THE DISABILITY TAX CREDIT PROGRAM

A review of the literature and key informant interviews

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Executive Summary

The Disability Tax Credit (DTC) is an integral part of Canadian income benefits for persons with disabilities that is intended to address the income insecurity and poverty often associated with having a disability. This study reviews and critiques the DTC program and other disability benefits available to persons with disabilities in Canada through the tax system, and then provides recommendations for the way forward based on evidence from an extensive literature review and key informant interviews of stakeholders from across Canada. The research question guiding this work is, "How do persons with disabilities in Canada access the DTC and what is the impact of the DTC on their experiences?"

Persons with disabilities in Canada face disproportionate rates of poverty and income insecurity compared to those without disabilities. This poverty and income insecurity are caused by a multitude of factors, including the additional costs associated with living with a disability and the stigma and exclusion often faced by persons with disabilities in the labour market and other aspects of society. As a result, persons with disabilities in Canada have lower incomes and reduced employment opportunities compared to their non-disabled counterparts.

Efforts have been made to address this poverty and income insecurity by providing access to financial and other supports. Canadian governments use a mix of income support programs, personal supports and tax credits to alleviate the financial pressures experienced by persons with disabilities. These include income supports based on need, such as provincial disability income support programs, and those based on contributions, such as the Canada Pension Plan–Disability (CPP-D).

The DTC system provides a range of benefits for eligible persons with disabilities. The DTC itself provides a non-refundable tax credit intended to reduce the income tax burden of eligible persons with disabilities to cover some portion of the extra cost of living with a disability. However, only those with positive taxable earnings from employment or other sources receive a direct benefit from the tax credit. DTC eligibility is also a gateway for other benefits, including the Registered Disability Savings Plan (RDSP), the Working Income Tax Benefit (Canada Workers Benefit or CWB), and the Child Disability Credit (CDC). Additionally, the DTC is sometimes used as a determination of disability for other disability benefits, such as the one-time payment to persons with disabilities during the COVID-19 pandemic. These other benefits are often more financially significant than the tax credit itself, especially for persons with disabilities living in poverty, and with no or low taxable income. Given this gateway aspect of DTC eligibility, there are concerns about the eligibility criteria and the complexity of the application form and process, which can create barriers to accessing financial supports for many persons with disabilities.

A key concern is that only a fraction of the almost two million persons living with disabilities in Canada use the DTC. This may be because the rules used to assess eligibility are too restrictive. In particular, the eligibility criteria do not fit well with mental illness and other chronic or episodic conditions[1] that can give rise to intermittent and unpredictable experiences of impairment and disability over time. Recent evidence suggests that most persons with disabilities in Canada experience some form of

[1] Episodic conditions/disabilities are conditions where individuals experience a fluctuating course of disability and wellness, often presenting in unpredictable ways (Alini, 2020).

episodic disability, making review of the criteria for DTC eligibility a pressing issue for persons with disabilities in Canada (Eggleton et al., 2018).

Knowledge about the DTC and its benefits is also limited across the public in Canada. A report from the School of Public Policy at the University of Calgary notes that low awareness of the DTC and limited knowledge of its potential benefits beyond reducing federal tax burden further contribute to low participation rates (Dunn & Zwicker, 2018).

Summary of Findings and Recommendations

Our findings highlight several challenges with the DTC including complexity of the application form and process, limitations in who benefits from the DTC, restrictive eligibility criteria, challenges with the definition of disability used for eligibility, and limited value of the non-refundable nature of the DTC due to low earnings of many persons with disabilities. Given these challenges, our recommendations for the way forward are as follows.

Recommendation 1 – Make the DTC application more accessible

This involves improving accessibility features of the application form and standardizing or eliminating fees attached to applying for the DTC. Making the DTC more accessible also involves revisiting the steps needed to complete an application and simplifying the process where possible. It involves educating medical professionals about the DTC and how to complete the form, improving the accessibility features of the application itself, reducing the steps needed to apply for the DTC, and improving DTC continuity once eligibility has been determined.

Recommendation 2 - Coordinate the DTC with other disability credits and benefits

Access to the DTC should be coordinated with other provincial and federal benefits. This is critical since no one program offers a full complement of benefits and services. There is a need to coordinate how disability credits and benefits are accessed to ensure that persons with disabilities across Canada can get the full complement of supports they need regardless of age, disability type and employment status. This requires careful consideration of different scenarios of need across Canada by age, gender, and other key factors related to a person's lived experience.

Recommendation 3 – Provide seamless access to disability benefits available in Canada

The DTC as a pathway to accessing other benefits should be opened up to allow other pathways to their access. This is especially critical given the low uptake of the DTC. There is a need to ensure that there are other pathways to being deemed a "person with a disability" who is eligible for these other benefits. Specifically, once someone is deemed a person with a disability by a government program in Canada, whether it is a provincial or federal program, they should be able to seamlessly access other disability benefits and programs at any level of government.

Recommendation 4 – Position the DTC within Canada's poverty reduction strategy

In establishing Canada's poverty reduction strategy moving forward, the federal government should consider how, if at all, the DTC can be used as a tool to alleviate poverty and income insecurity. Given the added costs associated with living with a disability (e.g. therapy, equipment, transportation), together with reduced career opportunities and earning potential, persons with disabilities in Canada experience higher rates of poverty and income insecurity. Such experiences are especially prevalent when disability intersects with other forms of oppression due to, for example, race, gender, pre-existing poverty, and lower educational attainment. If Canada is to be successful in its efforts to reduce poverty, a coordinated effort needs to be made to address the challenges that persons with disabilities experience.

Recommendation 5 – Change the DTC back to a refundable tax credit

Changing the DTC back to a refundable tax credit would allow more persons with disabilities in Canada to benefit from the credit. As it currently stands, there is only a small group of persons with disabilities who benefit from the DTC. That is, individuals who: 1) meet the disability eligibility requirements, 2) earn sufficient income to make use of the deduction, 3) avail themselves of any other secondary benefits, and 4) have sufficient means to invest in an RDSP. If the intent of the DTC is to address the added cost of living with disability among all persons with disabilities, the non-refundable form is substantially inadequate.

Recommendation 6 – Amend DTC eligibility so all lived experiences of persons with disabilities are treated equitably

The current eligibility criteria for the DTC results from piecemeal changes to the eligibility criteria and their implementations, and as they stand, the criteria do not convey a reasonable measure of disability. The eligibility criteria for the DTC should be revamped through consultation with persons living with a disability to ensure that the criteria reflect their lived experiences.[2] If the DTC is meant to address the added cost of living with a disability in Canada, a focus on these additional costs should guide the eligibility criteria. Revision to the definition of disability would see eliminating terms such as "marked restriction" and the 90% Rule, in favour of less restrictive disability constructs that are consistent with the experiences of persons with disabilities in Canada.

Recommendation 7 – Promote education and awareness of the DTC

Persons with disabilities and their supporters must have the information they need to make informed decisions about their options and take steps to access various disability programs that could meet their needs. Education and awareness campaigns must consist of multiple pathways, including social media, websites, brochures and advertisements. It must include educating doctors and other medical professionals about the DTC and how to complete the DTC application. A broad information campaign with widely available resources to assist with navigation of the various supports and benefits could increase the uptake of the DTC.

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[2] Consultation must include voices of person across varying types, levels, and intersections of disability.

Conclusion

The report highlights that while the DTC could be used as a tool to address poverty and income insecurity in Canada, it currently is not succeeding in meeting these objectives. Its eligibility criteria are too limited, the application form and process are inaccessible, and its gateway function is overly restrictive and prevents persons with disabilities from accessing other benefits offered through DTC eligibility. In light of the high rates of poverty among persons with disabilities in Canada, these issues need to be addressed. A comprehensive review of the DTC eligibility and application form and process is urgently needed, as well as a review of how the DTC program interacts with other federal income and personal support benefits programs.

Chapter 1 – Introduction to the Disability Tax Credit Program

In this chapter we provide an overview of the role of the Canadian Disability Tax Credit (DTC) program and Registered Disability Savings Plan (RDSP) with consideration of the context of today's taxation landscape as it relates to persons with disabilities. We address taxation from an individual perspective. Specifically, we consider personal income tax benefits that would be available to an average person in Canada if they receive income from sources such as wages and salary. Individuals access tax credits and benefits by filing their income taxes on a yearly basis.

We review the various tax credits available to individuals with disabilities when filing personal income.[3] We begin with a description of the differences between "refundable" and "non-refundable" credits. We then discuss a series of related documentation that a person uses to gain recognition from the federal tax system that they are disabled, namely, the Disability Tax Credit Certificate (T2201) and the Disability Related Information (RC4046). We then review other benefits that are associated with the DTC. One of the key benefits within the list of DTC associated benefits is the RDSP. We outline how the RDSP is described and its eligibility requirements.

Tax Credits

The tax credit system is a feature within income tax systems that can affect the income taxes owed by an individual. Broadly speaking, there are two types of tax credits --

[3] We use the term "personal income tax" because businesses and corporations file income taxes differently than people. For our examples, the assumptions are that a person earns income from employment (salary or wages) and pays taxes on that income.

refundable and non-refundable. Refundable credits are not based on discounts or taxes owing in any given year. Rather, **a refundable tax credit is a government transfer program that pays cash to eligible recipients regardless of earnings**. **A non-refundable tax credit is a discount on the portion of the taxes owed on a person's income**.

The DTC is a non-refundable tax credit. The highest discount available under the DTC for people who earn enough money to have a sufficient tax burden to fully benefit from the credit is approximately $1500. It is important to note that historically the DTC was not always configured as a non-refundable credit. The DTC changed from a refundable credit to a non-refundable credit in 1988 (Longfield & Bennett, 2002). Textbox 1 offers an example of how a refundable versus a non-refundable tax credit works for persons with and without taxable income.

Textbox 1 – Refundable versus Non-Refundable Tax Credits

Refundable Tax Credit

Someone with no taxable earnings would receive the full amount of a refundable credit when filing their income taxes.

Person A (DTC certificate holder): $0 in taxable income pays $0 in income taxes but receives $1,500 when filing, where $1,500 is equal to the amount of a refundable credit.

Person B (DTC certificate holder): $50,000 in taxable income with $7,500 in taxes payable could reduce the amount of taxes owing by the amount of the credit. If the credit was $1,500, the taxes payable would be reduced to $6,000.

Non-Refundable Tax Credit

A non-refundable credit works differently. A person with no taxable income who is eligible for a non-refundable credit would receive no money upon filing.

Person A (DTC certificate holder): $0 in taxable income pays $0 in income taxes and receives $0 when filing. Regardless of the size of a non-refundable credit, person A receives no money upon filing because they have no taxable income.

Person B (DTC certificate holder): $50,000 in taxable income with $7,500 in taxes payable could reduce the amount of taxes owing by the amount of the credit. If the credit was $1,500, the taxes payable would be reduced to $6,000.

In summary, a person must have taxable earnings to get a direct benefit from a non-refundable tax credit like the DTC.

The design of these examples is deliberately stylized to illustrate who would receive a refundable versus a non-refundable tax credit. The Canadian income tax system, and the DTC in particular, is comprised of a highly complex system that determines the amount of income tax a person pays at the provincial and federal levels. Each province/territory has its disability tax credit rates combined with the Federal DTC that adjusts the taxes payable for each DTC certificate holder.

T2201 Disability Tax Credit Certificate

Qualifying for the DTC involves completing the T2201 application form and obtaining CRA approval. The form is a medical questionnaire that qualified medical practitioners must complete. Once completed, the form is submitted to the CRA for review and assessment. The amount of time it takes to assess qualification varies by individual. We discuss issues with the assessment process in Chapter 2 and 3. Chapter 2 outlines some of the numerous changes that have taken place with the T2201 (or DTC certificate). What we outline here is the most recent version of the T2201 (Appendix A), which was influenced by Bill C-19 and introduced various income tax changes from Federal Budgets between 2021 to 2022 (Thorton, 2022). An understanding of the full impact of changes made to the T2201 will likely take time and is not yet available.

The T2201 contains two parts: Part A – Individual's section, and Part B – Medical practitioners' section. Part A is two pages long and asks about basic demographic information on the person with a disability or the person claiming the "disability amount." If the credit is not being used by the person with a disability the disability amount can be transferred to certain other individuals, such as a family member, associated with the person. The T2201 gives examples of who can claim the credit which include supporting family members:

> The spouse or common-law partner of the person with the disability, or a parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew, or niece of that person or their spouse or common-law partner (see Appendix A).

Part B begins with notes concerning the individual's eligibility and the steps required to complete the form. The "Important notes on patient eligibility" provides two short paragraphs that are crucial to understanding some of the problems with the DTC and related benefits.

> Eligibility for the DTC is not based solely on the presence of a medical condition. It is based on the impairment resulting from a condition and the effects of that impairment on the patient. Eligibility, however, is not based on the patient's ability to work, to do housekeeping activities, or to engage in recreational activities.
>
> A person may be eligible for the DTC if they have a severe and prolonged impairment in physical or mental functions resulting in a marked restriction. A marked restriction means that, even with appropriate therapy, devices, and medication, they are unable or take an inordinate amount of time in one impairment category, **all or substantially all of the time** (generally interpreted as 90% or more) (see Appendix A).

These two paragraphs contain the essence of what has been twenty years of debate on DTC eligibility and which we outline in Chapter 2. Goodale and McCallum (2004) and Eggleton et al. (2018) address the first paragraph's exclusion of "work." The absence of information on why work was excluded is significant because many people who apply for the DTC describe their impairments in relation to their employment and have difficulties omitting such a huge component of their lives (MS Canada, 2018). For individuals with episodic disabilities, the exclusion of work is particularly challenging. As specifically noted in the most recent Senate committee report:

> The current criteria for the DTC does not capture the reality of those living with unpredictable, episodic experiences of disability, even though they face the same higher costs of living, economic challenges and income insecurity (Eggleton et al., 2018, p.11).

