

The Disability Amount Transfer from a Dependent Tax Credit

The Disability Tax Credit, is a non-refundable tax credit, whereby you can only benefit if you have a certain net income and are required to pay taxes to the federal government. In most cases children (and some adults) living with a disability(ies) will not be making enough income to use their non-refundable tax credit - thus it can be transferred to their caregiver to receive the benefit.

The Disability Amount Transfer from a Dependent, allows you to claim the disability amount for one of your child (or another eligible dependent) who has access to the Disability Tax Credit if they do not use the full amount. If you have a dependant who is able to claim all or part of the Disability Tax Credit, under certain conditions, they may be able to transfer this amount to you. More information on the Disability Amount Transfer from a Dependent can be accessed on this website.

The Disability Amount Transfer from a Dependant Tax Credit *Application Process*

Confirm Eligibility

The Disability Amount Transfer from a Dependant Tax Credit is available to people who are supporting family members living with a physical and/or cognitive impairment. The dependant family member must be a permanent resident of Canada. They must rely on you regularly and consistently to give them the necessities of life such as food, shelter and clothing, due to their impairment. Eligible dependants could be:

1. Your spouse or common law partner;
2. You or your spouse's or common law partner's children and grandchildren;
3. You or your spouse's or your common-law partner's parents, brother, sister, uncle, aunt, grandparent, niece or nephew.

Be Eligible for the Disability Tax Credit and Canada Caregiver Credit

People who qualify for the Disability Amount Transfer must have an eligible dependant who has received access to Disability Tax Credit (DTC). The pathway to accessing the DTC is on this site.

You must also have, or could have, claimed an amount on **line 305**, **line 307** or **line 367** of Schedule 1 of the federal income tax form for eligible dependants.

Please note: You cannot claim the disability amount transferred from a dependant for a child for whom you had to pay child support. However, if you were separated from your spouse or common-law partner for only part of the year because of a breakdown in your relationship, special rules may apply.

File Income Tax Returns (without the Disability Tax Credit) for Your Child

The Disability Tax Credit, is a non-refundable tax credit that you can only benefit from if you have a certain net income and must pay taxes to the federal government.

In most cases children (and some adults) living with a disability(ies) will not be making enough income to use their non-refundable tax credit - so it can be transferred to their caregiver who will receive the benefit.

For you to be able to claim the Disability Tax Credit for your child (or other dependant) you must first file their income tax forms. If you would like to use the Disability Amount Transferred from a Dependant, it is important that you do not claim the Disability Tax Credit on the dependant's income tax form - because you will be claiming it on your own.



File Your Own Income Tax Returns

After filing income taxes for your child (or other eligible dependants), you must then file your own federal income taxes and claim the Disability Amount Transferred from a Dependant on line 318 of Schedule 1.

For the federal government to determine the grant amount available you must file income tax returns for your child (eligible dependant). Information on how to file income tax returns can be accessed through this [link](#).



Register Your Child as an Eligible Dependant on Your Federal Income Taxes (Schedule 5)

When you complete line 305, 307 and 367 of the Schedule 1 of your federal income tax form, you must provide information for your child on Schedule 5 of the federal income tax form.

Then you would claim the Canada Caregiver Credit (\$2182 per child living with an impairment), in line 367 of Schedule 1. For more information on the Canada Caregiver Credit, please access the pathway on this site.

Example Schedule 5 of the federal income tax form:

Line 305 – Amount for an eligible dependant			
Did your marital status change to married or common-law in 2018?			
If yes , tick this box <input checked="" type="checkbox"/> 5529 and enter the date of the change.		Month Day	
Provide the requested information and complete the following calculation for this dependant.			
First and last name:	Year of birth:	Relationship to you:	Is this dependant physically or mentally infirm?
Address:			Yes <input type="checkbox"/> No <input type="checkbox"/>
Base amount			11,809 00 1
If you are entitled to the Canada caregiver amount for your dependant (other than your infirm child under 18 years of age), enter \$2,182 (see "Canada caregiver amount" under Step 5 in the guide, read the note below, and see line 304 above).			5110 + 2
Add lines 1 and 2.			= 3
Dependant's net income (line 236 of their return)			5106 - 4
Line 3 minus line 4 (if negative, enter "0"). Enter this amount on line 305 of your Schedule 1.			= 5
Note: If the dependant is your or your spouse's or common-law partner's infirm child under 18 years of age, you must claim the Canada caregiver amount on line 367, not on line 5110.			



Calculate Your Child's Disability Tax Credit

On the Federal Worksheet, you can calculate the amount your child living with a disability is eligible to claim in the line 316 chart.

