



DTC Handout

DTC Origins

The DTC (**Disability Tax Credit**) was introduced to create more tax equity and help offset some of the unavoidable expenses unique to those with a disability.

The DTC is in place to help **offset various costs** associated with those having a disability such as:

- Medications
- Special equipment
- Personal support
- Special procedures
- Specialists (OT's, speech, etc.)

The DTC has **been around since 1988**, although many Canadians and their medical practitioners still have questions and issues with understanding it. It was created to help eligible people that can still work or those who are too disabled to work.

Benefits

Tax Credits are an **advantage you get when filing your income tax return**. This **reduces the amount of income that is taxable**.

This credit can be **applied to your taxes or to a supporting person** (Parent, legal guardian, spouse or common law partner). You may be able to **transfer unneeded amounts to someone else** to reduce their tax liability. It is **non-refundable, meaning that you pay less tax, but you don't get any money back**.

CRA (**Canada Revenue Agency**) will review and adjust tax returns from the date of disability, as approved through the DTC, **up to 10 years back**. Being eligible for the DTC can be a **gateway to other qualifying federal, provincial or territorial programs such as the Child Disability Benefit, the RDSP and the Canada Workers Benefit**.



Eligibility

Approved applicants who are **18 years and older** (on the last day of the year) may claim the base disability amount. Those who are **17 years and younger** (on the last day of the year) may also claim the supplement for children with disabilities.

There are two different levels considered when qualifying for the DTC:

- **Disabled** “unable” - You cannot perform basic activities in your daily life
- **Slowed** - You take a significant amount of time to perform basic activities in your everyday life.

Both disabled and slowed individuals can qualify for the DTC.

DTC eligibility is **NOT** based on the diagnosis of impairment or medical condition itself, but rather the degree of the impairment and **how it affects your ability to perform “activities of daily living”**.

While the DTC provides significant tax equity, it **DOES NOT** in any way **formally designate or label a person as disabled**.

Who Can Qualify?

1. Have a prolonged and severe impairment (12 months)
2. You receive life-sustaining therapy
3. The impairment causes you to have limitations that are present as a “**marked restriction**” in one or more of the following:
 - Speaking
 - Vision
 - Hearing
 - Walking
 - Eliminating (bowel and bladder functions)
 - Feeding
 - Dressing
 - Mental functions necessary for everyday life
 - Cumulative (combination of 2 or more)



A **marked restriction** is a restriction that is present even with appropriate therapy, medication, and devices. They meet the following criteria:

1. **Severe** - You are unable to do the activity, or it takes 3 times longer than someone of similar age without the impairment, even with the use of appropriate therapy, medication, and devices
2. **Consistent** - This restriction is present all or almost all of the time (generally at least 90%)
3. **Prolonged** - The restriction has lasted or is expected to last for a continuous period of at least 12 months

Specific Criteria

Vision: Must be considered blind

- Visual acuity 20/200 (6/60) or less. *Meaning you need to be 20ft away to see what the average person can see at 200 ft away*
- OR
- The greatest diameter of the field of vision is 20° or less

Speaking

A person is considered to have a marked restriction in speaking if, even with appropriate therapy, medication, and devices (for example, voice amplifier, behavioral therapy), they are **unable** or take an **inordinate amount of time** to speak so as **to be understood by a familiar person** in a quiet setting.

Hearing

A person is considered to have a marked restriction in hearing if, even with the use of appropriate devices (for example, cochlear implant, hearing aid), they are **unable** or take an **inordinate amount of time** to hear so as to **understand spoken conversation with a familiar person** in a quiet setting.



Walking

A person is considered to have a marked restriction in walking if, even with appropriate therapy, medication, and devices (for example: cane, occupational therapy), they are **unable** or **take an inordinate amount of time to walk**.

Eliminating (bowel or bladder functions)

A person is considered to have a marked restriction in eliminating if, even with appropriate therapy, medication, and devices (for example, ostomy, biological therapy), they are **unable** or **take an inordinate amount of time to personally manage bowel or bladder functions**.

Feeding

A person is considered to have a marked restriction in feeding if, even with appropriate therapy, medication, and devices (for example, assistive utensils, occupational therapy), they are **unable** or **take an inordinate amount of time to feed themselves**.

*Feeding yourself **does not** include identifying, finding, obtaining or shopping for food.