The second paragraph of the eligibility criteria of the T2201 contains a very important entry. The words "marked restriction" which is derived from the Canadian Income Tax Act (CITA). All three of the government committees that we cover in Chapter 2 discuss the meaning of marked restriction. The significance of issues concerning the marked restriction definition are covered extensively throughout this report, including as it relates to individuals with episodic conditions not qualifying for the DTC if they do not experience disability 90% of the time.

Aside from the eligibility criteria, the main component of Part B is the medical questionnaire that asks about the Basic Activities of Daily Living (BADLs), which includes vision, speaking, hearing, walking, eliminating, feeding, dressing, and mental functions necessary for everyday life, and cumulative effects of significant limitations. The questionnaire serves as a measure of functional impairment that attempts to determine the degree to which a person's medical condition affects their everyday lives. The language within the DTC certificate resembles descriptions of functional impairment as conceptualized by World Health Organization (WHO), in the International Classification of Functioning, Disability and Health (ICF). The WHO calls limitations or restrictions a functional impairment, which refers to:

> Limitations due to the illness, as people with a disease may not carry out certain functions in their daily lives. We operationally equate the "functional impairment" concept with "disability" in the WHO's International Classification of Functioning, Disability and Health (ICF) (Üstün & Kennedy, 2009, p. 82).

While resembling materials from the ICF, the questionnaire used in the T2201 is unique in its construction of disability. Specifically, the language of marked restriction and its interpretation of 90% of the time differs from any other interpretation of "severe disability" (Conti-Becker et al., 2007).

RC4064 "Tax measures for persons with disabilities: Disability-Related Information"

The disability certification process for government programs is complicated. The T2201 is a lengthy form that can be difficult to interpret and complete (Goffin, P., 2017), though there have been efforts to streamline the form and process. For persons in Canada seeking to make claims on their tax returns for disability benefits, the CRA publishes the RC4064 *Tax Measures for persons with disabilities: Disability-Related Information* (Appendix B). This 28-page document provides additional information about the CRA's interpretation of disability. The RC4046 is a document designed to assist individuals when filing their income taxes and attempts to help individuals navigate tax measures related to disability.

The RC4046 divides information into refundable and non-refundable credit information. Pages four through 16 are dedicated to the DTC, and page 24 contains a brief entry concerning the RDSP (see Appendix B). This document also outlines what takes place after a form is submitted if the application is approved or denied. If an application is rejected, the RC4046 states that:

> If you disagree with our decision, you can write to your tax centre and ask them to review your application. You must include any relevant medical information that you have not already sent, such as medical reports or a letter from a medical practitioner who is familiar with your situation. This information should describe how impairment affects activities of daily living. You can also formally object to our decision. The time limit for filing an objection is no later than 90 days after we mail the notice of determination (see Appendix B*).*

This paragraph alludes to the appeals process that allows individuals to dispute the decision that CRA renders when one applies for the DTC. We outline the concerns that have arisen from this process in Chapter 2.

We include discussion of the RC4046 document in our analysis of the DTC because it contains information on eligibility for the DTC and represents the most comprehensive information published by the CRA that is designed for public consumption. Having said that, the RC4064 can be criticized for the relatively thin representation of the eligibility criteria. First, with the minor exception of life-sustaining therapy, the RC4064 refers to BADLs when discussing eligibility criteria. Additional information about the BADLs is absent from the document. For example, what is meant by “mental functions for everyday life” can only be found in the brief description of the T2201 and within the questions themselves. Ambiguities surrounding BADLs and eligibility criteria have ended up in tax court on several occasions (Goffin, 2017; Golumbek, 2017; Golumbek, 2021).

Other Federal Tax Benefits and Credits for Persons with Disabilities in Canada

The DTC is largely considered a gateway benefit, allowing recipients to access other tax benefits and deductions. In fact, among the key informants, several highlighted that the value of the DTC is in how it interacts with other disability benefits in Canada. This section covers other disability-related tax measures and benefits that persons with disabilities in Canada can access. These credits and deductions exist both in addition to and alongside each other but with differing levels of uptake, availability, and eligibility. We outline both benefits that use the DTC T2201 eligibility as a gateway and benefits that do not rely on a completed T2201.

Family Caregiver Benefit

The Family Caregiver Benefit (FCB) is part of a Canadian federal program called Employment Insurance (EI). Generally speaking, EI is a wage replacement available to a person who has worked in paid-employment and has contributed to the program and for some reason becomes unemployed. For our purposes, we are examining a small underlying program, the FCB. The FCB compensates caregivers who must forfeit labour-market earnings to care for someone who is disabled or otherwise unable to care for themselves (Government of Canada, 2023b). Eligibility for the FCB does not require being eligible for the DTC. This program uses medical documentation called a "Medical Certificate" that provides medical evidence to support the claim that a named individual requires caregiving support.

Child Disability Benefit

The Child Disability Benefit (CDB) is "a tax-free monthly benefit received by families who care for a child under age 18 with a severe and prolonged impairment in physical or mental functions" (Government of Canada, n.p. 2023a). The maximum amount for the CDB is $2,985 annually ($248.75/month). Like most programs designed to assist persons with disabilities in Canada, benefits from the CDB are subject to an income test where higher incomes see a reduced benefit. Households must possess a valid T2201 for the child with a disability and be approved for the FCB to qualify.

Canadian Workers Benefit Disability Supplement

The Government of Canada's website describes the Canadian Workers Benefit (CWB) as "a refundable tax credit to help individuals and families working and earning a low income." There are two basic parts of the CWB – the basic amount, and the disability supplement (Figure 3). The CWB disability supplement requires a household member has a valid T2201.

Figure 1 – Income cut-off levels for the CWB

Adjusted family net income limits for the basic CWB and the CWB disability supplement

Your family status	Basic CWB	CWB disability supplement	
		You are eligible for the DTC	You **and** your **eligible spouse** are eligible for the DTC
You did **not** have an **eligible spouse** or an **eligible dependant**	$33,015	$37,932	not applicable
You had an **eligible spouse** or an **eligible dependant**	$43,212	$48,124	$53,037

The CWB disability supplement also requires income testing, where approximately $50,000 is the maximum income that a household can earn to receive the benefit.

Registered Disability Savings Plan

We conclude this chapter with the RDSP, which is a way to invest money for a person who qualifies for the DTC. We focus on the RDSP more than any other disability-related benefit because, like the DTC, the Government of Canada has conducted formal inquiries into eligibility issues with the program. This section outlines some of the basic information associated with the RDSP.

The RDSP has two main features that encourage eligible participants to invest in the long-term financial security of DTC holders -- the Canada Disability Savings Grant (the grant) and the Canada Disability Savings Bond (the bond). The allocation of grants and bonds is determined by an income test, where lower-income households receive more money than households with higher incomes. For the 2023 tax year, the cutoff point between higher and lower incomes is approximately $100,000.

Annually, the CRA publishes a document called “Registered Disability Savings Plan” that, like other CRA documents, is given an additional letter and number designation “RC4460” (Appendix C) The RC4460 states:

> A Registered Disability Savings Plan (RDSP) is a savings plan intended to help parents and others save for the long-term financial security of a person who is eligible for the Disability Tax Credit (DTC) (see Appendix C).

The RC4460 provides information on how the RDSP works. One important component is how the grants function in relation to a person’s income. Grants amounts are determined via a ratio of either 3:1, 2:1, or 1:1. The most generous ratio (3:1) occurs with the first $500 deposited to an RDSP, resulting in a $1500 government grant.

Bond System

The Canada disability savings bond is attached to an RDSP but does not require any deposits from the account holder. The bond system is designed to aid low-income persons in Canada. Individuals who qualify for the full value of the bond closely aligns with the income levels of the CWB (above) or about $33,000 in income per year in 2023. For incomes between $33,000 - $50,000 the value of the bond tapers off. Additional details concerning the grant and bond protocols can be found in the RC4460.

The bond and grant system of the RDSP resembles another savings vehicle available to person Canada called the Registered Education Savings Plan (RESP).

The RDSP is quite restrictive when it comes to drawing funds from the plan (Eggleton et al., 2018). The RDSP has a complex series of payment structures, including disability assistance payments and lifetime disability assistance payments. A series of formulas govern these payments and aim to shape the proceeds of an RDSP into an income stream after the beneficiary turns 60 years of age (Appendix C). The complexity and associated issues with disability assistance payments (DAPs) are addressed in Chapter 2 of this report.

Summary of Chapter 1

In this chapter we provided an overview of the role and significance of the DTC and the RDSP for people across Canada, particularly in the context of taxation for persons with disabilities. We explored the differences between refundable and non-refundable tax credits, with the DTC highlighted as a non-refundable credit. This chapter also delved into the necessary documentation for disability recognition by the government, such as the T2201 Disability Tax Credit Certificate and the RC4064 Disability-Related Information.

We highlighted the significance of the RDSP, a savings plan designed to aid the financial security of those eligible for the DTC. This program features government grants and bonds based on applicant's' income levels. Other benefits discussed include the FCB, the CDB, and the CWB Disability Supplement, each with specific eligibility criteria and implications for persons with disabilities in Canada.

Overall, the chapter serves as an introductory guide to the administrative processes and benefits eligibility for persons with disabilities in Canada, setting the stage for further exploration of the intersection between disability and the Canadian tax system in subsequent chapters.

Chapter 2 – A Brief History of DTC and RDSP Reviews

In this chapter we survey various committee works, position papers, media reports and academic papers from the last two decades that have reviewed or commented on the DTC and RDSP. Our investigation reveals a pattern of similar recommendations that go all the way back to 2002 without substantial governmental response or meaningful changes to the DTC. Additionally, we highlight a pattern of discounting or ignoring the work of previous committees that has resulted in in a lack of continuity in addressing DTC and RDSP challenges that have been identified over time.

There are four key reports that we draw on in this survey. The first report *Getting It Right for Canadians: The Disability Tax Credit* (Getting It Right) from 2002 sets an interesting bench for inquiry into the DTC. Getting It Right outlines problems relating to an inaccessible application form and process, problematic eligibility criteria, and a need for a public education strategy about the DTC program. Of particular note in the series of reports reviewed in this chapter is the fact that only Getting It Right spurred any official government response. What unfolds over the next 16 years, however, reinforces the challenges of the DTC noted in this report.

The second major report on the DTC program is found within the *Disability Tax Fairness Report of the Technical Advisory Committee on Tax Measures for Persons with Disabilities* (Disability Tax Fairness) from 2004. This report examines broader support areas for persons with disabilities in Canada and includes a dedicated chapter on the DTC. Although there are some mentions to the recommendations of the earlier report, Getting It Right, within Disability Tax Fairness, it does not make a direct connection.

A third report, *A New Beginning: The Report of the Minister of Finance's Expert Panel on Financial Security for Children with Severe Disabilities* (A New Beginning) from 2006, introduces the RDSP. In this report, the committee elects to make the eligibility of the RDSP reliant on the DTC without examining any of the concerns from Getting It Right and Disability Tax Fairness.

The fourth and most recent report, *Breaking Down Barriers: A Critical Analysis of the Disability Tax Credit and the Registered Disability Savings Plan* (Breaking Down Barriers) from 2018, calls for immediate changes to both the DTC and the RDSP. Unfortunately, Breaking Down Barriers makes no reference to the previous reports. As outlined in Appendix D, many of the recommendations from Breaking Down Barriers are the same as the first report, Getting It Right, that came 16 years earlier.

Getting It Right for Canadians: The Disability Tax Credit (2002)

Part of the motivation for Getting It Right originated from 2001 when the CRA conducted an internal review of current DTC holders to reassess eligibility. This internal review led to 100,000 people having to reconfirm their eligibility. This action was particularly challenging for those with permanent or worsening conditions and was criticized for its insensitivity, with the report calling the approach "insulting, hurtful, and disgraceful" (Longfield & Bennett, 2002, p. 4). The public backlash prompted the formation of a technical committee that drafted Getting It Right.

The committee's investigation uncovers and highlights a number of problems with the DTC, including the CRA's contentious interpretation of the term "markedly restricted.” The term “markedly restricted” is derived from paragraph 118.4(1)(b) of the CITA which states:

> An individual’s ability to perform a basic activity of daily living is markedly restricted only where all or substantially all of the time, even with therapy and the use of appropriate devices and medication, the individual is blind or is unable (or requires an inordinate amount of time) to perform a basic activity of daily living (Income Tax Act, RSC 1985, c 1 (5th Supp)).

This entry in the Income Tax Act is problematic because “all or substantially all of the time” is *interpreted* as 90% of the time. Getting It Right refers to the markedly restricted definition and interpretation as the “90% Rule” (Longfield & Bennett, 2002, p. 10). The reasoning behind the interpretation of the markedly restricted definition was:

> “All or substantially all” is a common expression used in the Income Tax Act and the jurisprudence associated with this expression interprets this as 90%. While this may be the case, it must be remembered that the application of this term in the context of the DTC is quite different from its usual business application (Longfield & Bennett, 2002, p. 9)

The inability to separate the use of markedly restricted as applied elsewhere in the Act from its use for the DTC represents the greatest barrier to DTC reform over the next two decades. Within the report's recommendations, the fourth recommendation calls for the definition to be redefined to “reflect the reality of living with a disability” (Longfield & Bennett, 2002, p. 30).

Getting It Right does not just address the problems of the 90% Rule, though it presents 16 recommendations that are found in later investigations of the DTC. Recommendations range from a call to redesign the T2201 (DTC application) to better address mental illness (recommendation 6), the costs associated with applying (recommendation 8), streamlining the recertification process, and education strategies (recommendation 10). After the committee presented its report and recommendations to the House of Commons, the Government quickly delivered an official response which is described below.