Example of the "John Smith" child eligible for the DTC with no child care or attendant care costs:

Line 316 – Disability amount (for self) – (supplement calculation if you were under 18 years of age on December 31, 2018)

If you qualify for the disability amount and you were **under 18 years of age** on December 31, 2018, you may be able to claim this supplement.

Maximum supplement			4,804.00	1
Total of child care and attendant care expenses for you, claimed by you or by another person	0			2
Base amount	-	2,814.00		3
Line 2 minus line 3 (if negative, enter "0")	=	0	-	4
Line 1 minus line 4 (if negative, enter "0")			= 4804.00	5

Enter, on line 316 of your Schedule 1, \$8,235 **plus** the amount from line 5 (maximum \$13,039), **unless** you are completing this chart to calculate the amount at line 318.



Calculate Your Disability Amount Tax Credit Transfer Amount

On the same Federal Worksheet, you would then calculate the amount your child living with a disability can transfer to you through the Disability Amount Tax Credit. This is using the line 318 chart.

If you are claiming the disability amount tax credit for more than one child (or dependant) you would calculate it using this chart, add the totals, and then include the sum on line 318 of Schedule 1.

Example of a the Disability Amount Tax Credit Transfer of the above "John Smith" child:

For this example there are two assumptions: (1) that on the child's income tax form Schedule 1, they would make no other claims between line 1-19 other than the basic personal amount on line 1 and (2) that they had no taxable income.

Line 318 – Disability amount transferred from a dependant

Read the conditions at line 318 in the guide to see if you can claim this amount.

Base amount			8,235.00	1
If the dependant was under 18 years of age on December 31, 2018, enter the amount from line 5 of their chart for line 316. Otherwise, enter "0".			+	2
Add lines 1 and 2.			= 13039.00	3
Total of amounts your dependant can claim on lines 1 to 18 of their Schedule 1			+	4
Add lines 3 and 4.			= 24848.00	5
Dependant's taxable income (line 260 of their return)			-	6
Line 5 minus line 6 (if negative, enter "0")			= 24848.00	7

Enter, on line 318 of your Schedule 1, the amount from line 3 or line 7, **whichever is less**. If you are claiming this amount for more than one dependant, add the amount claimed for each dependant and enter the total on line 318. For more information see line 318 in the guide.



Add the Disability Amount Tax Credit Transfer Amount to Line 318 of Schedule 1

You must then return to Schedule 1 of the federal income tax form and add the total amount from line 318 of the Federal Worksheet chart to line 318 of the Schedule 1.

If you are claiming the disability amount tax credit for more than one child (or dependant) you would calculate it using the Federal Worksheet chart, add the totals and then include the sum on line 318 of Schedule 1.

Example of the Disability Amount Tax Credit Transfer of the above "John Smith" child:

Disability amount (for self) (Claim \$8,235 or if you were under 18 years of age, complete the Worksheet for Schedule 1.)	316+	0	19
Disability amount transferred from a dependant (Complete the Worksheet for Schedule 1.)	318+	24848.00	20



Calculate Federal Non-Refundable Tax Credits

Next, you add up all of the amounts on line 1-25 and line 30 to create a subtotal at line 31.

For example with the "John Smith" child example, assuming you are making no other tax credit claims, you would add your basic personal amount (line 300: \$11,809), the Canada Caregiver Amount for infirm children (line 367: \$2150) and the disability amount transferred from a dependant (line 318: \$24,481). This would total: \$38,266 in line 335.

To calculate the total non-refundable tax credit you are owed you would multiply the total on line 335 (\$38,472) by 0.15 on line 32. Your total non-refundable tax credit, with the sole credit claimed being the federal Disability Tax Credit, is \$ 5770.90.

Example of the Total Non-Refundable Tax Credit of the above "John Smith" child:

(Complete the Worksheet for Schedule 1.)	331+	28	
Add lines 27 and 28.	=	332+	29
Add lines 1 to 24, and line 29.		335=	30
Federal non-refundable tax credit rate		x 15%	31
Multiply line 30 by line 31.		338=	32
Donations and gifts (Complete Schedule 9.)		349+	33
Add lines 32 and 33.			
Enter this amount on line 46 on the next page.	Total federal non-refundable tax credits	350=	34



Calculate Net Federal Tax

Next, you go to Step 2 (Federal Tax on Taxable Income) and Step 3 (Net Federal Tax) - using the amount of the non-refundable tax credit to calculate the total taxes you owe to the federal government.



Submit Income Taxes Annually

To continue to receive the Disability Amount Transfer, it is important that you file your income taxes every year. When your child becomes an adult, you can still claim their disability tax credit, as long as they are not using it and are still an eligible dependant.