

The Disability Tax Credit as the Gateway:

The Disability Tax Credit (DTC) is the gateway to accessing numerous other federal and provincial financial support available in Canada (with the exception of Quebec).

For the majority of disability related tax credits - being eligible for the DTC -

For children under the age of 18 living with a disability:

For adults over the age of 18 living with a disability:

Having Access to the DTC is REQUIRED for the following credits:

1. *The Federal Disability Tax Credit*
2. *The Provincial Disability Tax Credits (with the exception of Quebec)*
3. *Disability Tax Credit - Child Supplementals*
4. *Child Disability Benefit*
5. *Home Accessibility Credit*
6. *The Home Buyers Plan*
7. *Registered Disability Savings Plan*
8. *Qualified Disability Trust*

Having Access to the DTC is REQUIRED for the following credits:

1. *The Federal Disability Tax Credit*
2. *The Provincial Disability Tax Credits (with the exception of Quebec)*
3. *Home Accessibility Credit*
4. *Disability Related Employment Benefits*
5. *The Home Buyers Plan*
6. *Registered Disability Savings Plan*
7. *Qualified Disability Trust*

Having Access to the DTC provides ADDITIONAL BENEFITS for the following credits:

1. *Medical Expenses Tax Credit*
2. *Child Care Expenses Deduction*
3. *Tuition, Education and Textbook Amount*
4. *Home Buyers Amount*
5. *Registered Education Savings Plan*

Having Access to the DTC provides ADDITIONAL BENEFITS for the following credits:

1. *Medical Expenses Tax Credit*
2. *Working Income Tax Benefit*
3. *Tuition, Education and Textbook Amount*
4. *Home Buyers Amount*
5. *Registered Education Savings Plan*

The Disability Tax Credit (DTC) Financial Pathway

The Disability Tax Credit (DTC) is a non-refundable tax credit that helps individuals living with disabilities, or individuals supporting them, reduce the amount of income tax they may have to pay. A **non-refundable tax credit** is an amount subtracted from your income tax liability, up to the total amount you owe. However, unlike a refundable tax credit, a non-refundable credit **cannot** reduce your tax balance beyond zero giving you extra funding. This includes additional funding for children under 18 years old.

In 2017, individuals were able to claim up to \$8,113 that year from the federal government. If the person living with a disability is a child under 18, there is an additional supplement of \$4,733 for 2016, for a total maximum disability amount claim of \$12,864 from the federal government. It is important to note that the amount one can claim is not the amount one would receive as the non-refundable tax credit. Thus, if an individual claims \$12,864 as their disability tax claim they are eligible to receive a total disability tax benefit amount of \$3674.85.

Being eligible for the DTC can open the door to other federal, provincial, or territorial programs such as the registered disability savings plan and the child disability benefit.

The Disability Tax Credit

Application Process to claim up to \$12,864 in federal tax credits



Check Eligibility

To be eligible for the Disability Tax Credit, an individual must meet a set a criteria that extends beyond an initial diagnosis ([CRA DTC Eligibility Link](#)). This will require verification from a medical practitioner.

Specifically, the individual **must meet one of the following criteria:**

- (1) *Is blind;*
- (2) *Is markedly restricted in at least one of the basic activities of daily living;*
- (3) *Is significantly restricted in two or more of the basic activities of daily living (can include a vision impairment);*
- (4) *Needs life-sustaining therapy.*

In addition to this, **the individual's disability must: (1) be prolonged (has existed or expected to continue for a period over 12 months) and (2) present all or almost all of the time (90% requirement).**

The Government of Canada website has an online self-assessment test you can take to see if you



Fill out the T2201 Form

Once you confirm you may be eligible go online and print the [T2201 Form](#).

This form has two parts, A and B.




Complete Part A

This section is filled out by the person applying for the DTC, their family member or someone assisting them.

Questions you will need to answer include:

- Your Name
- Date of Birth
- Address
- Social Insurance Number (of the parent and/or guardian and the child)

Although it is not required, it is strongly recommended that you include additional information with your application. It is recommended you write a one page cover letter, in the third person, summarizing your child's disability as it corresponds to the DTC requirements. In addition to this, include any other verifying documents, such as special education class forms.




Have a Medical Professional Complete Part B

This section needs to be completed by a medical professional.