Dressing

A person is considered to have a marked restriction in dressing if, even with appropriate therapy, medication, and devices (for example, button hook, occupational therapy), they are **unable** or take an **inordinate amount of time to dress themselves**.

*Dressing oneself does not include identifying, finding, obtaining or shopping for clothing.

Mental functions necessary for everyday life

A person is considered to have a marked restriction in performing the mental functions necessary for everyday life (described below) if, even with appropriate therapy, medication, and devices (for example, memory aids, assistive technology, cognitive-behavioral therapy), they meet both of the following criteria:

- They are unable or take an inordinate amount of time to perform these functions by themselves.
- This is the case all or substantially all of the time (at least 90% of the time).

Mental functions necessary for everyday life include:

1. Adaptive functioning
 - a. self-care, such as attending to personal hygiene
 - b. health and safety
 - c. initiating and responding to social interactions
 - d. common, simple transactions such as grocery shopping or paying a bill
2. Attention
 - a. Showing awareness of danger and risks to personal safety
 - b. Demonstrating basic impulse control
3. Concentration
 - a. Being able to focus on a simple task for any length of time
 - b. Understanding and recalling information (short term)
4. Goal-setting
 - a. Making and carrying out simple plans
 - b. Initiating everyday tasks
5. Judgment
 - a. Choosing clothing appropriate for the weather
 - b. Making decisions about your own treatment and welfare
 - c. Recognizing risks of being taken advantage of by others
 - d. Understanding consequences of your actions or decisions
6. Memory
 - a. Remembering basic personal information (such as date of birth and address)
 - b. Remembering things that are important and of interest
 - c. Remembering simple instructions
7. Perception of reality
 - a. Showing an accurate understanding of reality
 - b. Separating reality from delusions and hallucinations



8. Problem-solving
 - a. Identifying everyday problems
 - b. Carrying out solutions to simple problems
9. Regulating behavior and emotions
 - a. Behaving appropriately for the situation
 - b. Showing appropriate emotional responses for the situation
 - c. Controlling mood to prevent risk of harm to self or others
10. Verbal and non-verbal comprehension
 - a. Understanding and responding to non-verbal information or cues
 - b. Understanding and responding to verbal information

It is important to address what occurs at home or out in the community, not only what occurs in a work or school environment.

For cases **2020 and earlier**, the criteria are limited to **adaptive functioning, memory, judgment, problem solving and goal setting.**

Cumulative effect of significant limitations

The cumulative effect of significant limitations combines the effects of limitations in **2 or more categories** if, together, their effect is as severe as having a marked restriction in 1 category. Life-sustaining therapy is not included in the cumulative effect category. These limitations must be **prolonged, severe and consistent.**

For example, if a person always takes a long time to walk and dress, and the extra time it takes to do these 2 activities is equivalent to being unable (or taking 3 times longer) to do just 1 of them, then they may be eligible.



Life sustaining therapy

If you have **Type 1 diabetes**

OR

Meet all the following criteria:

1. The therapy is **needed to support a vital function**, even if it eases the symptoms. This may include (dialysis, insulin therapy, oxygen therapy, chest physiotherapy, other therapies)
2. The therapy is needed at least **two times per week** & an average of 14 hours per week.
3. Your impairment has lasted or is expected to last for a continuous period of 12 months
4. You must dedicate the time for the therapy, that is, you have to take time away from your normal, everyday activities to receive it. It includes the time you need to set up a portable device. For example, you may have to dedicate time for chest physiotherapy to ease breathing or need kidney dialysis to filter blood.

If the therapy requires a regular dosage of a medication that needs to be adjusted daily, the time spent on activities directly related to determining the dosage and administering the medication can be counted in the 14 hours per week requirement. For example:

- Activities related to adjusting and administering medication or determining the amount of a compound that can be safely consumed
- Maintaining a log related to the therapy
- Managing dietary restrictions related to therapy that either requires daily consumption of a medical food to limit a particular compound, or requires a regular dosage of medication that needs to be adjusted daily
- Receiving life-sustaining therapy at home or at an appointment (ex. Checking blood glucose levels, preparing and administering insulin)
- Setting up and maintaining equipment used for the therapy
- Time spent by another person to perform or supervise the therapy on behalf of a child or carry out activities like those listed above
- Time spent assisting a person who is unable to perform the activities related to administering the therapy because of the effects of the impairment(s)

For cases **2020 and earlier**, the activities that can be counted towards the 14 hours are slightly more restrictive. Visit the [CRA website](#) for more information.