Government of Canada’s Response to the Seventh Report of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities Getting It Right for Canadians: The Disability Tax Credit (2002)

The Government’s Response document was not the result of any committee work. Instead, it originated from the Department of Finance and Finance Minister John Manley in August 2002. The government attempts to handle the backlash created from the CRA’s application of the 90% Rule by arguing the revocation of individual DTCs “is not to suggest that these individuals do not have impairments, but rather that the effects of their impairments do not meet the *legislated requirements* for the DTC” (emphasis added, Manley, 2002, p. 8). We highlight the choice of words in the response document because it is inaccurate. The interpretation that the CRA applies in the case of the 90% Rule is not a legislated requirement, but rather a policy decision made at the bureaucratic level (Dunn & Zwicker, 2018; Eggleton et al., 2018).

> The Government’s Response suggests agreement that the DTC requires a revaluation and that the Department of Finance would initiate an evaluation of the DTC as soon as new data from the 2001 Participation and Activity Limitations Survey (PALS) becomes available in the spring of 2003, to ensure that the DTC achieves its stated policy purpose (Manley, 2002, p.6).

Doubt was cast on the importance of this re-evaluation when, less than one month after the response document was published, the Minister of Finance made a legislative change which effectively overruled a ruling in the Canadian Tax Court’s decision on the criteria used for the DTC (Drache, 2002). The case involved an individual with celiac disease and issues with preparing food. The argument was that procuring safe food constitutes an aspect of “feeding oneself” within the basic activities of daily living. Here, the view was that challenges associated with procuring food take an “inordinate amount of time,” which is in line with the eligibility requirements of the DTC. A hasty amendment to the CITA nullified the judge’s decision to overturn the ruling of the CRA. A government press release notes:

> The … amendment ensures that individuals would not be eligible for the DTC merely on the basis of a dietary restriction that results in an extraordinary amount of time being spent on choosing, shopping for, preparing or cooking food. Specifically, it proposes that the expression ‘feeding oneself’ be defined for DTC purposes to mean the act of putting food in the mouth or swallowing that food. Subsection 118.4(1) is amended to define the terms’ feeding oneself’ and ‘dressing oneself.’ (Drache, 2002, p. 2).

This decision to amend the Income Tax Act, which combines two criteria for assessing eligibility, starkly contrasts with the Government’s assertion in the response document. In the Government’s Response document there is assertion that evaluation of the DTC requires more investigation in conjunction with the 2001 Participation and Activity Limitations Survey (PALS) results, which was only published a year later. This contradiction between the response document and the changes to the CITA is only addressed in the Disability Advisory Council’s first report nearly twenty years later (2019), which asks for in-depth consultations on any changes to the Income Tax Act concerning disability.

Disability Tax Fairness: Report of the Technical Advisory Committee on Tax Measure for Persons with Disabilities (2004)

Disability Tax Fairness is the second of the three committee reports on the DTC. Disability Tax Fairness continues the work of Getting It Right, drawing on newly acquired data from the 2001 PALS to analyze the DTC since the CRA audit. Unlike Getting It Right, Disability Tax Fairness grapples with other areas of support for persons with disabilities in Canada. Of the five chapters within the document, Chapter 2 is dedicated solely to the DTC.

Disability Tax Fairness more explicitly emphasizes the hidden costs associated with disability than previous reports. Information from the 2001 PALS is used to highlight how a “sizable majority (approximately 40 percent)” of persons with disabilities in Canada cannot afford assistive aids and devices (Goodale & McCallum, 2004, p. 18). It describes intangible disadvantages that persons with disabilities commonly face, like opportunity loss and diminished capacity to earn an income. However, the report does not investigate these costs in detail, but rather simply emphasizes them within a discussion of “non-itemizable” costs of disability, which are “not easily measured or quantified” (p. 20).

The report’s “concerns” section recounts many of the issues discussed in Getting It Right, drawing on various testimonials as evidence to emphasize the challenges of the interpretation of “markedly restricted” terminology. The report collects testimonials from community organizations about the problems of a person with schizophrenia qualifying for the DTC. Additional testimony and details highlight the problems of episodic disabilities that do not readily fit into interpretations of the 90% Rule. The committee argues that:

While we recognize that this 90% interpretation may work well for other tax measures that use the phrase ‘all or substantially all,’ there is a question as to whether this interpretation lends itself well to the disability tax credit, where eligibility needs to be determined in light of individual circumstances (2004, p. 37).

The report’s final handling of the 90% Rule is ultimately softened in recommendation 2.3, where it states that:

The Canada Revenue Agency state in its explanatory materials and on the application form for the disability tax credit that some impairments in function can result in a marked restriction in a basic activity of daily living, even though these impairments may have signs and symptoms that may be intermittent.

This action is not intended to alter the legislative requirement that a marked restriction in a basic activity of daily living be present ‘all or substantially all of the time.’

It is unclear why the committee's language changes from the body of text to the recommendations. What is clear is that the interpretation of “markedly restricted” persists.

Disability Tax Fairness marks the beginning of repeated recommendations that are not acted upon by the federal government. Recommendations 2.2, 2.3, and 2.4 from this report are very similar to 4a, 4b, 4c, and 6 in Getting It Right. These recommendations call for more equitable treatment of different disabilities. For example, Getting It Right lists recommendation 4 (b) as:

Redefine “prolonged” in order to capture individuals who have an impairment that is substantial and recurrent, although not necessarily lasting for a period of 12 continuous months; (Longfield & Bennett, 2002, p. 30).

Recommendation 2.3 in Disability Tax Fairness notes:

The Canada Revenue Agency state in its explanatory materials and on the application form for the disability tax credit that some impairments in function can result in a marked restriction in a basic activity of daily living, even though these impairments may have signs and symptoms that may be intermittent (Goodale & McCallum, 2004, p.122).

The concern about eligibility challenges for persons with episodic disabilities is also noted in the Breaking Down Barriers, a report from 2018 that is discussed later in this chapter.

A New Beginning: The Report of the Minister of Finance’s Expert Panel (2006)

A New Beginning covers the deliberations of the committee that helped launch the RDSP in 2008. What is important to understand is how the panel reasons the eligibility for the RDSP. While much of the expert panel’s deliberations are highly technical, there are a few important issues relevant to the DTC program. First, how the panel determined eligibility for the RDSP and second, the plan to address inflation. One of the key issues with the RDSP is its connection to the DTC.

The expert panel states that A New Beginning serves as “an important first step in addressing the income security concerns for the future of persons with disabilities in Canada and their families” (p. 2). The report highlights the financial insecurity that persons with disabilities face throughout their lifetime. In this discussion, statistics from the 2001 PALS are drawn on to elaborate on the issues. Interestingly, the panel highlights one of the paradoxes of disability and taxation:

> *In order to claim a Disability Tax Credit a person with a disability or a supporting individual must have sufficient income to be taxable. For many in the disabilities community this will not be the case. How many additional Canadians have a disability serious enough that they would qualify for the Disability Tax Credit is not known (p. 5).*

The panel emphasized two issues. One is that the RDSP should be easily integrated into existing registered savings and income plan financial architecture (Barton Love et al., 2006). In other words, they wanted to ensure that the RDSP functions similarly to retirement and education savings plans. The second issue is that the CRA must administer the plan because of the shared taxation properties found within its design (Barton Love et al., 2006). The panel ultimately decided on the architecture of the Registered Plan regime and, given the fact that the CRA administers the DTC, that the RDSP must be linked to the DTC to function.

A key concern about the RDSP is that its design relies on persons with disabilities having increased savings over time. In other words, the panel designed the plan with the expectation that participants in the plan would have to save more each year to keep up with inflation.[4] Discussions about increased savings within the report are found within a complex table (Appendix E) that relies on a financial instrument called an annuity.[5] To explain how the RDSP functions, the report uses examples of savings patterns that tend to be successful. The table outlines different savings levels and their various outcomes where the more one saves, the larger the amount one would have at a later date. At the bottom of the table is the list of assumptions, a key one being “Annual contributions made over the 20-year savings period are assumed to grow

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[4] While stories of inflation are ubiquitous in 2024, this may not have been the case in 2006. “Inflation” is a rise in prices of goods and services that typically takes place year after year. What it also means is a decrease in purchasing power of money.

[5] Annuities are financial instruments that are designed to provide guaranteed regular/periodic income. Annuities offer a blend of security, predictability, and potential growth tailored to support long-term financial stability. In exchange for a lump sum investment, an annuity provides a steady stream of guaranteed income payments for a designated period of time (Sinclair, S, 2023). The funds underlying annuities tend to be conservatively invested and rely on complex mathematical formulas to provide such a guarantee. One of the most common annuity types is called a pension.

at 3% per year from their initial levels" (2006, p. 25). Three percent is a typical percentage that financial professionals use to show that savings must keep pace with inflation. It is also sometimes framed as the "return on investment" of a safe investment such as government bonds. Another term that is commonly used is "indexing" or "indexed at 3%."[6] Oddly, when the RDSP was launched in 2008 the grant and bond rates were set at a lifetime deposit amount of $200,000. Sixteen years later, these limits remain unchanged.

Noteworthy too is that in the report the panel cites concerns noted in Disability Tax Fairness about the definition of disability and how they "wrestled with the issue" (p. 29). However, what the report does not mention is the extensive problems with the DTC that Disability Tax Fairness highlighted. It is also unclear why the report completely omits the yet unresolved issues noted in Getting It Right.

Breaking Down Barriers: A critical analysis of the Disability Tax Credit and the Registered Disability Savings Plan (2018)

Breaking Down Barriers is a Senate Committee report from 2018 that investigates the effectiveness of the Disability Tax Credit (DTC) and the Registered Disability Savings Plan (RDSP). Like 2002's Getting it Right, the inquiry and subsequent report were triggered in response to internal CRA policy changes that affected the eligibility criteria of the DTC (Eggleton et al., 2018). In effect, some Canadians who held a valid DTC certificate were told that they were no longer eligible and that if they had an RDSP,

[6] In finance and economics, indexing is used as a statistical measure for tracking economic data such as inflation, unemployment, gross domestic product (GDP) growth, productivity, and market returns (Hayes, A 2023). Indexing at 3% refers to how the effects of inflation must be offset to maintain the spending power attached to the investment.

those accounts would need to be closed (Golumbek, 2017). Further, in the 2016/2017 fiscal year, there was a spike in year-over-year rejected applications for the DTC, from 30,235 to 45,157 (Eggleton et al., 2018, p. 1).

Breaking Down Barriers is an interesting document for at least two main reasons. First, it is very similar to its predecessor Getting it Right and second, it makes no direct references to any of the committees or reports that previously commented on the DTC or RDSP. As noted, both Breaking Down Barriers and Getting It Right were drafted because of internal policy decisions that sparked a sizable backlash.

Aside from their origin stories, it is noteworthy that of the eight recommendations in the report that concern the DTC, five were already identified in the previous reports listed in this chapter. For example, Breaking Down Barriers states:

> The current criteria for the DTC do not capture the reality of those living with unpredictable, episodic experiences of disability, even though they face the same higher costs of living, economic challenges and income insecurity (Eggleton et al., 2018, p. 11).

Other familiar issues and recommendations include the issue of eligibility for persons with episodic disabilities, the need for more medical professionals in the certification process and the need for training for CRA staff and employees on the DTC (pp. 123-124). Like Getting It Right, this report also calls for improvements to the T2201 (Recommendation 2.8, p. 124). Also similar are problems noted with the dispute and appeals process in recommendations 2.10 and 2.11 (pp. 125-126). This report is further evidence of a pattern of prior committee or report recommendations which appear to be ignored by Canada. Three recommendations solely concerning the RDSP would likely have been fundamentally different if the Senate Committee had applied the reasoning found in A New Beginning.

Breaking Down Barriers does not clearly identify the most likely and obvious reason why uptake of the RDSP is low, namely the high rates of poverty amongst persons with disabilities, even though it outlines the financial disadvantages of being disabled in Canada (Longfield & Bennett, 2002; Goodale & McCallum, 2004; Barton Love et al., 2006, Morris et al., 2018). While the report does discuss practical problems with the program, there is a disconnect in the understanding of what poverty means for uptake of the RDSP. Persons with disabilities in Canada state that they simply cannot afford to take any portion of their income and dedicate it to long term investments (Statistics Canada, 2022). Statistics Canada states that:

> *The most common reason offered for not opening an RDSP was not having enough money to save (46%). The next most common response was that they lacked information about the RDSP (29%), while 15% said that it was too complicated (Statistics Canada, April 1, 2022, p. 4)*

While Breaking Down Barriers recognizes that persons with disabilities in Canada struggle to pay application fees connected to (re)applying for the DTC, it does not make the direct connection to disposable income for the RDSP.[7] If the report had referred back to Recommendation 8 in Getting It Right, which states that the government should be responsible for paying application fees, then the affordability concern might have been at least partially addressed.

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[7] Disposable income refers to the amount of money that a person has remaining after required deductions such as taxes and contributions to insurance and benefits programs. It may also be use to describe the amount of money remaining after core expenses are covered such as food and shelter. For additional details on the disposable income levels of person with disabilities in Canada, see Statistics Canada (April 1, 2022). *Survey on Savings for Persons with Disabilities (SSPD)*. The Daily. https://www150.statcan.gc.ca/n1/daily-quotidien/220401/dq220401b-eng.pdf

Rather than focusing on ability to uptake, Breaking Down Barriers focuses on the issues of those who have an RDSP. For instance, the report includes a section labelled "The RDSP could better target the most vulnerable" (p. 17). Much of this section is dedicated to people who already have RDSPs and the associated complications. For example, the section discusses the complexities that arise when there is an issue of cognitive capacity and the limitations on withdrawals (Eggleton et al., 2018). Additionally, Breaking Down Barriers highlights the problems associated with the RDSP's Disability Assistance Payments (DAPs) (Appendix C; Eggleton et al., 2018).[8]

Despite the missed opportunity concerning affordability, Breaking Down Barriers seeks to address the income levels in a different way. Specifically, Recommendation 16 calls for a basic income program to be developed for person with disabilities, which is a recommendation not seen in previous reports. With a guaranteed basic income, it is possible that some of the affordability issues of the RDSP could be addressed. It is important to note that Recommendation 16 may begin to be addressed by the new Canada Disability Benefit that is scheduled for release in 2024.