A Doctor or Registered Nurse can complete the entire application. Other specialists can only complete sections that relate to their field of practice. If they have questions: [Guide to Filling Out Part B](#).

Although it varies by province and clinic, some medical professionals may charge a fee of \$50-\$300.

It is strongly recommended that you seek out a medical practitioner with experience in



Submitting Forms, Additional Documentation and Decision

Send in your forms, once both parts are complete. The Canada Revenue Agency (CRA) may request more information from you. They will send a letter with the request.



If Approved

The amount you receive will depend on many factors, including what province you live in. The DTC is paid in part by the federal government and a section is paid by the province. Each province has different rates.

The DTC opens doors to other financial supports, like The Child Disability Benefit and the Registered Disability Savings Plan.



If Denied:

You can ask you tax centre to review the application again and/or you can file a formal objection to appeal the decision. You must file an appeal within 90 days of receiving your denial. Click here to learn more: [Appealing the decision](#).

It is recommended that if you are rejected, you seek professional guidance. The Plan Institute provides a toll free hotline to be connected with professional support, they can be reached at the Plan Institute's toll-free helpline at 1-844-311-PLAN (7526).



Access Federal and Provincial Disability Tax Credits:

Once approved for the Disability Tax Credit, you can file for non-refundable tax credits on both the federal and provincial tax forms. The amount you receive will depend on many factors, including your total income and the region you live in.

You must file for the Disability Tax Credit every year. If a person was eligible for the DTC for previous years but did not claim the disability amount when they sent their tax return, they can request adjustments for up to 10 years. To claim the disability amount for those prior years, you can ask for a reassessment. More information can be accessed at the CRA website [here](#).



Access the Child Disability Benefit

The government will automatically sign you up for the Child Disability Benefit if you are eligible. The Child Disability Benefit is a tax-free benefit of up to up to \$2,730 per year (\$227.50 per month in 2018) for families who care for a child under age 18 who qualifies for the DTC. The Child Disability Benefit is an additional payment included in the monthly funds provided to families through the Canada Child Benefit.

To access the financial pathway for the Child Disability Benefit and the Canada Child Benefit please the other federal pathways on this site.



Access the Other Financial Tax Credits for Children Living with Disabilities

The DTC opens doors to other financial supports, like The Child Disability Benefit and the Registered Disability Savings Plan. A full list of the tax credits that require or are impacted by the Disability Tax Credit can be accessed on this site.

Claim Basic Personal Amount on Schedule 1

The first step is to claim the basic personal amount provided in **line 300 of the federal tax Schedule 1**. In 2017, this number was \$11,635.

T1-2017

Federal Tax

Schedule 1

This is **Step 5** in completing your return. Complete this schedule and **attach** a copy to your return. For more information, see the related line in the guide.

Step 1 – Federal non-refundable tax credits

Basic personal amount	claim \$11,635	300	11,635		1
Age amount (if you were born in 1952 or earlier) (use the federal worksheet)	(maximum \$7,225)	301+			2
Spouse or common-law partner amount (attach Schedule 5)		303+			3



Claim line 316 for your child living with a disability or transfer the amount to yourself

For the federal Disability Tax Credit, you would make a claim on line 316. There are 3 ways this amount can be claimed:

- (1) By a child under the age of 18 years old living with a disability (recognized by the DTC);
- (2) By an adult over the age of 18 years old living with a disability (recognized by the DTC);
- (3) By a family member, on behalf of a child or adult living with a disability, through the **Disability**



1) For a child living with a disability (line 316)



(2) For an adult living with a disability



(3) Disability Amount Transferred from a Dependant

1) Claim line 316 for your child living with a disability

Claim Disability Tax Credit on Line 316

This would be claimed on your child's income tax forms own income tax forms. **In 2018, for a child living with a disability (that is recognized by the Disability Tax Credit) you can claim a total of \$12,864.** This includes \$8113 for any individual living with a disability and a supplemental \$4733 if the individual living with a

Disability amount (for self) (claim \$8,113 , or if you were under 18 years of age, use the federal worksheet)	316+	\$ 12,864
Disability amount transferred from a dependant (use the federal worksheet)	318+	



Calculate Total Federal Non-Refundable Tax Credit

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

For example, assuming you are making no other tax credit claims, you would add your basic personal amount (line 1 \$11,635) to the disability amount for self (line 316 \$12,864). This would total: \$24,499 in line 31.