How to Apply for the DTC

Get ready to Apply

Applying for the DTC involves the person who has the impairment and a medical practitioner who can certify the effects of the impairment. Different practitioners may be needed for different sections of the application.

Medical Doctor	All impairments
Nurse Practitioner	All impairments
Optometrist	Vision
Audiologist	Hearing
Occupational Therapist	Walking, Feeding, Dressing
Psychologist	Mental Functions
Speech-Language Pathologist	Speaking

*There may be a fee from your medical practitioner, however you may be able to [claim it as a medical expense](#) on your tax return.

You may apply for the DTC at anytime during the year, however, if you submit at the same time that you file your tax return, there may be a delay in your assessment. To avoid possible delays, **submit your DTC application before you file your tax return.**

Filling out the application

There are 2 ways to fill your application. (T2201)

1. Apply with the **digital form**
 - a. Medical Practitioner fills out part B of the application using the [digital form](#).
“Send this link to your doctor”
 - i. They will be asked basic information about their practice, patient name & date of birth as well as information on the impairment(s)
 - ii. Medical practitioners use their best professional judgement when filling out Part B. They may base their assessment on:



1. the symptoms reported by the patient
 2. their knowledge of the patient's medical history
 3. their direct observation of the patient's limitations
 4. their knowledge of the effects of the impairment(s) as they relate to the patient's medical condition
 - b. After filling out part B, the medical practitioner must:
 - i. Print and sign the form to certify it
 - ii. Give the certified form to their patient to fill out part A
 - c. Applicant completes the "individual's section" Part A
 - i. The person with the impairment or their legal representative completes part A of the form.
 - ii. If you intend to transfer any remaining amounts of the credit to a [supporting family member](#), indicate this in part A question 2
 - iii. If you want CRA to adjust your previous tax returns, indicate this in Part A question 3
 - d. Either the medical practitioner or the applicant may [submit the form](#) to the CRA. If the medical practitioner is sending it, they must mail it in.
2. Apply with the **paper form**
 - a. Download the [T2201 form](#) from the CRA website and fill part A personally or with the help of a [legal representative](#).
 - b. Have your medical practitioner fill out Part B of the application. After completing part B they must sign the "certification" section on the last page.
 - i. They will be asked basic information about their practice, patient name & date of birth as well as information on the impairment(s)
 - ii. Medical practitioners use their best professional judgement when filling out Part B. They may base their assessment on:
 1. the symptoms reported by the patient
 2. their knowledge of the patient's medical history
 3. their direct observation of the patient's limitations
 4. their knowledge of the effects of the impairment(s) as they relate to the patient's medical condition
 - c. Either the medical practitioner or the applicant may [submit the form](#) to the CRA. If the medical practitioner is sending it, they must mail it in.

Submitting the application - Online or by mail.

1. Submitting it online - Sign into "[My Account](#)"
2. Submitting it via mail - Send to one of the following tax centres:



- a. Jonquière Tax Centre
- b. Sudbury Tax Centre
- c. Winnipeg Tax Centre

Make sure to keep a copy of the application for your records.

The CRA aims to review your application and send you the **notice of determination** within **8 weeks** of receiving it. It may take longer if information is missing or if the CRA needs to contact you or your medical practitioner for supporting documents. The letter will contain a reference number and instructions on what to do.

[CRA Processing Times](#)

Notice of Determination

If you are approved you will receive your notice of determination which will show the year(s) you are eligible for the DTC. You do not need to re-apply every year unless specifically requested by the CRA.

This will open the door to other federal, provincial and territorial programs, such as:

- [Registered disability savings plan](#)
- [Canada workers benefit](#)
- [Child disability benefit](#)

Some DTC applications expire after a certain number of years. If you need to reapply, the CRA will notify you 1 year in advance as well as the year it expires.

You **Must** inform the CRA in writing if your medical condition improves to the point that you no longer meet the criteria for the DTC.

If you are denied

If your DTC application is denied, your notice of determination will explain why.

Check your copy of your application, Form T2201, Disability Tax Credit Certificate, against the reason(s) given. We base our decision on the information given by the medical practitioner.

If you are not eligible for the DTC, [other tax deductions and credits](#) may still be available to you.