Summary of Chapter 2

All of the Canadian government commissioned reports referenced in this chapter point to the need for DTC reform. Interestingly, Getting It Right highlighted historical failures concerning the DTC, while also anticipating future concerns in its statement "The passage of time and failure to act has only increased the urgency" (Longfield & Bennett,

[8] Deposits to an RDSP are governed by what is known as "the ten-year rule." The ten-year rule refers to how deposits must stay inside the investment for ten years. In other words, the funds must remain in the account for ten years or some of the money is clawed back.

2002, p. 17). What is missing across all the reports is a clear recommendation on how to reform the DTC and RDSP.

The chokepoint for both the DTC and the RDSP lies within the eligibility criteria and the words “markedly restricted.” Getting It Right calls for changes in the meaning of “marked restricted”. Disability Tax Fairness highlights that other meaning of marked restriction within the CITA prevent changing the meaning. Breaking Down Barriers discusses problems of eligibility but fails to include a clear path forward within its 16 recommendations. The architecture of Registered Savings schemes in Canada outlined in A New Beginning show the need for CRA’s involvement in the administration of the RDSP. This means the only choice available is to strike down and replace the term “markedly restricted” from the CITA with a term that does not conflict with other jurisprudence of the CITA. The elimination of this fundamental issue would be the first step in alleviating the problems associated with the DTC and the RDSP. By changing the terms, the 90% Rule is no longer relevant, opening the door for a more reasonable and realistic definition of disability.

Getting It Right contains many of the recommendations to be discussed in later chapters of this study. Subsequent reports that the Government of Canada commissioned and published contain many of the other recommendations that our literature review and key informant interviews highlight. What is clear is that changes to the DTC could contribute to efforts at alleviating the poverty among persons with disabilities in Canada. The Caledon Institute’s Sherri Torjman aptly stated in a 2015 commentary “tax breaks for social purposes are not the most effective policy response.

If the DTC remains unchanged, more persons with disabilities in Canada will remain in poverty."

Chapter 3: Current Issues and Challenges

In this section, we detail issues surrounding the DTC in its current form using two broad categories: 1) Challenges with the DTC in general, and 2) Challenges specifically about the DTC application form and process. As described below, these categories were identified from both the literature review and key informant interviews. Drawing on the interviews, we provide direct quotes highlighting the impact of the DTC in its current form on the experiences of persons with disabilities in Canada.[9]

Challenges with the DTC

This section explores challenges related to the DTC program, including the different definitions of disability used by programs, who receives the DTC credit, the requirement to reapply for DTC approval, the 90% Rule for eligibility, the interaction between impairment/disability and the environment, the discrepancy between physical and mental disabilities, and the dynamic nature of episodic conditions.

Definitions of Disability Across Programs

The definition of disability for the purposes of eligibility for benefits varies across programs within the same level of government and across provincial levels of government. Multiple definitions of disability and eligibility requirements lead to uneven access to benefits. For example, both the DTC and CPP-D programs are administered through the federal government but operate using different definitions of disability and

[9] For additional details about our knowledge gathering, search strategy, and analysis, please refer to Appendix F

with different eligibility criteria. These differences mean that someone may qualify for CPP-D benefits but not qualify for DTC benefits, and vice versa (Roy et al., 2020).

At the provincial/territorial government level, each province/territory has jurisdiction to manage its own disability programming with respect to definitions, benefits and eligibility. Thus, across the Canadian landscape, many formulas and different benefit support systems exist. Individuals qualifying to receive provincially/territorially funded and defined disability benefits may not qualify for federal disability benefits (and vice versa). It is also worth noting that each program requires a separate application form with different application requirements—an individual applying for a provincial/territorial disability program, the DTC, and the CPP-D may have to complete (and cover related expenses for) three separate applications.

The differences in eligibility and definitions opens the door for programs and services in some jurisdictions to restructure their eligibility criteria in favour of more stringent definitions used by other programs (Roy, Svoboda, Isaacs, et al., 2020). Such a change could result in a reduction in the number of qualifying applicants. For example, the Ontario Disability Support Program (ODSP) announced its plan to restructure its current qualifying criteria to align with the one used by the federal CPP-D program (Roy, Svoboda, Isaacs, et al., 2020). This stricter definition would lead some currently qualifying individuals to lose their ODSP benefits, especially those who experience mental illness and/or neurocognitive disorders. The current ODSP definition of disability uses a more nuanced approach that considers activities of daily living (such as managing finances, transportation, and communications) and how chronic and life-long disabilities (such as Multiple Sclerosis (MS)) can be episodic in nature, causing fluctuations in an individual's level of functioning. Such an approach to disability is missing from the current federal definitions and understandings of disability, resulting in more restrictive eligibility criteria.

DTC Credit Often Taken Up by a Family Member

As noted, the DTC is a non-refundable tax credit—an individual must have taxable income to receive a benefit from a tax credit (Dixon & Hyde, 2000).[10] However, gainful employment, the primary source of taxable income for most people in Canada, is difficult and sometimes impossible for those who experience disability to the extent required for DTC eligibility.[11,12] In 2012, 3.4% of people in Canada over the age of 15 with a severe disability reported having no income, and only 45% of those with income had employment-related income (Roy, Svoboda, Issacs, et al., 2020).

When individuals receiving the DTC do not have employment or other taxable earnings, the DTC credit is unused/unclaimed and of no direct benefit to the qualifying applicant (Smart & Stabile, 2006). Because of this direct link to taxable income and employment, the DTC credit is often transferred to others who can benefit from it, such as parents, or a spouse (Smart & Stabile, 2006). Thus, the current structure of the DTC

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[10] The value of the credit is applied against the individual's tax obligation to lower the amount of taxes they are required to pay. If an individual has no taxable income, they receive no benefit from the tax credit.

[11] The interaction between earnings and disability was noted in our focus groups. Specifically, one participant stated that with some progressive medical conditions (for example, MS) an individual may not qualify for the DTC until their condition has progressed to the point that they cannot work, and thus, cannot receive benefit from the credit.

[12] The connection between disability and reduced earning capacity was noted in both the Disability Tax Fairness report and A New Beginning report. The latter report explicitly notes that the DTC, in its current form, provides a benefit to those supporting a person with a disability rather than providing a benefit to individuals with disabilities.

often results in benefits being received by someone closely related to qualifying applicant rather than the individual themselves (Prince, 2001). According to the Department of Finance, one-third of persons in Canada with severe disabilities receive no direct value from the DTC (Prince, 2001).

If the DTC credit is used by others, there is no guarantee that the monies received will be of benefits to the individual with a disability. One key informant expanded on this limitation, noting:

> People who are impoverished, for example, living on provincial benefits, there's very little advantage [of the DTC].

These circumstances create further inequities among persons with disabilities, as those with the lowest incomes and experiencing the greatest poverty are challenged to receive a direct benefit from the program. According to key informants, this lack of direct cash value reduces the potential of the credit received through the DTC to offset the increased cost of living experienced by persons with disabilities.

Reapplication and Re-Approval

Even where an individual is approved for the DTC, their approval often includes an end date for benefits, often 5 years from the original approval date. As the end date nears, individuals must reapply and re-prove their eligibility for DTC benefits to maintain continuity of benefits. As described by one advocate:

> Many people with disabilities are really tired of verifying that they didn't grow out of their Down's Syndrome.

Reapplication means being required to complete the current form and qualifying under the current criteria. It is possible that an applicant who was previously approved for the

DTC may be denied DTC benefits because the eligibility criteria have changed, even if their condition has remained the same (Longfield & Bennett, 2002; Golumbek, 2017; Eggleton et al. 2018). Additionally, applying for the DTC can be a frustrating process for some individuals and is often associated with fees from medical professionals and other whose services are needed to complete the application form.

90% Rule for Eligibility

As noted earlier, the CRA relies on a problematic interpretation of "marked restriction" to determine DTC eligibility. The marked restriction definition, known as the "90% Rule"[13,14], continues to cause challenges for persons with disabilities trying to access the DTC (Dunn & Zwicker, 2018).[15] Recommendations about the application criteria and form have culminated in yet another revision that continues to be complicated and flawed in its effort to quantify what it means to be disabled (Longfield & Bennett, 2002; Goodale & McCullum, 2004; Eggleton et al., 2018). The most recent version of the application form uses a 5-point Likert scale to express severity and frequency (Figure 2). Presumably, a 5-point scale would be scored in categories 0-20, 21-40, 41-60, 61-80, and 81-100% of the time. However, "severe" and "always" scales are in the 81% - 100% bandwidth.

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[13] While the 90% Rule has become the benchmark for eligibility, as pointed out by one key informants, it is not contained within CRA policy documents or legislation. The key informant further noted that doctors use this 90% Rule as a guideline when completing DTC application form.

[14] Key informants also noted that the 90% Rule unfairly affects individuals with mental disabilities and episodic impairments as they often do not meet the eligibility criteria.

[15] The problematic nature of the 90% Rule and the correlating "marked restriction" term was first noted in the 2002 Getting It Right report, and subsequently reiterated in the 2004 Disability Tax Fairness report.

Figure 2 – Likert Scale in 2023 Version of T2201

Based on this scoring approach, a person scoring 81% is indistinguishable from someone scoring 90% or greater, but eligibility is restricted only to those scoring 90% or higher. Compounding the problem is the lack of clear guidance or rubrics to discern a percentage of impairment in any given condition. Though the Disability Related Information document (Appendix B) provides some additional information concerning BADLs, the examples are all about physical and visible disabilities that require assistive devices like catheters, wheelchairs, and audio-visual testing (see Appendix B). Missing is any guidance for aspects of mental, emotional, and invisible disabilities.

Considering the above noted elements together, “marked restriction” ends up being interpreted as restricted 90% of the time. However, this does not correlate to the understanding of disability provided through the application form and disability related supplemental forms. Rather, it is left to interpretation.

Person-Environment Interactions

The current eligibility criteria do not address how impairment intersects with context and community, which is a reality experienced by persons with disabilities. Specifically, context and community have a substantive bearing on whether a condition is disabling.[16] For example, Conti-Becker et al. (2007) note:

> A young, elite wheelchair athlete living in an accessible community with a modified van and a driver's license would qualify for the credit. However, an elderly person using a cane and able to walk one hundred meters on a flat surface, but unable to climb his or her stairs or access the nearest bus stop would not receive the credit. (p. 286)

The DTC requirements focus on functioning without adequate attention to the environmental context; it considers what an individual can or cannot do and ranks those activities based on a general understanding of impairment. In the above example, we see how someone who cannot walk would be provided the DTC credit while someone who can walk would be denied. However, when we consider how the environment interacts with a person's condition, we see that the individual who is unable to climb 1-2 steps and lives in an area where climbing steps is required to access services would be much more restricted than someone would who lives in an accessible community.[17]

Assessing activity or function devoid of environment, as does the DTC, ignores the fact that the environment is a key factor in the disablement process. Advocates have been pushing back against simplified medical explanations of disability for nearly 50 years (Oliver,1990). More recent conceptualizations of the disablement process, in particular the WHO's bio-psychosocial model, emphasize how the person in context can change the nature of disablement. In general, new concepts of disability highlight the

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[16] The 2002 report Getting It Right recommended the eligibility criteria for the DTC be adjusted to "reflect the reality of living with a disability" (Longfield & Bennett, 2002, p. 30), meaning it should reflect how the environment interacts with a person's impairment/disabilities.

[17] An example from a key informant of incongruities in eligibility…if someone with Type I Diabetes can afford an insulin pump, they are able to access the DTC. But if they rely on finger pricks to test insulin and adjust diet accordingly, they are not eligible. Even though continual finger pricks, diet adjustments, and blood sugar monitoring may be more confining for the individual than using an insulin pump, yet use of the pump qualifies for the DTC credit because it is considered a higher level of impairment than finger pricking.

importance of both the social model, where barriers to participation are constructed by society, and interaction models that emphasize the interaction between person and context (Shakespeare, 2014).

Eligibility for Physical and Mental Disabilities

Generally, DTC eligibility requirements for physical disabilities are clearer and more readily met than those disabilities associated with mental health and function (Abrams, 2017). The disparity in their treatment has its historical roots in the fact that the DTC was first developed to serve the needs of persons living with physical disabilities. Efforts to include mental health and function have been undertaken through modifications to an approach developed solely for physical disabilities. Consequently, persons with disabilities associated with mental health and functions have more difficulty qualifying for the DTC than persons with physical disabilities.[18]

Although impairments of mental health and functions are noted as qualifying for the DTC, the description of the requirements for these conditions suggest higher levels of disability and lower functioning than is implied for physical impairments. Noteworthy is that the eligibility criteria do not consider how impairments of mental health and function interact and restrict communication and social engagement (Conti-Becker et al., 2007). For example, individuals with depression, personality disorders, and/or thought disorders may have elevated difficulties interacting with others, including

[18] Getting it Right recommends the DTC be redesigned to better address mental illness disabilities, which is echoed in the 2004 Disability Tax Fairness report.

interacting with medical professionals, something that is required to ensure proper completion of the DTC application form.

