualifying renovation expenses before age 65.
- *Home Buyers Amount* – Removes the requirement to be a first-time home buyer.
- *Canada Worker Benefit (CWB)* – Increases the dollar value of this credit.
- *Child Care Expenses* – Removes the age restriction to allow for adult children.

Note: Some of these credits will add to your refund even if your tax payable is already zero.

The DTC unlocks other benefits

Canada Disability Benefit (Service Canada)

- For individuals aged 18-64
- Payments up to \$200 per month (\$2400 annually)
- Based on family income
- Back-payments do get paid retroactively
- The province has stated that this payment is not to impact ODSP

Child Disability Benefit (for parents of eligible children)

- Is paid with the Canada Child Benefit (used to be UCCB or Baby Bonus)
- Up to \$284 per month
- Can be paid retroactively
- Back payments can be paid retroactively

Registered Disability Savings Account (RDSP)

- For individuals up to age 60
- Earn investment income tax-free (tax only paid when withdrawn)
- Leave money in for 10 years or until age 60
- Government adds \$1000/year to account for low-income individuals (up to age 49)
- Government matches holder contributions up to \$2500/year (up to age 49)
- Withdrawals are partially taxable but do not impact ODSP

Links

DTC: <https://www.canada.ca/en/revenue-agency/services/tax/individuals/segments/tax-credits-deductions-persons-disabilities/disability-tax-credit.html>

Medical Expenses: <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/lines-33099-33199-eligible-medical-expenses-you-claim-on-your-tax-return.html>

Canada Disability Benefit: <https://www.canada.ca/en/services/benefits/disability/canada-disability-benefit.html>

Child Disability Benefit: <https://www.canada.ca/en/revenue-agency/services/child-family-benefits/child-disability-benefit.html>

Registered Disability Savings Account: <https://www.canada.ca/en/employment-social-development/programs/disability/savings.html>

Applying the for the Disability Tax Credit (DTC)

T2201 – Disability Tax Credit Certificate

This application can be filled in:

- on the paper form
- digitally via My CRA Account

The Application Process

Individual's section

- The first 2 pages on the paper form
- **Tip:** if there is more than one supporting person, simply duplicate the individual's section to fill in the second supporting person's information

Medical practitioner's section

- This is the bulk of the form
- **Tip:** Other medical professionals can fill in and certify the form, not just medical doctors. Ask the medical practitioner who is most familiar with your condition.

Tips for the discussion with your Medical Practitioner

- Bring an actual list of the ways in which your condition affects you in the relevant categories.
- Focus on activities that hinder your everyday life.
- Make sure to communicate about activities you either cannot do without help, or that take you much longer normal.
- Bring supporting person with you to help communicate if needed

Example: Section-by-Section Parkinson's Checklist

Walking	Mention if you experience freezing of gait, or have a "shuffling" pace that stops you from walking more than a city block (or a similar distance on your property) without stopping to rest.
Dressing	Describe difficulties with fine motor tasks like buttons, zippers, or shoelaces due to tremors or rigidity. Mention if you need an "inordinate" amount of time (e.g., x-number of minutes) to get dressed.
Feeding	Focus on the physical act of eating, not cooking. Examples: difficulty using utensils due to tremors, trouble cutting food, or swallowing (dysphagia) issues.
Speaking	Note if your voice has become very soft (hypophonia) or slurred, making it difficult for others to understand you even with effort.
Eliminating	Mention if you have "urgency" issues or difficulty personally managing bowel/bladder functions due to motor slowness.
Mental Functions	This includes memory loss, difficulty with goal-setting, or "brain fog." Mention if you require supervision or repeated instructions to complete daily tasks safely.
Cumulative Effect	If you don't meet the 90% rule in one category, ask your doctor to certify the combined impact of two or more (e.g. walking and dressing).