



Canada Revenue
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DISABILITY TAX CREDIT

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Video: Disability Tax Credit



Watch [a short video](#) on the ease of applying for the disability tax credit.

Disability tax credit

- The disability tax credit (DTC) is a non-refundable tax credit that helps persons with disabilities or their supporting family members reduce the amount of income tax they may have to pay.
- To be eligible, an individual must have a severe and prolonged impairment in physical or mental functions, as defined in the *Income Tax Act* and as certified by a medical practitioner.

... Disability tax credit

- An individual must apply for the disability tax credit.
- If they receive Canada Pension Plan or Quebec Pension Plan disability benefits, workers' compensation benefits, or other types of disability or insurance benefits, it does not necessarily mean that they are eligible for the disability tax credit as these programs have other purposes and different criteria, such as an individual's inability to work.

Gateway to other programs

- Eligibility for the DTC can open the door to other government programs including:
 - **Child disability benefit**, which is a supplement to the Canada child benefit.
 - **Working income tax benefit disability supplement**
 - **Registered disability savings plan** helps families save for the long-term financial security of a person who is eligible for the DTC.

Eligibility

In **all** cases, the impairment must be prolonged, which means the impairment has lasted, or is expected to last, for a continuous period of at least 12 months. Also, your patient must meet **one** of the following criteria:

- is blind;
- is markedly restricted in at least one of the basic activities of daily living;
- is significantly restricted in two or more of the basic activities of daily living (can include a vision impairment);
or
- needs life-sustaining therapy.

... Eligibility

- Having a medical condition or a disability does not automatically make your patient eligible for the DTC. They must meet the eligibility criteria to be eligible.
- Eligibility is based on the effects of the impairment, not on the medical condition.

... Eligibility

Example:

Two people could have the same medical condition but the effects of the impairment could be different. For example, they both have a walking impairment but one is able to walk without taking an inordinate amount of time while the other needs a walker and must stop frequently to rest to be able to walk the same distance.

Categories of impairment

Your patient must meet the requirements in one of the following categories:

- **vision**
- **basic activities of daily living:** speaking, hearing, walking, eliminating (bowel or bladder functions), feeding, dressing, or mental functions necessary for everyday life

Note: This does not include working, house work, or participating in social or recreational activities.
- **cumulative effects of significant restrictions**
- **life-sustaining therapy**

... Categories of impairment

Vision

Your patient is considered **blind** if, even with the use of corrective lenses or medication:

Visual acuity in **both** eyes is 20/200 (6/60) or less, on the Snellen Chart (or an equivalent); or

The greatest diameter of the field of vision in **both** eyes is 20 degrees or less.

... Categories of impairment

Basic activities of daily living

Your patient must be markedly restricted in at least one of the basic activities of daily living.

Your patient is considered **markedly restricted** if:

They are **unable** to do a basic activity of daily living; or

It takes them an **inordinate amount of time*** to do a basic activity of daily living.

***Inordinate amount of time:** This is a clinical judgment made by a medical practitioner who observes a recognizable difference in the time it takes a person to do an activity. Usually, this equals **three times** the average time needed to complete the activity by a person in the same age group who does not have the impairment.

... Categories of impairment

Basic activities of daily living

Examples for speaking:

- The patient must rely on other means of communication, such as sign language or a symbol board, at least 90% of the time.
- In their office, the medical practitioner must ask the patient to repeat words and sentences several times, and it takes them an inordinate amount of time to make themselves understood.

... Categories of impairment

Basic activities of daily living

Examples for hearing:

- The patient must rely completely on lip reading or sign language at least 90% of the time, to understand a spoken conversation, despite the use of hearing aids.
- In the doctor's office, the doctor must raise their voice and repeat words several times, and it takes the patient an inordinate amount of time to understand, despite the use of hearing aids.

... Categories of impairment

Basic activities of daily living

Examples for walking:

- The patient must always rely on a wheelchair outside the home, even for short distances.
- The patient takes an inordinate amount of time to walk 100 metres (about one city block), at least 90% of the time since they need to stop because of pain and shortness of breath.

... Categories of impairment

Basic activities of daily living

Examples for eliminating (bowel and bladder functions):

- The patient is incontinent of bowel or bladder functions, at least 90% of the time. They take an inordinate amount of time to tend to their elimination.

... Categories of impairment

Basic activities of daily living

Examples for feeding:

- The patient needs tube feeding, at least 90% of the time.
- The patient takes an inordinate amount of time to prepare meals or to feed themselves, on a daily basis, due to significant pain, and decreased strength and dexterity in their upper limbs.

... Categories of impairment

Basic activities of daily living

Examples for dressing:

- The patient cannot dress without daily help from another person.
- Due to pain, stiffness, and decreased dexterity, the patient takes an inordinate amount of time to dress themselves on a daily basis.

... Categories of impairment

Basic activities of daily living

Examples for mental functions necessary for everyday life:

- The patient is unable to leave the house due their anxiety, at least 90% of the time, despite medication and therapy.
- The patient is independent in some aspects of everyday living; however, despite medication and therapy, they need daily support and supervision due to an inability to accurately interpret their environment.
- The patient cannot make a common, simple transaction, such as buying food at the grocery store, without help at least 90% of the time.
- The patient is unable to express their needs or anticipate consequences of behaviour when interacting with others.

... Categories of impairment

Cumulative effect of significant restrictions

If your patient does not quite meet the criteria for markedly restricted, they may be considered eligible for the disability tax credit if they are still greatly restricted:

- in **two** or **more** basic activities of daily living; or
- in vision and **one** or **more** basic activities of daily living

This has to be at least 90% of the time.