The seemingly uneven eligibility criteria for the DTC were noted by key informants, who described the criteria for those with deficits relating to mental health and functioning as subjective and harder to report accurately. Many people were concerned that few persons with disabilities would meet the criteria despite having a condition that significantly impacts their daily functioning. One family doctor noted:

> So, there is a certain level of subjectivity that comes with the application as well, and I think there is a difference… whether the impairment tends to be a physical one or a mental one. From my point of view, the physical impairments are pretty cut and dry with the application. But there is a little bit more room in the mental impairment section that call for some subjectivity.

Persons with mental illness were described by key informants as being particularly disadvantaged, as explained by one informant with lived experience:

> A lot of people with mental illness are turned down, or if they are accepted, they have to apply again, because they consider them likely to get better.

Dynamic Nature of Episodic Disabilities

DTC eligibility concerns in relation to episodic disabilities also arose in both the literature and key informant interviews. A key issue is that there is no place in the application to describe the dynamic and fluctuating functional abilities of individuals with episodic conditions such as multiple sclerosis or mental illness (Conti-Becker et al., 2007). The requirement of describing the condition in its current form often results in individuals with episodic conditions not qualifying for the DTC if they do not experience disability 90% of the time.

There have been successful court cases wherein individuals have argued that they were denied DTC eligibility because of the dynamic nature of their disabilities (Golumbek, 2018; Golumbek, 2021). However, DTC eligibility criteria and the application form have not been modified to explicitly include such conditions (Longfield & Bennett, 2002; Goodale & McCallum, 2004; Eggleton et al., 2018). Thus, the lack of explicit consideration of the dynamic nature of some disabilities remains an ongoing challenge with the DTC.

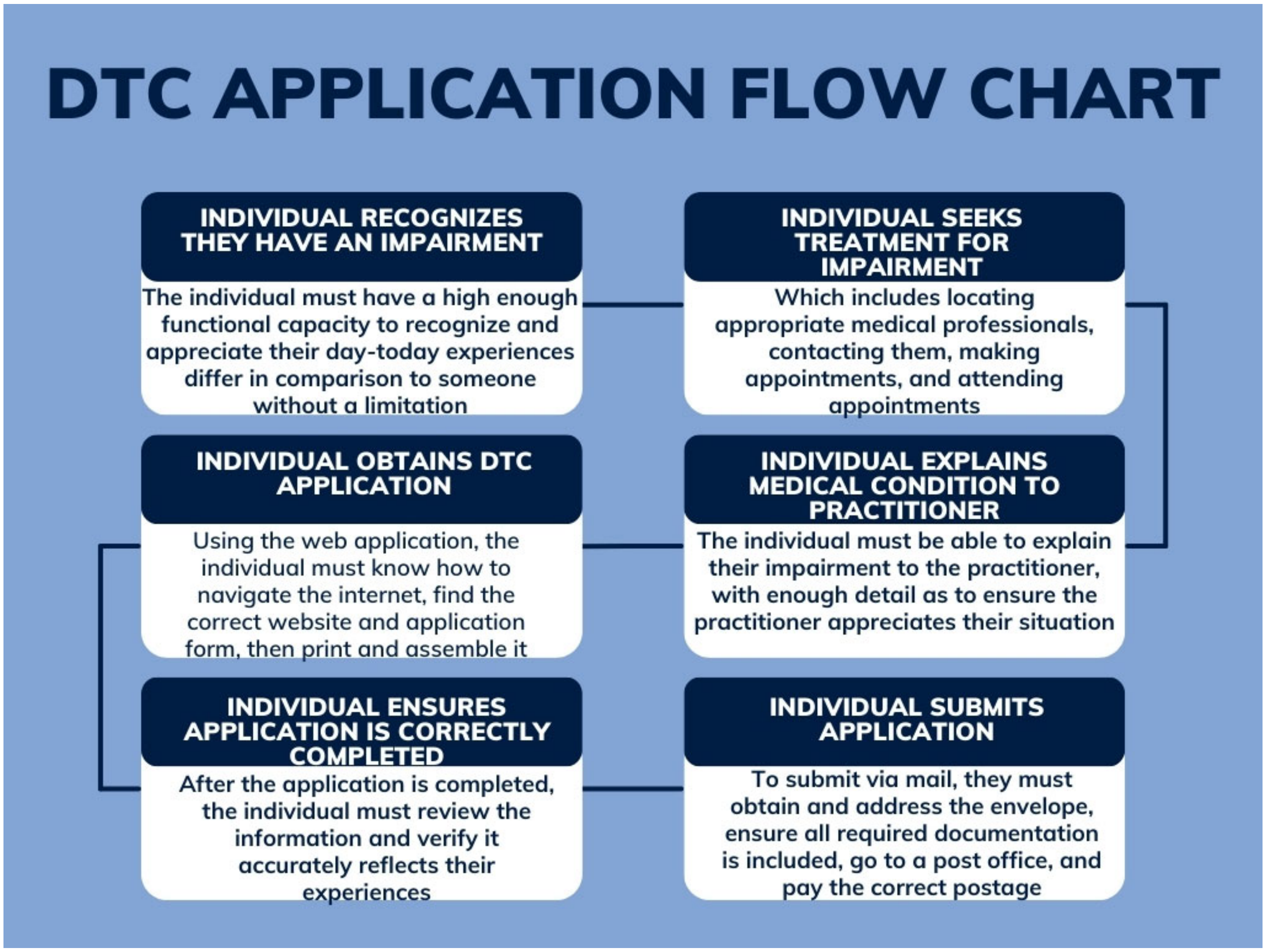
Application Form and Application Process

The application form and process present challenges for persons with disabilities in Canada seeking to access the DTC. Issues include the assumption of capacity, the complexity of the application, the requirement for a medical practitioner assessment, the fees associated with completing the application, and the proliferation of a DTC consulting industry.

Assumption of Capacity

The DTC application form and related process is quite detailed. As a result, there is an implicit capacity assumption that is counter to the level of disability required for DTC eligibility. To successfully complete the DTC application form an individual must first identify themselves and their impairment as being potentially eligible, seek treatment for that impairment, obtain the DTC application form, effectively explain and/or show how the conditions affects their activities to a medical practitioner, ensure their application is correctly completed by appropriate medical professionals, and provide other information to the CRA as needed (see Figure 3 for a depiction of the DTC application process).

Figure 3 – DTC Application Flow Chart



When viewed as a sequence of detailed steps, it is entirely understandable why some individuals with disabilities do not apply for and/or obtain the DTC. Completing the application form correctly and submitting it to CRA demands significant foresight and ability, including the ability to sequence, coordinate and problem solve. It is likely that anyone with an impairment as debilitating as that required to qualify for the DTC would find these steps daunting or impossibly insurmountable. Consequently, it is understandable how the application and relation process give rise to systemic barrier for individuals with disabilities.[19] The capacity requirement may be overcome in cases where individuals have significant support network to assist them with the application and related process.

If we consider the range of disability support programs for persons with disabilities available through various levels of government in Canada and in the private sector,[20] the criticality of capacity is further magnified. Different forms, different eligibility criteria, different supporting documents, in addition to navigational issues further magnify the need for capacity.

Overall Application Complexity

Key informants highlighted challenges associated with application complexity. This issue has been extensively discussed in reports since 2002 (Longfield & Bennett). Both the application and appeal process were described as complex, arduous, and untenable for many persons with disabilities. Questions on the application form were described as unnecessarily intrusive, confusing, and difficult to complete (Longfield & Bennett, 2002; Goodale & McCallum, 2004; Eggleton et al. 2018; Golumbek, 2017).[21]

Medical Professional Involvement

The DTC application form uses very specific language for eligibility requirements with minimal explanation of what those terms mean (Conti-Becker et al., 2007). The terms

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[19] Systemic barriers are relevant across physical, neurological, and mental impairment, even though there may be impairment-specific issues.

[20] Capacity issues include the available tax credits for sign language interpreters for meetings, teletypewriter machines for receiving typed messages through a telephone, and the availability of forms and publications in Braille format (Prince, 2001).

[21] Some key informants did note that recent changes to the application form have made the overall application form and process much easier.

used are not common or used in other areas (Conti-Becker et al., 2007). Though medical professionals are designated authorities tasked with completing the form, the eligibility criteria are written in taxation language rather than medical language. The profession-language mismatch can give rise to inappropriately or ineffectively completed applications. As a result, CRA application reviewers may misinterpret the terminology used, increasing the possibility of application rejection.

The application allows for only one medical practitioner to complete it, but persons with complex or multiple disabilities may have multiple specialists serving them. Given that the medical assessment component of the application form is divided by body system, it can pose a challenge for some specialists to complete, particularly for individuals who have disabilities that span more than one classification. One is obliged to select one specialist or a general practitioner to complete the application form, yet neither may have the deep knowledge in all the relevant areas to adequately profile a person's condition and its impact on their lives (Conti-Becker et al., 2007). Even if multiple professionals could be enlisted to help complete the form, most applicants would find it challenging to coordinate and financially costly, since medical professionals generally charge a fee to review and complete such forms.

It is important to note that medical fees associated with the DTC application completion by a medical professional are not standardized. Medical professionals may or may not be governed by their respective professional associations regarding standardization of fees. Furthermore, the complexity of some disabilities, paired with the complexity of the form, makes it difficult to predict how long it will take to complete the form.

Among the key informants interviewed, many stated they had difficulty finding a doctor or a medical professional willing to complete the DTC application form.[22] Medical professionals we spoke to acknowledged the hesitancy that many of their peers have about completing the forms because they lack knowledge and skills to do so. Rather than risk completing the form incorrectly, or having their assessment of the individual misinterpreted, many prefer to decline requests to complete the form. This hesitancy is not unfounded, given there are instances where government authorities have reprimanded medical professions for filling out forms too liberally. One doctor we spoke to noted:

> Some companies were hiring practitioners to do applications sight unseen. So, they were doing applications, I guess, fraudulently and eventually CRA did a crackdown on that and that was quite public, and I believe that that left practitioners a little reluctant to do an application that had to go through CRA. There's a bit of a historical thing there where doctors or other practitioners didn't want to come across to CRA as aiding and abetting someone who didn't have a good application. So, if there is any sort of subjectivity to the application, or the impairment isn't really cut and dried, there is a historical sort of reluctance.

Given this reluctance by some practitioners, individuals often need help finding a medical professional who is willing to complete the necessary paperwork, and an application will not be reviewed without the medical component completed.

[22] Key informants also noted challenges with finding a medical professional who could complete the form in a way that accurately reflects the impact of their impairment/disability on their daily life. They highlighted how critical it was that doctors and other medical professionals understand the DTC and how the assessment of eligibility works, while simultaneously understanding their experiences with their condition given their environmental context and the impact it has on their daily functioning. Without this understanding, they are unlikely to complete the application form in a manner that would meet the eligibility criteria. This means that for a medical professional to complete the DTC application successfully, they must have a thorough understanding of the individual's disability and be able to articulate that medical condition using taxation terminology.

Cost of Medical Professionals Expertise

A common concern expressed in the literature and by key informants is the fees that professionals charge to complete the DTC application form (Dunn & Zwicker, 2018; Golumbek, 2021).[23] Additionally, paying the fee associated with any given DTC application does not provide any guarantee of success in receiving the credit. There is no prescribed amount or limit to fees, so professionals authorized to complete the form set their own fee schedule. Some professionals, like that of some psychologists, are governed by professional associations that prescribe fee schedules, which can range from $200-250 per hour (Sana Health Counselling, 2022).

The burden of the expense incurred to have a medical professional complete the form is compounded by the fact that many persons with disabilities are poor or have lower levels of income relative to able bodied persons (Longfield & Bennett, 2002; Statistics Canada, 2022). Lower levels of disposable income mean the expense is that much more onerous. In some ways it seems counter intuitive to have persons who have low income incur expenses to apply for DTC in order to offset their incremental cost of living. Additionally, as noted, the DTC is only approved for a period of time, thus expenses will be incurred again with reapplication.[24]

[23] Getting it Right notes fees associated with completion of DTC applications and made recommendations to remedy the situation.
[24] Getting it Right recommends establishing a streamlined recertification process for continuity in access to the DTC.

DTC Consultant Industry

Complexity of the application form and process have given rise to an industry offering services to support the process. Many persons with disabilities in Canada have turned to these private agencies, called DTC consultants, who provide assistance with the application form and process for a fee. Currently, there is no cap on the amount that can be charged for helping a person with adisability complete the application. DTC consultants may charge a set fee for services, a percentage of the monies received from the CRA upon approval of the DTC, or a combination of both. DTC consultants often seek retroactive adjustments to previously filed tax returns. Some receive upwards of $8,000 per successful application (representing 30% of the monies received by the applicant) (Golombek, 2021).[25] Key informants expressed concern about the DTC consulting industry because of the often exorbitant fees.

The DTC consulting industry is unregulated, and sometimes described it as predatory. Key informants noted that some consultants advertise on social media and taking advantage of those who struggle with the application form and process. In 2012, the Disability Tax Credit Promoters Restrictions Act was tabled which would limit the fees such consultants could charge for services. Although it received Royal Assent in 2014, it remained inoperable because fees were to be established and set via subsequent regulations. After significant consultations, regulations limiting fees were prescribed, but have yet to come into force (Golumbek, 2021). One DTC consultant firm, True North Disability Services Ltd., sought to have the regulations declared

[25] Fees are often charged through a contingency agreement. This approach may be particularly appealing to individuals with low income as they are not required to pay upfront costs for medical professionals.

unconstitutional and was granted an injunction pending the outcome of the constitutional challenge (Golumbek, 2021).[26]

As it stands currently, consultants extract thousands of tax refund dollars from the most vulnerable people with the most precarious incomes because of the complexities and uncertainties associated with navigating the application form and process.