To calculate the total non-refundable tax credit you are owed you would multiply the total on line 31 (\$24,499) by 0.15 on line 32. Thus your total non-refundable tax credit, with the sole credit claimed being the federal Disability Tax Credit, is \$ 3674.85.

Add lines 28 and 29.	=	332+	0	30
Add lines 1 to 25, and line 30.	=	335=	\$ 24,499	31
Federal non-refundable tax credit rate	x		15%	32
Multiply line 31 by line 32.	=	338=	\$ 3674.85	33
Donations and gifts (attach Schedule 9)	+	349+	0	34
Add lines 33 and 34. Enter this amount on line 47 on the next page.	=	350=	\$ 3674.85	35



Calculate the Net Federal Tax

Next you would go onto to Step 2 (Federal Tax on Taxable Income) and Step 3 (Net Federal Tax) - using the amount of the non-refundable tax credit (for example \$3674.85) - to calculate the total taxes owed to the federal government.

(2) Claim line 316 an adult living with a disability

Claim Disability Tax Credit on Line 316

This would be claimed on your individual income tax forms if you. **In 2018, for an adult living with a disability (that is recognized by the Disability Tax Credit) you can claim a total of \$8113.**

Disability amount (for self) (claim \$8,113 , or if you were under 18 years of age, use the federal worksheet)	316 + \$ 8,113		20
Disability amount transferred from a dependant (use the federal worksheet)	318 +		21



Calculate Total Federal Non-Refundable Tax Credit

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

For example, assuming you are making no other tax credit claims, you would add your basic personal amount (line 1 \$11,635) to the disability amount for self (line 316 \$8,113). This would total: \$19,748 in line 31.

To calculate the total non-refundable tax credit you are owed you would multiply the total on line 31 (\$19,748) by 0.15 on line 32. Thus your total non-refundable tax credit, with the sole credit claimed being the federal Disability Tax Credit, is \$ 2962.20.

Add lines 28 and 29.	=	332 + 0		30
Add lines 1 to 25, and line 30.		335 = \$ 19,748		31
Federal non-refundable tax credit rate		x 15%		32
Multiply line 31 by line 32.		338 = \$ 2962.20		33
Donations and gifts (attach Schedule 9)		349 + 0		34
Add lines 33 and 34.				
Enter this amount on line 47 on the next page.		Total federal non-refundable tax credits 350 = \$ 2962.20		35



Calculate the Net Federal Tax

Next you would go onto to Step 2 (Federal Tax on Taxable Income) and Step 3 (Net Federal Tax) - using the amount of the non-refundable tax credit (for example \$3674.85) - to calculate the total taxes owed

(3) Disability Amount Transferred from a Dependant

Calculate the Net Federal Tax

The Disability Amount Tax Credit Transfer (DATC), allows you to claim the disability amount for one of your dependants (i.e. partner, child or family members) should they 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. The financial pathway to accessing the Disability Amount Transfer from a Dependant can be accessed on this website.

How to Calculate the Provincial Disability Tax Credits

In addition to claiming the Disability Tax Credit on the Federal Income Tax Form, you are also eligible to claim it on your provincial Tax Credit Forms. The following is a chart of the total claimed amounts that can be used in each province using the 2017 disability tax credit . Depending on your province or territory, you would use these amounts to claim the Disability Tax Credit at the provincial level who on average allow you to receive a 10% non-refundable tax credit of this amount, in addition to the

Province/Territory	Disability Tax Credit Amount	Child Disability Tax Credit Amount (under 18 Years of age)
Alberta	CA\$14,417	CA\$10,819
British Columbia	CA\$7,656	CA\$4,467
Manitoba	CA\$6,180	CA\$3,605
New Brunswick	CA\$8,011	CA\$4,673
Newfoundland & Labrador	CA\$6,058	CA\$2,851
Northwest Territories	CA\$11,579	CA\$4,732
Nova Scotia	CA\$7,341	CA\$3,449
Nunavut	CA\$13,128	CA\$4,732
Ontario	CA\$8,217	CA\$4,792
Prince Edward Island	CA\$6,890	CA\$4,019
Saskatchewan	CA\$9,464	CA\$9,465
Yukon	CA\$8,113	CA\$4,732