... Categories of impairment

Cumulative effect of significant restrictions

Examples:

- The patient can walk 100 metres, but then must take time to recuperate. They can carry out the mental functions necessary for everyday life, but can concentrate on any topic for only a short period of time. The cumulative effect of these two significant restrictions is **equal** to being markedly restricted, such as being unable to do one of the basic activities of daily living.
- The patient always takes a long time for walking, dressing and feeding. The extra time it takes them to do these activities, when added together, is **equal** to being **markedly restricted** at least 90% of the time.

... Categories of impairment

Life-sustaining therapy

For life-sustaining therapy, your patient must meet both of the following criteria:

The therapy is needed to support a vital function, even if it eases the symptoms.

The therapy is needed at least **three times** per week, for an average of at least **fourteen hours** per week.

... Categories of impairment

Life-sustaining therapy

Examples:

- Chest physiotherapy to ease breathing.
- Kidney dialysis to filter blood.
- Insulin therapy to treat type 1 diabetes in a child who cannot independently adjust the insulin dosage.

Generally, adults are able to independently manage their insulin therapy and would not usually meet the 14 hour per week requirement, unless there are exceptional circumstances.


Who can certify these categories?

Categories of Impairment	Medical Practitioners
Vision	Medical doctor, nurse practitioner, or optometrist
Speaking	Medical doctor, nurse practitioner, or speech-language pathologist
Hearing	Medical doctor, nurse practitioner, or audiologist
Walking	Medical doctor, nurse practitioner, occupational therapist, or physiotherapist
Eliminating (bowel or bladder functions)	Medical doctor or nurse practitioner
Feeding	Medical doctor, nurse practitioner, or occupational therapist
Dressing	Medical doctor, nurse practitioner, or occupational therapist
Mental functions necessary for everyday life	Medical doctor, nurse practitioner, or psychologist
Life-sustaining therapy	Medical doctor or nurse practitioner
Cumulative effect of significant restrictions	Medical doctor, nurse practitioner, or occupational therapist (occupational therapist can only certify for walking, feeding, and dressing)

Applying for the credit


Step 1

The patient fills out and signs the sections in Part A of Form T2201, *Disability Tax Credit Certificate*, that apply to them.



Step 2

The patient asks their medical practitioner to fill out and certify Part B of Form T2201.



Step 3

The patient or the medical practitioner sends the form to the CRA.

How to fill out Part B

- Part B of Form T2201 can only be filled out by a medical practitioner.
- You must use your best judgment when certifying the effects of the impairments but you do not determine eligibility; the CRA does.
- Assess the patient and compare them to someone of similar age group with no impairment. For children, consider the developmental milestones of a child of similar age.

... How to fill out Part B

Step 1:

- Fill out only the category(s) that apply to your patient.
- Answer all the questions in each applicable category.
- Indicate the date on which the marked restriction began.

... How to fill out Part B

Step 2 (Mandatory) :

- Fill out '*Effects of impairment*'
 - The effects of your patient's impairment must be those which, even with therapy and the use of appropriate devices and medication, cause your patient to be markedly restricted all or substantially all of the time (at least 90% of the time).
 - If you need more space to describe the effects of impairment, use a separate sheet of paper, sign it and attach it to the form. You may include copies of medical reports, diagnostic tests and any other medical information.

... How to fill out Part B

Step 2 (Mandatory) :

- Fill out '*Effects of impairment*' (*continued*)
 - Eligibility for the DTC is based on the effects of the impairment, not on the medical condition. Provide sufficient details to demonstrate how the patient's impairment functionally impacts their ability to do one of the applicable **basic activities of daily living** (two or more in the case of cumulative effect), or need for **life-sustaining therapy**.

... How to fill out Part B

Step 2 (Mandatory) :

- Fill out '*Effects of impairment*' (*continued*)

Example:

If your patient is markedly restricted in walking, the details you provide in this section must relate to your patient's ability to walk.

Comments on your patient's inability to lift, bend, or do housework are not relevant.

... How to fill out Part B

Step 2 (Mandatory) :

- Fill out 'Duration'
 - An impairment has to have lasted or is expected to last for a continuous period of at least 12 months.
 - For deceased patients, the impairment was expected to last for a continuous period of at least 12 months.
- Fill out 'Certification'
 - You are asked to certify that the information given in Part B of this form is correct and complete.

CRA's role

- The CRA will review the Form T2201 to determine if the patient is eligible for the credit.
- The CRA's decision is based on the information given by the medical practitioner on the form and on whether the criteria are met.
- If further clarification is needed, the CRA may contact the medical practitioner.
- The CRA will send the patient a notice of determination to inform them of its decision.

Fees

- The CRA will not provide compensation for filling out Form T2201 or if they request additional information.
- The patient is responsible for any fees that the medical practitioner charges to fill out Form T2201 or to give the CRA more information.
- The patient may claim such fees as medical expenses on line 330 or line 331 of their income tax and benefit return.
- The medical practitioner should consult their provincial/territorial medical association for their guide to direct billing of patients.

Resources for the disability tax credit

Website canada.ca/disability-tax-credit provides more information about the disability tax credit, including:

- **Videos** including '*Tax measures for persons with disabilities*'
- **Self-assessment tool** '*Answer a few questions*', which helps an individual determine if they or their dependant may be eligible.
- **Form T2201**, *Disability Tax Credit Certificate*, and **Guide RC4064**, *Disability-Related Information*.
- **Dedicated toll-free phone line** only for medical practitioners who have questions about the DTC, their patients' form, or who need help filling out the form: 1-800-280-2639.

Patients, who have DTC questions, may call 1-800-959-8281.