Summary of Chapter 3

We identified multiple issues associated with the DTC program through the literature and key informants. A key one is the challenge of navigating the disability support system that consists of programs at various levels of government and the private sector each with different forms, definitions of disability and eligibility criteria. Given the non-refundable nature of the DTC and the need for taxable income to receive any direct benefit from the credit, the DTC disproportionately benefits those with higher incomes or the relatives of disabled individuals, rather than disabled persons themselves. Reapplication requirements and the restrictive eligibility further complicate access to the DTC. Additionally, eligibility requirements do not consider the nuanced realities of living with a disability, especially the interaction of a person with their environmental. A further challenge is the inadequate treatment of disability associated with mental health and other episodic conditions.

The application form and process create additional challenges for persons with disabilities. Issues include the complexity of the application form and process and the

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[26] To date, this constitutional challenge has not been resolved.

problematic reliance on medical professionals not familiar with taxation language. There is also a monetary cost that can arise due to the need for medical professional involvement, which can be a substantial burden for many persons with disabilities. Lastly, the emergence of a largely unregulated DTC consultant industry that exploits the system's complexities, further adds to the financial burden and creates additional barriers to benefiting from the program.

In summary, our findings identified ongoing challenges and inequities within the DTC program that create barriers and make it inaccessible to many persons with disabilities, especially those in a dire financial situation with few supports and resources. The findings highlight an urgent need for comprehensive reform to make the DTC more inclusive, equitable, and reflective of the diverse experiences of persons with disabilities in Canada.

Chapter 4 – Recommendations and the Way Forward

There are multiple steps that could be taken to address the challenges and limitations associated with the DTC noted in this report. In this section we consider policy options outlined in the literature and discussed by key informants in both interviews and the workshops. Importantly, these options should be considered as the new Canada Disability Benefit is being finalized. As noted by several key informants, the Canada Disability Benefit, if effective, might reduce the need for the DTC. However, the focus of our recommendations is on making the DTC more effective and accessible, regardless of the potential of the Canada Disability Benefit.

Recommendations

Our findings highlight several challenges with the DTC including complexity of the application form and process, limitations on who benefits from the DTC, restrictive eligibility, challenges with the definition of disability used for eligibility, and limited value of the non-refundable nature of the DTC due to low earnings of many persons with disabilities. Given these challenges, our recommendations for the way forward are as follows.

Recommendation 1 - Make the DTC application more accessible.

This involves improving accessibility features of the application form and standardizing or eliminating fees attached to applying for the DTC. Making the DTC more accessible also involves revisiting the steps needed to complete an application and simplifying the process where possible. It also involves educating medical professionals about the DTC and how to complete the form, improving the accessibility features of the application itself, reducing the steps needed to apply for the DTC, and improving DTC continuity once eligibility has been determined.

Recommendation 2 - Coordinate the DTC with other disability credits and benefits.

Access to the DTC should be coordinated with other provincial and federal benefits. This is critical since no one program offers a full complement of benefits and services. There is a need to coordinate how disability credits and benefits are accessed to ensure that persons with disabilities across Canada can access the full complement of supports they need regardless of age, disability type and employment status. This requires careful consideration of different scenarios of need across Canada by age, gender, and other key factors related to a person's lived experience.

A key starting point for coordination would be to realign the DTC with its intended core purpose. At its most basic level, the DTC is meant to offset the incremental costs associated with being disabled. Essentially, it is meant to serve as a device for achieving horizontal equity between persons with and without disabilities (Goodale & MacCallum, 2004). The findings presented in this report reveal that it does not offset these costs. As a non-refundable credit, individuals who benefit from the DTC, at best, only recover a small percentage of the incremental living costs they incur due to their disability, leaving persons with disabilities trailing significantly behind their non-disabled counterparts.

Recommendation 3 - Provide seamless access to disability benefits available in Canada.

The DTC as a pathway to accessing other benefits should be opened up to allow other pathways to their access. This is especially critical given the low uptake of the DTC. There is a need to ensure that there are other pathways to being deemed a "person with a disability" who is eligible for these other benefits. Specifically, once someone is deemed a person with a disability by a government program in Canada, whether it is a provincial or federal program, they should be able to seamlessly access other disability benefits and programs at any level of government.

Recommendation 4 – Position the DTC within Canada's poverty reduction strategy.

In establishing Canada's poverty reduction strategy moving forward, the federal government should consider how, if at all, the DTC can be used as a tool to alleviate poverty and income insecurity? Given the added costs associated with living with a disability (e.g. therapy, equipment, transportation), together with reduced career opportunities and earning potential, persons with disabilities in Canada experience higher rates of poverty and income insecurity. Such experiences are especially prevalent when disability intersects with other forms of oppression due to, for example, race, gender, pre-existing poverty, and lower educational attainment. If Canada is to be successful in its efforts to reduce poverty, a coordinated effort needs to be made to address the challenges that persons with disabilities experience.

In its current form, the DTC does very little to address poverty because it is tied to taxable income. Yet there is an inverse relationship between severity of a person's impairment and their income, based on findings from the Canadian Survey on Disability (2017). Essentially, persons with severe disabilities have extremely low incomes which means their payable taxes are either negligible or non-existent.

The aim of the DTC should be reframed to support principles of independent living rather than expense recovery to more meaningfully align with Canada's poverty reduction strategies. A clearly stated intent of this sort would pave the way for coordination between the provinces/territories and the federal government, in order to minimize claw backs and maximize the benefit of the DTC.

Ultimately there is a win-win with poverty reduction. Higher incomes are associated with better health outcomes which, in turn, could reduce the demands on a medical system that is already strained. Additionally, persons with disabilities in Canada with more financial security would have a better chance of entering the labour force and avoid the traps associated with poverty.

Recommendation 5 – Change the DTC back to a refundable tax credit.

Changing the DTC back to a refundable tax credit would allow more persons with disabilities in Canada to benefit from the credit. As it currently stands, there is only a small group of persons with disabilities who benefit from the DTC. That is, individuals who: 1) meet the disability eligibility requirements, 2) earn sufficient income to make use of the deduction, 3) avail themselves of any other secondary benefits, and 4) have sufficient means to invest in an RDSP. If the intent of the DTC is to address the added cost of living with disability among all persons with disabilities, the non-refundable form is substantially inadequate.

As noted, even as a refundable tax credit the DTC would not fully address the incremental cost of living experienced by persons with disabilities in Canada, but it could benefit more people as such. Essentially, it would lead to more persons with a disability applying for and receiving the credit because it would allow individuals to benefit from the program regardless of their employment status and tax burden.

Recommendation 6 - Amend DTC eligibility so all lived experiences of persons with disabilities are treated equitably.

The eligibility criteria for the DTC should be revamped through consultation with persons living with a disability to ensure that the criteria reflect their lived experiences.[27] The current eligibility criteria for the DTC results from piecemeal changes to the eligibility criteria and their implementations, and as they stand, the criteria do not convey a reasonable measure of disability. If the DTC is meant to address the added cost of living with a disability in Canada, a focus on these additional costs should guide the eligibility criteria. Revision to the definition of disability would see eliminating terms such as “marked restriction” and the 90% Rule, in favour of less restrictive disability constructs that are consistent with the experiences of persons with disabilities in Canada.

Addressing equitable treatment might begin with a review and reframing of the construct of disability used in the DTC, with consideration given to definitions used in programs and initiatives across Canada and internationally. Additionally, consideration might be given to the ICF framework, which blends the social and medical models of

[27] Consultation must include voices of person across varying types, levels, and intersections of disability.

disability. Such a framework might provide insights into how best to assess and address the incremental cost of living experienced by persons with disabilities.

Recommendation 7 - Promote education and awareness of the DTC.

Persons with disabilities in Canada and their supporters must have the information they need to make informed decisions about their options and take steps to access various disability programs that could meet their needs. Education and awareness campaigns must consist of multiple pathways for including social media, websites, brochures and advertisements. It must include educating doctors and other medical professionals about the DTC and how to complete the DTC application. A broad information campaign with widely available resources to assist with navigation of the various supports and benefits could increase the uptake of the DTC.

Discussion

The findings of this research draw on past literature and key informant interviews to highlight challenges, inequities, and options to improve the DTC program to better meet its intent. Drawing on this combined data, we can conclude that the DTC program could better meet the needs of persons with disabilities in Canada and better address the persistent inequities experienced by them. In addition, we find that many of the issues we noted about the DTC are well known to people in Canada through reviews and reports completed over the last two decades, including reports which were commissioned by Canada. Yet, many of the recommendations from these reports remain unaddressed.

There are some limitations associated with our report that should be noted. First, we spoke to people in Canada who are familiar with the DTC based on their experiences applying for and receiving it or based on their work in the field. Although we attempted to speak to persons with diverse experiences and perspectives, we could have missed some issues about the DTC, or not fully captured some details. Furthermore, the DTC has changed over time and some of the issues reported by participants may have been addressed in recent revisions of eligibility and the new application form. But we do not know with certainty that this is a limitation, since we did not review the most recent changes to the DTC program.

The findings in this report highlight the importance of finding effective ways to address poverty and income insecurity among persons with disabilities and the need to address income inequity in Canada through the DTC and beyond. The DTC is one tool to address income inequity and offset the additional costs associated with living with disabilities. However, it is insufficient on its own to fully address the persistent poverty experienced by persons living with a disability in Canada.

There is a need for a more fulsome review of income benefits for persons with disabilities in Canada, including how they interact and their collective impact on the experience of living with a disability. As noted by Prince (2001), “one front [to attaining equity] is to reform the policy development, program management, and performance measurement and reporting processes within the federal government to ensure that initiatives across all departments and agencies systematically take into account the needs and rights of persons with disabilities” (p. 497). Similarly, Smart and Stabile (2006) noted that the effectiveness of provincial income assistance is impacted by the lack of coordination among existing poverty reduction and income support strategies in Canada, lamenting that, “the lack of coordination among existing measures is a significant obstacle to achieving the equity goal” (p. 418).

Importantly, the function of the DTC may shift in light of new developments in disability benefits with the advent of the Canada Disability Benefit program. Clearly, a new system is urgently needed to address income inequity more fully for persons with disabilities in Canada. The DTC is but one component of this approach.

Conclusion

This report highlights that while the DTC could be used as a tool to address poverty and income insecurity in Canada, it is currently not meeting these objectives. Its criteria are too limited, the application form and process are inaccessible, and its gateway function is overly restrictive and prevents persons with disabilities from accessing other benefits. In light of the high rates of poverty among persons with disabilities in Canada, these issues need to be addressed. A comprehensive review of the DTC eligibility and application form and process is urgently needed, as well as a review of how the DTC program interacts with other federal income and personal support benefits programs.

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Protected B
when completed

Disability Tax Credit Certificate

Help
canada.ca/disability-tax-credit
1-800-959-8281

The information provided in this form will be used by the Canada Revenue Agency (CRA) to determine the eligibility of the individual applying for the disability tax credit (DTC). For more information, see the general information on page 16.

Part A – Individual's section

1) Tell us about **the person with the disability**

First name: ______________________

Last name: ______________________

Social insurance number: | | | | | | | | | |

Mailing address: ______________________

City: ______________________

Province or territory: ______________________

Postal code: | | | | | | |

Date of birth: | | | | | | | | | (Year, Month, Day)

2) Tell us about **the person intending to claim the disability amount** (if different from above)

This person must be a supporting family member of the person with the disability (the spouse or common-law partner of the person with the disability, or a parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew, or niece of that person or their spouse or common-law partner).

First name: ______________________

Last name: ______________________

Relationship: ______________________

Social insurance number: | | | | | | | | | |

Does the person with the disability live with you? ☐ Yes ☐ No

Indicate which of the basic necessities of life have been regularly and consistently provided to the person with the disability, and the years for which it was provided:

☐ Food ____________ Year(s) ☐ Shelter ____________ Year(s) ☐ Clothing ____________ Year(s)

Provide details regarding the support you provide to the person with the disability (regularity of the support, proof of dependency, if the person lives with you, etc.):

If you and another person support the same dependant, you may split the claim for that dependant. However, the total amount of your claim and the other person's claim cannot be more than the maximum amount allowed for that dependant. If you want to provide more information than the space allows, or another supporting family member would like to add information about the support they provide, use a separate sheet of paper, sign it, and attach it to this form. Make sure to provide all identifying information, including social insurance numbers and signatures from all supporting family members.

As the supporting family member intending to claim the disability amount, I confirm the above information is accurate. This authorization will not result in automatic adjustments to my previous tax returns.

Signature: ______________________

Canada

Part A – Individual's section (continued)

3) Previous tax return adjustments

Are you the person with the disability or their legal representative (or if the person is under 18, their legal guardian)?

☐ Yes ☐ No

Note: If no, or more than one person is claiming the disability amount, you will need to send a Form T1-ADJ for each year to be adjusted or a letter with the details of your request(s).

If eligibility for the disability tax credit is approved, would you like the CRA to apply the credit to your previous tax returns?

☐ Yes, adjust my previous tax returns for all applicable years.

☐ No, do not adjust my previous tax returns at this time.

4) Individual's authorization (**mandatory**)

As the person with the disability or their legal representative:

- I certify that the above information is correct.
- I give permission for my medical practitioner(s) to provide the CRA with information from their medical records in order for the CRA to determine my eligibility.
- I authorize the CRA to adjust my returns, as applicable, if I opted to do so in question 3.

Signature: ______________________________

If this form is not signed by the person with the disability or their legal representative (or if the person is under 18, their legal guardian), **the CRA will not process this form**.

Telephone number: ______________________________ Date: Year Month Day

This marks the end of the individual's section of the form. Ask a medical practitioner to fill out Part B (pages 3-16). Once the medical practitioner certifies the form, it is ready to be submitted to the CRA for assessment.

Next steps:

Step 1 – Ask your medical practitioner(s) to fill out the remaining pages of this form.

