

Your Guide

To The Disability Tax Credit Certificate



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As of July 2010, nearly 15% of Canadians are classified as persons with a disability. That means up to 5 million people may be eligible for a number of benefits under Canada's Income Tax Act (the "Act"). These include a host of financial assistance benefits like tax credits, supplements and deductions, medical expense reimbursement and even eligibility for investment programs.

In order to qualify however, a person must complete the Disability Tax Credit Certificate (Canada Revenue Agency Form T2201) and have it approved by the Canada Revenue Agency (CRA). Because there are many questions surrounding the Disability Tax Credit Certificate, the following guide was developed to help provide a little more clarity as to how it all works, who's eligible and what are some of the associated benefits.

What is the Disability Tax Credit Certificate?

The Disability Tax Credit Certificate is a document that confirms a person meets the legislated definition of disability under the Act. Form T2201 contains a "self-assessment form" that can be completed by the individual to determine whether he or she may qualify for the Disability Tax Credit Certificate.

Who completes the Disability Tax Credit Certificate?

The Disability Tax Credit Certificate consists of two parts. Part A is completed by the person with the disability or his or her representative. If a person cannot complete part A on their own or wish to designate a representative for them, they do so by

completing Canada Revenue Agency form T1013, Authorizing or Cancelling a Representative. Part B is completed by a qualified practitioner.

The following are considered qualified practitioners under the Act:

- Medical doctors
- Optometrists
- Occupational therapists
- Audiologists
- Physiotherapists
- Psychologists
- Speech-language pathologists

Who qualifies for the Disability Tax Credit Certificate?

An individual may qualify for the Disability Tax Credit Certificate if he or she meets the criteria in one of the five categories set out below:

	CATEGORY 1	CATEGORY 2	CATEGORY 3	CATEGORY 4	CATEGORY 5
General Criteria	THE INDIVIDUAL HAS IMPAIRMENT IN PHYSICAL OR MENTAL FUNCTIONS, LASTING OR EXPECTING TO LAST, AT LEAST 12 MONTHS.				
Specific Criteria	Blindness	Receiving life-sustaining therapy.	Markedly restricted in one of the activities of daily living.	Significantly restricted in two or more of the activities of daily living.	Significantly restricted in vision and at least one activity of daily living.
			<i>Activities of daily living consists of speaking, feeding, dressing, walking, mental functions necessary for everyday life and elimination (bowel or bladder function).</i>		
Notes		Life sustaining therapy is therapy that supports a vital function. It may or may not alleviate symptoms and must be administered at least 3 times per week (average of 14 hours per week).	A person is “markedly restricted” if either all or substantially all of the time, they’re unable, or take an inordinate amount of time, to perform one of the activities of daily living, even with therapy (other than life-sustaining) and the use of appropriate devices and medication.	A person is “significantly restricted” if either all or substantially all of the time, their restrictions exist together and the cumulative effect of such restrictions is equal to being “markedly restricted” in one activity of daily living.	A person is “significantly restricted” if either all or substantially all of the time, their restrictions exist together and the cumulative effect of such restrictions is equal to being “markedly restricted” in one activity of daily living.
Examples		Chest physiotherapy to facilitate breathing or kidney dialysis to filter blood.	A person requires the use of a wheelchair for mobility.	A person can only walk for short periods at a time and requires support when making decisions about his/her finances.	A person has cataracts in one eye and requires assistance when feeding himself/herself.

Once the application for Disability Tax Credit Certificate eligibility is submitted and reviewed by the CRA, they provide the applicant with a written decision either confirming approval with a “date of onset” or explaining why the application was not approved.

If the application is not approved, there are a few options for the applicant to consider. First, additional information may be submitted to supplement the application. Second, a formal objection may be filed. Finally, the applicant may reapply at a later date, should their circumstances change.

What benefits are available with an approved Disability Tax Credit Certificate?

There are a number of benefits available to eligible individuals. Some of these benefits are described below.

Disability Amount

The Disability Amount, commonly referred to as the Disability Tax Credit (DTC), is a non-refundable tax credit up to \$7,196 for individuals over 18 years of age and up to \$4,198 for minors. A non-refundable tax credit reduces the amount of taxes owing by an individual. For low-income earners who may not benefit from the Disability Amount, the tax credit can be transferred to another individual who may be able to take advantage of it. In order to utilize the tax credit, the eligible person must be a dependant of the person using the credit.

For example, a 19-year old individual with an approved Disability Tax Credit Certificate can transfer the Disability Amount to her father if she is dependent on her father for some or all of the basic necessities of life (food, shelter, clothing).

The Disability Amount can be claimed for up to 10 past years, assuming that the claim is consistent with the “date of onset” (referred to above).

Child Disability Benefit

Families that are eligible for the Canada Child Tax Benefit (CCTB) and have a child with an approved Disability Tax Credit Certificate may also qualify for the Child Disability Benefit (CSB). The CSB is a non-taxable monthly amount of up to \$204.58 per child in addition to a monthly CCTB amount of up to \$284

per child. The amount varies based on the family’s net income and the number of children in the household.



Working Income Tax Disability Supplement

Individuals that are eligible for the Working Income Tax Benefit (WITB) with an approved Disability Tax Credit Certificate may also be entitled to a WITB Disability Supplement. The WITB is a refundable tax credit for eligible low income families of up to \$931 for an individual or \$1,690 for a family. In addition, those with an approved Disability Tax Credit Certificate may be eligible for a WITB Disability Supplement of up to \$465.28.

Disability Supports Deduction

Individuals may be eligible to claim attendant care services as a Disability Supports Deduction when filing their income tax returns with an approved Disability Tax Credit Certificate. Full-time attendant care services can be claimed with an approved



Disability Tax Credit Certificate or with certification from a medical practitioner of an impairment indefinite in nature. Part-time attendant care services can only be claimed with an approved Disability Tax Credit Certificate.

Eligible Medical Expenses

Certain medical expenses can also be claimed by an individual with an approved Disability Tax Credit Certificate. These include the cost of prescribed therapy supervised by a medical doctor, psychologist or occupational therapist.

Registered Disability Savings Plan

Individuals with an approved Disability Tax Credit Certificate may qualify to open a Registered Disability Saving Plan (RDSP). An RDSP is a long-term savings plan designed for persons with disabilities and registered with the Government of Canada. With an RDSP, individuals may be eligible for up to \$4,500 in annual government contributions.

Further information on RDSPs is available at: www.cra-arc.gc.ca



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