If you disagree with the decision, you may appeal the decision with the CRA:

1. [Contact the CRA](#)
2. Request a review or submit new documentation (re-apply):
 - a. You may request a review of your application and submit any important medical information that you have not already sent, such as:
 - i. new or updated medical reports
 - ii. a letter from a medical practitioner who is familiar with your situation
 - b. The information you provide should describe how the impairment(s) affects you.
3. You may challenge the CRA's decision by filing an income tax objection within 90 days of getting your notice of determination. [File an income tax objection](#)

Claiming the Credit:

Who can claim the DTC

The person with the impairment may claim the DTC on their income tax return once the CRA has approved the application.

If they do not need the full disability amount to reduce their income tax, they may transfer the remaining amount. There is **no age restriction** on the credit and it can even be claimed by the estate after passing.

Transferring the credit

If the person with the impairment does not need the whole credit. They may **transfer all or some of the disability amount** to a supporting family member who is identified on the DTC application form (Part A question 2).

A supporting family member is someone who the person with the impairment depends on for at least 1 of the **basic necessities of life** (food, shelter, clothing) the family member **must** be one of the following:

- their spouse or common-law partner
- their child or grandchild
- their parent, grandparent, brother, sister, uncle, aunt, niece, or nephew
- a child or grandchild of their spouse or common-law partner



- spouse or common-law partner’s parent, grandparent, brother, sister, uncle, aunt, niece, or nephew

If the supporting family member who wants to claim the credit was not identified on the initial application, they can submit a written request to the CRA for the transfer. This request must be signed and include details of the support they provide for the basic necessities of life.

Disability Amounts for the 2021 tax year:

18 and older	17 and younger
\$8,662 (disability amount)	\$8,662 (disability amount) +\$5,053 (supplement for children)
= \$8,662	= \$13,715

*This amount is claimed on line 31600 of your tax return

How to Claim the DTC

To claim the credit for the current tax year, you must enter the disability amount on your tax return. Any unused amount may be transferred to a supporting family member. It is not refunded.

1. Claim for yourself - [Line 31600](#)
2. Claim for a dependant - [Line 31800](#)
3. Claim for a spouse or common-law partner - [Line 32600](#)

If the medical practitioner charged a fee for completing the DTC application or for providing information, you may be able to claim the fee as a medical expense on [lines 33099 or 33199](#) of your tax return

Claiming for past years

If you were eligible for the DTC in past years but did not claim the disability amount, you may be able to claim it going back up to 10 years.

If you did not check the box on the DTC application form asking the CRA to adjust your previous returns, you may either:



- Ask the CRA in writing to adjust your previous return(s)
- Adjust your previous return(s) yourself online - [How to change a return](#)

Year	Amount	Supplement for children (17 & younger)
2021	\$8,662	\$5,053
2020	\$8,576	\$5,003
2019	\$8,416	\$4,909
2018	\$8,235	\$4,804
2017	\$8,113	\$4,733
2016	\$8,001	\$4,667
2015	\$7,899	\$4,607
2014	\$7,766	\$4,530
2013	\$7,697	\$4,490
2012	\$7,546	\$4,402
2011	\$7,341	\$4,282

*A credit from past years may result in a refund on your tax return

Once you are approved for the disability tax credit, you will automatically be qualified to get the RDSP. This provides a long term savings plan for people with disabilities, as well as give them access to free money from the Canadian government in the form of grants and bonds.



Family
Resource
Centres

Direct Contacts:

<p>Stephen Sicoli RDSP Coordinator</p> <p>Mobile 825-994-2411</p> <p>stephens@autismalberta.ca</p>	<p>Autism Alberta's Family Resource Centre</p> <p>Main Phone: 825-407-8659</p>
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Survey - <https://forms.gle/gccdSkyCGaZVLzny6>



Links

AHS DTC & RDSP -

<https://www.albertahealthservices.ca/y2a/Page16533.aspx#:~:text=You%20can%20open%20a%20RDSP,benefits%2C%20like%20AISH%20%26%20PDD>

DTC infographic -

<https://aidecanada.ca/learn/financial/the-disability-tax-credit-infographic>

DTC eligibility -

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

Facebook Groups

- <https://www.facebook.com/groups/disabilitytaxcredit/>
- <https://www.facebook.com/groups/disabilitytaxcreditcanada>

Survey - <https://forms.gle/gccdSkyCGaZVLzny6>