Note
Your medical practitioner provides the CRA with your medical information but does not determine your eligibility for the DTC.

Step 2 – Make a copy of the filled out form for your own records.

Step 3 – Refer to page 16 for instructions on how to submit your form to the CRA.

Part B – Medical practitioner's section

If you would like to use the digital application for medical practitioners to fill out your section of the T2201, it can be found at **canada.ca/dtc-digital-application**.

Important notes on patient eligibility

- Eligibility for the DTC is not based solely on the presence of a medical condition. It is based on the impairment resulting from a condition and the effects of that impairment on the patient. Eligibility, however, is not based on the patient's ability to work, to do housekeeping activities, or to engage in recreational activities.
- A person may be eligible for the DTC if they have a severe and prolonged impairment in physical or mental functions resulting in a marked restriction. A marked restriction means that, even with appropriate therapy, devices, and medication, they are unable or take an inordinate amount of time in one impairment category, **all or substantially all** (generally interpreted as 90% or more) of the time. If their limitations do not meet the criteria for one impairment category alone, they may still be eligible if they experience significant limitations in two or more categories.

For more information about the DTC, including examples and eligibility criteria, see Guide RC4064, Disability-Related Information, or go to **canada.ca/disability-tax-credit**.

Next steps

Step 1 – Fill out the sections of the form on pages 4-15 that are applicable to your patient.

When considering your patient’s limitations, assess them compared to someone of similar age who does not have an impairment in that particular category. If your patient experiences limitations in more than one category, they may be eligible under the "Cumulative effect of significant limitations" section on page 14.

If you want to provide more information than the space allows, use a separate sheet of paper, sign it, and attach it to this form. Make sure to include the name of the patient at the top of all pages.

Step 2 – Fill out the "Certification" section on page 16 and sign the form.

Step 3 – You or your patient can send this form to the CRA when both Part A and Part B are filled out and signed (refer to page 16 for instructions).

The CRA will review the information provided to determine your patient's eligibility and advise your patient of its decision. If more information is needed, the CRA may contact you.

Patient's name: ______________________________ **Protected B** when completed

If your patient has an impairment in vision, initial your professional designation and complete this section.

Vision

______ Medical doctor ______ Nurse practitioner ______ Optometrist

1) List any medical conditions or diagnoses that impair your patient's ability to see, and provide the year of diagnosis (if available):

2) Indicate the aspect of vision that is impaired in each eye (visual acuity, field of vision, or both):

Left eye after correction

Visual acuity

- ☐ Measurable on the Snellen chart (provide acuity)
  (/) Example: 20/200, 6/60
- ☐ Count fingers (CF)
- ☐ No light perception (NLP)
- ☐ Light perception (LP)
- ☐ Hand motion (HM)

Field of vision (provide greatest diameter)

(   ) degrees

Right eye after correction

Visual acuity

- ☐ Measurable on the Snellen chart (provide acuity)
  (/) Example: 20/200, 6/60
- ☐ Count fingers (CF)
- ☐ No light perception (NLP)
- ☐ Light perception (LP)
- ☐ Hand motion (HM)

Field of vision (provide greatest diameter)

(   ) degrees

3) Does your patient meet at least one of the following criteria in both eyes, even with the use of corrective lenses or medication?

- The visual acuity is 20/200 (6/60) or less on the Snellen Chart (or an equivalent).
- The greatest diameter of the field of vision is 20 degrees or less.

☐ Yes ☐ No[1]

[1] If you answered no and your patient is impaired in two or more categories, they may be eligible under the "Cumulative effect of significant limitations" on page 14.

4) Provide the year that your patient became impaired based on your previous answers: |_|_|_|_| Year

5) Has your patient's impairment in vision lasted, or is it expected to last, for a continuous period of at least 12 months?

☐ Yes ☐ No

6) Has your patient's impairment in vision improved or is it likely to improve to such an extent that they would no longer be impaired?

☐ Yes (provide year) |_|_|_|_| Year ☐ No ☐ Unsure

If your patient has an impairment in speaking, initial your professional designation and complete this section.

Speaking

______ Medical doctor ______ Nurse practitioner ______ Speech-language pathologist

1) List any medical conditions or diagnoses that impair your patient's ability to speak, so as to be understood by a familiar person in a quiet setting, and provide the year of the diagnosis (if available):

2) Does your patient take medication to help manage their impairment in speaking?

☐ Yes ☐ No ☐ Unsure

3) Describe if your patient uses any devices or therapy to help manage their impairment in speaking (for example, voice amplifier, behaviour therapy).

4) Provide examples that describe how your patient's ability to speak – so as to be understood by a familiar person in a quiet setting – is impaired even with appropriate therapy, medication, and devices – this is **mandatory**.

For example, they require repetition to be understood, have difficulty with articulation, require more time for word retrieval or to respond to verbal information, experience mutism, or use sign language as their primary means of communicating.

5) Is your patient unable to speak, or do they take an inordinate amount of time to speak so as to be understood (at least three times longer than someone of similar age without an impairment in speaking) by a familiar person in a quiet setting, even with the use of appropriate therapy, medication, and devices?

☐ Yes ☐ No[1]

[1] If you answered no and your patient is impaired in two or more categories, they may be eligible under the "Cumulative effect of significant limitations" on page 14.

6) Is this the case all or substantially all of the time (see page 3)?

☐ Yes ☐ No

7) Provide the year when your patient became impaired based on your previous answers: |_|_|_|_| Year

8) Has your patient's impairment in speaking lasted, or is it expected to last, for a continuous period of at least 12 months?

☐ Yes ☐ No

9) Has your patient's impairment in speaking improved or is it likely to improve to such an extent that they would no longer be impaired?

☐ Yes (provide year) |_|_|_|_| Year ☐ No ☐ Unsure

Patient's name: ______________________________

Protected B when completed

If your patient has an impairment in hearing, initial your professional designation and complete this section.

Hearing

______ Medical doctor ______ Nurse practitioner ______ Audiologist

1) List any medical conditions or diagnoses that impair your patient's ability to hear so as to understand a familiar person in a quiet setting, and provide the year of the diagnosis (if available):

2) Indicate the level that best describes your patient's hearing loss in each ear (normal: 0-25dB, mild: 26-40dB, moderate: 41-55dB, moderate-to-severe: 56-70dB, severe: 71-90dB, profound: 91dB+, or unknown):

Left ear

Right ear

3) Describe if your patient uses any devices or therapy to help manage their impairment in hearing (for example, cochlear implant, hearing aid):

4) Provide examples that describe how your patient's ability to hear a familiar person in a quiet setting is impaired despite the use of appropriate therapy, medication, and devices – this is **mandatory**.

For example, they require repetition when listening to others, have poor word discrimination, or need to use lip-reading or sign-language to understand verbal communication.

5) Is your patient unable to hear, or do they take an inordinate amount of time to hear so as to understand (at least three times longer than someone of similar age without an impairment in hearing) a familiar person in a quiet setting, even with the use of appropriate therapy, medication, and devices?

☐ Yes ☐ No[1]

[1]If you answered no and your patient is impaired in two or more categories, they may be eligible under the "Cumulative effect of significant limitations" on page 14.

6) Is this the case all or substantially all of the time (see page 3)?

☐ Yes ☐ No

7) Provide the year when your patient became impaired based on your previous answers: ____ Year

8) Has your patient's impairment in hearing lasted, or is it expected to last, for a continuous period of at least 12 months?

☐ Yes ☐ No

9) Has your patient's impairment in hearing improved or is it likely to improve to such an extent that they would no longer be impaired?

☐ Yes (provide year) ____ Year ☐ No ☐ Unsure

If your patient has an impairment in walking, initial your professional designation and complete this section.

Walking

_____ Medical doctor _____ Nurse practitioner _____ Occupational therapist _____ Physiotherapist

1) List any medical conditions or diagnoses that impair your patient's ability to walk, and provide the year of the diagnosis (if available):

2) Does your patient take medication to help manage their impairment in walking?

☐ Yes ☐ No ☐ Unsure

3) Describe if your patient uses any devices or therapy to help manage their impairment in walking (for example: cane, occupational therapy):

4) Provide examples that describe how your patient's ability to walk (for example, a short distance such as 100 metres) is impaired despite the use of appropriate therapy, medication, and devices – this is **mandatory**.

For example, they need assistance when they walk, they have impaired balance, or as a result of pain or shortness of breath they require frequent breaks when walking.

5) Is your patient unable to walk, or do they take an inordinate amount of time to walk (at least three times longer than someone of similar age without an impairment in walking), for example a short distance such as 100 metres, even with appropriate therapy, medication and devices?

☐ Yes ☐ No[1]

[1] If you answered no and your patient is impaired in two or more categories, they may be eligible under the "Cumulative effect of significant limitations" on page 14.

6) Is this the case all or substantially all of the time (see page 3)?

☐ Yes ☐ No

7) Provide the year when your patient became impaired based on your previous answers: ____ Year

8) Has your patient's impairment in walking lasted, or is it expected to last, for a continuous period of at least 12 months?

☐ Yes ☐ No

9) Has your patient's impairment in walking improved or is it likely to improve to such an extent that they would no longer be impaired?

☐ Yes (provide year) ____ Year ☐ No ☐ Unsure

Patient's name: ______________________________

Protected B when completed

If your patient has an impairment in eliminating, initial your professional designation and complete this section.

Eliminating

______ Medical doctor ______ Nurse practitioner

1) List any medical conditions or diagnoses that impair your patient's ability to personally manage bowel or bladder functions, and provide the year of the diagnosis (if available):

2) Does your patient take medication to help manage their impairment in bowel or bladder functions?

☐ Yes ☐ No ☐ Unsure

3) Describe if your patient uses any devices or therapy to help manage their impairment in bowel or bladder functions (for example, ostomy, biological therapy):

4) Provide examples that describe how your patient's ability to personally manage bowel or bladder functions is impaired, despite the use of appropriate therapy, medication, and devices – this is **mandatory**.

For example, they require assistance from another person, they rely on enemas due to chronic constipation, they wear incontinence briefs to manage fecal or urinary incontinence, or they require intermittent catheterization.

5) Is your patient unable to personally manage bowel or bladder functions, or do they take an inordinate amount of time to personally manage bowel or bladder functions (at least three times longer than someone of similar age without an impairment in eliminating), even with appropriate therapy, medication, and devices?

☐ Yes ☐ No[1]

[1] If you answered no and your patient is impaired in two or more categories, they may be eligible under the "Cumulative effect of significant limitations" on page 14.

6) Is this the case all or substantially all of the time (see page 3)?

☐ Yes ☐ No

7) Provide the year when your patient became impaired based on your previous answers: ☐☐☐☐ Year

8) Has your patient's impairment in bowel or bladder functions lasted, or is it expected to last, for a continuous period of at least 12 months?

☐ Yes ☐ No

9) Has your patient's impairment in bowel or bladder functions improved or is it likely to improve to such an extent that they would no longer be impaired?

☐ Yes (provide year) ☐☐☐☐ Year ☐ No ☐ Unsure

Patient's name: ______________________________ **Protected B** when completed

If your patient has an impairment in feeding, initial your professional designation and complete this section.

Feeding

______ Medical doctor ______ Nurse practitioner ______ Occupational therapist

1) List any medical conditions or diagnoses that impair your patient's ability to feed themselves, and provide the year of the diagnosis (if available):

2) Does your patient take medication to help manage their impairment in feeding themselves?

☐ Yes ☐ No ☐ Unsure

3) Describe if your patient uses any devices or therapy to help manage their impairment in feeding themselves (for example, assistive utensils, occupational therapy):

4) Provide examples that describe how your patient's ability to feed themselves is impaired, despite the use of appropriate therapy, medication, and devices – this is **mandatory**.

Feeding oneself includes preparing food (except when the time spent preparing food is related to a dietary restriction or regime). It does not include identifying, finding, shopping for, or obtaining food.

For example, they cannot hold utensils, they rely exclusively on tube feeding, or they require assistance from someone else to prepare their meals or feed themselves.

5) Is your patient unable to feed themselves, or do they take an inordinate amount of time to feed themselves (at least three times longer than someone of similar age without an impairment in feeding), even with the use of appropriate therapy, medication and devices?

☐ Yes ☐ No[1]

[1]If you answered no, and your patient is impaired in two or more categories, they may be eligible under the "Cumulative effect of significant limitations" on page 14.

6) Is this the case all or substantially all of the time (see page 3)?

☐ Yes ☐ No

7) Provide the year when your patient became impaired based on your previous answers: ☐☐☐☐ Year

8) Has your patient's impairment in feeding themselves lasted, or is it expected to last, for a continuous period of at least 12 months?

☐ Yes ☐ No

9) Has your patient's impairment in feeding themselves improved or is it likely to improve to such an extent that they would no longer be impaired?

☐ Yes (provide year) ☐☐☐☐ Year ☐ No ☐ Unsure

Patient's name: ____________________

Protected B when completed

If your patient has an impairment in dressing, initial your professional designation and complete this section.

Dressing

______ Medical doctor ______ Nurse practitioner ______ Occupational therapist

1) List any medical conditions or diagnoses that impair your patient's ability to dress themselves, and provide the year of the diagnosis (if available):

2) Does your patient take medication to help manage their impairment in dressing?

☐ Yes ☐ No ☐ Unsure

3) Describe if your patient uses any devices or therapy to help manage their impairment in dressing themselves (for example, button hook, occupational therapy):

4) Provide examples that describe how your patient's ability to dress themselves is impaired, despite the use of appropriate therapy, medication, and devices – this is **mandatory**.

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

For example, they experience pain in their upper extremities, they have a limited range of motion, or they require assistance from someone else to dress themselves.

5) Is your patient unable to dress themselves, or do they take an inordinate amount of time to dress themselves (at least three times longer than someone of similar age without an impairment in dressing), even with the use of appropriate therapy, medication and devices?

☐ Yes ☐ No[1]

[1]If you answered no, and your patient is impaired in two or more categories, they may be eligible under the "Cumulative effect of significant limitations" on page 14.

6) Is this the case all or substantially all of the time (see page 3)?

☐ Yes ☐ No

7) Provide the year when your patient became impaired based on your previous answers: |_|_|_|_| Year

8) Has your patient's impairment in dressing themselves lasted, or is it expected to last, for a continuous period of at least 12 months?

☐ Yes ☐ No

9) Has your patient's impairment in dressing themselves improved or is it likely to improve to such an extent that they would no longer be impaired?

☐ Yes (provide year) |_|_|_|_| Year ☐ No ☐ Unsure

If your patient has an impairment in mental functions necessary for everyday life, initial your professional designation and complete this section.

Mental functions necessary for everyday life

_______ Medical doctor _______ Nurse practitioner _______ Psychologist

Mental functions necessary for everyday life include adaptive functioning, attention, concentration, goal-setting, judgment, memory, perception of reality, problem-solving, regulation of behaviour and emotions, and verbal and non-verbal comprehension.

1) List any medical conditions or diagnoses that impair your patient's ability to perform mental functions necessary for everyday life, and provide the year of diagnosis (if available):

2) Does your patient take medication to help manage their impairment in mental functions necessary for everyday life?

☐ Yes ☐ No ☐ Unsure

Does your patient require supervision or reminders from another person to take their medication? This question is not applicable to children.

☐ Yes ☐ No ☐ Unsure

Select the option that best describes how effectively the medication helps manage their impairment in mental functions necessary for everyday life:

☐ Effective ☐ Moderately effective ☐ Mildly effective ☐ Ineffective ☐ Unsure

3) Describe any devices or therapy your patient uses to help manage their impairment in mental functions necessary for everyday life (for example, memory aids, assistive technology, cognitive-behavioural therapy):

4) Does your patient have an impaired capacity to live independently (or to function at home or at school in the case of a child under 18) without daily supervision or support from others?

☐ No ☐ Yes

Select all types of support received by the adult or child under 18:

Adult

☐ Assisted living or long-term facility

☐ Community-based health services

☐ Hospitalization

☐ Support from family members

Child under 18

☐ Adult supervision at home beyond an age-appropriate level

☐ Additional support from educational staff at school

Provide additional details about support received (optional):

The Mental functions section continues on pages 12 and 13.

Patient's name: ______________________________ **Protected B** when completed

Mental functions necessary for everyday life (continued)

5) Select the box that best describes the extent of your patient's impairment, if any, for each of the mental functions listed below, compared to someone of similar age without an impairment in mental functions necessary for everyday life.

Note: For a child, you can indicate either their current or anticipated impairment.

		No limitations	Some limitations	Severe limitations
Adaptive functioning	Adapt to change	☐	☐	☐
	Express basic needs	☐	☐	☐
	Go out into the community	☐	☐	☐
	Initiate common, simple transactions	☐	☐	☐
	Perform basic hygiene or self-care activities	☐	☐	☐
	Perform necessary, everyday tasks	☐	☐	☐
Attention	Demonstrate awareness of danger and risks to personal safety	☐	☐	☐
	Demonstrate basic impulse control	☐	☐	☐
Concentration	Focus on a simple task for any length of time	☐	☐	☐
	Absorb and retrieve information in the short-term	☐	☐	☐
Goal-setting	Make and carry out simple day-to-day plans	☐	☐	☐
	Self-direct to begin everyday tasks	☐	☐	☐
Judgment	Choose weather-appropriate clothing	☐	☐	☐
	Make decisions about their own treatment and welfare	☐	☐	☐
	Recognize risk of being taken advantage of by others	☐	☐	☐
	Understand consequences of their actions or decisions	☐	☐	☐
Memory	Remember basic personal information such as date of birth and address	☐	☐	☐
	Remember material of importance and interest to themselves	☐	☐	☐
	Remember simple instructions	☐	☐	☐
Perception of reality	Demonstrate an accurate understanding of reality	☐	☐	☐
	Distinguish reality from delusions and hallucinations	☐	☐	☐
Problem-solving	Identify everyday problems	☐	☐	☐
	Implement solutions to simple problems	☐	☐	☐
Regulation of behaviour and emotions	Behave appropriately for the situation	☐	☐	☐
	Demonstrate appropriate emotional responses for the situation	☐	☐	☐
	Regulate mood to prevent risk of harm to self or others	☐	☐	☐
Verbal and non-verbal comprehension	Understand and respond to non-verbal information or cues	☐	☐	☐
	Understand and respond to verbal information	☐	☐	☐

The Mental functions section continues on page 13.

Mental functions necessary for everyday life (continued)

Mental functions necessary for everyday life include adaptive functioning, attention, concentration, goal-setting, judgment, memory, perception of reality, problem-solving, regulation of behaviour and emotions, and verbal and non-verbal comprehension.

6) Provide examples that describe your patient's impairment if you indicated they have "some limitations" on page 12, or if you have additional examples related to your patient's ability to perform mental functions necessary for everyday life.

7) Is your patient unable to, or do they take an inordinate amount of time to perform mental functions necessary for everyday life (at least three times longer than someone of similar age without an impairment in mental functions), even with the use of appropriate therapy, medication and devices?

☐ Yes ☐ No[1]

[1]If you answered no, and your patient is impaired in two or more categories, they may be eligible under the "Cumulative effect of significant limitations" on page 14.

8) Is this the case all or substantially all of the time (see page 3)?

☐ Yes ☐ No

9) Provide the year when your patient became impaired based on your previous answers: ____ Year

10) Has your patient's impairment in performing mental functions necessary for everyday life lasted, or is it expected to last, for a continuous period of at least 12 months?

☐ Yes ☐ No

11) Has your patient's impairment in performing mental functions necessary for everyday life improved or is it likely to improve to such an extent that they would no longer be impaired?

☐ Yes (provide year) ____ Year ☐ No ☐ Unsure

Patient's name: ______________________________ **Protected B** when completed

If your patient is impaired in two or more categories, initial your professional designation and complete this section.

Cumulative effect of significant limitations

______ Medical doctor ______ Nurse practitioner ______ Occupational therapist[2]

[2]An occupational therapist can only certify limitations for walking, feeding, and dressing.

When a person is impaired in two or more categories, they may be eligible under "cumulative effect of significant limitations" if the combined effect of their significant limitations is equivalent to a marked restriction (see page 3).

1) Select all categories in which your patient has significant limitations, even with appropriate therapy, medication, and devices:

☐ Vision ☐ Speaking

☐ Hearing ☐ Walking

☐ Eliminating (bowel or bladder functions) ☐ Feeding

☐ Dressing ☐ Mental functions necessary for everyday life

2) Provide examples that describe your patient's significant limitations in the categories of impairment you selected above, despite the use of appropriate therapy, medication, and devices – this is **mandatory**.

3) Do your patient's limitations in at least two of the categories selected above exist together all or substantially all of the time (see page 3)?

Note: Although a person may not engage in the activities simultaneously, "together" in this context means that they are affected by the significant limitations during the same period of time.

☐ Yes ☐ No

4) Is the cumulative effect of these limitations equivalent to being unable or taking an inordinate amount of time in one single category of impairment, all or substantially all of the time (see page 3)?

☐ Yes ☐ No

5) Provide the year the cumulative effect of the limitations described above began: ____ Year

6) Have your patient's impairments in two or more of the categories selected lasted, or are they expected to last, for a continuous period of at least 12 months?

☐ Yes ☐ No

7) Have your patient's impairments improved, or are they expected to improve to such an extent that your patient would no longer be impaired in at least two of the categories selected?

☐ Yes (provide year) ____ Year ☐ No ☐ Unsure

Patient's name: ______________________

Protected B when completed

Life-sustaining therapy

Initial your professional designation if this category is applicable to your patient:

_______ Medical doctor _______ Nurse practitioner

Life-sustaining therapy – for type 1 diabetes (2021 and later years)

People with type 1 diabetes are deemed to meet the eligibility criteria under life-sustaining therapy for 2021 and later years.

1) Indicate when your patient was diagnosed with type 1 diabetes:

- ☐ Prior to 2021 – continue to question 2
- ☐ 2021 and later – provide the year and skip to the Certification section: 2 0 2 _

Life-sustaining therapy – for all conditions & therapies

Eligibility criteria for life-sustaining therapy are as follows:

- The therapy **supports a vital function**.
- The therapy is needed at least **2 times per week** (3 times a week for years prior to 2021).
- The therapy is needed for an average of at least **14 hours per week** including only the time that your patient or another person must dedicate to the therapy. This means that the time they spend on activities to administer the therapy requires them to take time away from normal everyday activities. The following table includes some examples of eligible and ineligible activities:

Eligible activities that count towards the 14 hours per week:

- Activities directly related to adjusting and administering dosage of medication or determining the amount of a compound that can be safely consumed
- Maintaining a log related to the therapy
- Managing dietary restrictions or regimes related to therapy requiring daily consumption of a medical food or formula to limit intake of a particular compound or requiring a regular dosage of medication that needs to be adjusted on a daily basis
- Receiving life-sustaining therapy at home or at an appointment
- Setting up and maintaining equipment used for the therapy

Ineligible activities that do not count towards the 14 hours per week:

- Exercising
- Managing dietary restrictions or regimes other than in the situations described in the eligible activities
- Medical appointments that do not involve receiving the therapy or determining the daily dosage of medication, medical food, or medical formula
- Obtaining medication
- Recuperation after therapy (unless medically required)
- Time a portable or implanted device takes to deliver therapy
- Travel to receive therapy

2) Indicate your patient's life-sustaining therapy and medical conditions:

Life-sustaining therapy: ☐ Multiple daily insulin injections ☐ Insulin pump ☐ Hemodialysis ☐ Peritoneal dialysis ☐ Intermittent oxygen therapy ☐ 24-hour oxygen therapy ☐ Tube feeding ☐ Chest physiotherapy ☐ Other (specify) ______________________

Medical conditions: ☐ Type 1 diabetes ☐ Type 2 diabetes ☐ End-stage renal disease ☐ Phenylketonuria (PKU) ☐ Cystic fibrosis ☐ Other (specify) ______________________

3) List the eligible activities for which your patient or another person dedicates time to administer the life-sustaining therapy (see above reference list):

____

4) Does your patient need the therapy to support a vital function? ☐ Yes ☐ No

5) Provide the minimum number of times per week your patient needs to receive the life-sustaining therapy: __________ times per week

6) Provide the average number of hours per week your patient or another person needs to dedicate to activities in order to administer the life-sustaining therapy: __________ hours per week

7) Provide the year your patient began to need life-sustaining therapy as per your previous answers above: |_|_|_|_| Year

8) Has the impairment that necessitated the life-sustaining therapy lasted, or is it expected to last, for a continuous period of at least 12 months? ☐ Yes ☐ No

9) Has your patient's impairment that required the life-sustaining therapy improved, or is it likely to improve to such an extent that your patient would no longer be in need of the life-sustaining therapy?

☐ Yes (provide year) |_|_|_|_| Year ☐ No ☐ Unsure

Certification (mandatory)

1) For which year(s) has the person with the disability been your patient? ____________ to ____________

2) Do you have medical information on file for all the year(s) you certified on this form? ☐ Yes ☐ No

Select the medical practitioner type that applies to you. Tick one box only:

☐ Medical doctor ☐ Nurse practitioner ☐ Optometrist ☐ Occupational therapist

☐ Audiologist ☐ Physiotherapist ☐ Psychologist ☐ Speech-language pathologist

As a **medical practitioner**, I certify that this information is correct to the best of my knowledge. I understand that this information will be used by the CRA to make a decision if my patient is eligible for the DTC.

Signature: ____________________

It is a serious offence to make a false statement.

Name (print): ____________________

Medical license or registration number (optional): ____________________

Telephone number: ____________________

Date: Year Month Day

Address

General information

Disability tax credit

The disability tax credit (DTC) is a non-refundable tax credit that helps persons with disabilities or their supporting persons reduce the amount of income tax they may have to pay.

For more information, go to **canada.ca/disability-tax-credit** or see Guide RC4064, Disability-Related Information.

Eligibility

A person with a severe and prolonged impairment in physical or mental functions **may be eligible** for the DTC. To find out if you may be eligible for the DTC, fill out the self-assessment questionnaire in Guide RC4064, Disability-Related Information.

After you send the form

Make sure to keep a copy of your application for your records. After we receive your application, we will review it and make a decision based on the information provided by your medical practitioner. We will then send you a notice of determination to inform you of our decision.

You are responsible for any fees that the medical practitioner charges to fill out this form or to give us more information. You may be able to claim these fees as medical expenses on line 33099 or line 33199 of your income tax and benefit return.

If you have questions or need help

If you need more information after reading this form, go to **canada.ca/disability-tax-credit** or call **1-800-959-8281**.

Forms and publications

To get our forms and publications, go to **canada.ca/cra-forms** or call **1-800-959-8281**.

How to send in your form

You can send your completed form at **any time** during the year online or by mail. Sending your form before you file your annual income tax and benefit return may help us assess your return faster.

Online

Submitting your form online is secure and efficient. You will get immediate confirmation that it has been received by the CRA. To submit online, scan your form and send it through the "Submit documents" service in My Account at **canada.ca/my-cra-account**. If you're a representative, you can access this service in Represent a Client at **canada.ca/taxes-representatives**.

By Mail

You can send your application to the tax centre closest to you:

Winnipeg Tax Centre
Post Office Box 14000, Station Main
Winnipeg MB R3C 3M2

Sudbury Tax Centre
Post Office Box 20000, Station A
Sudbury ON P3A 5C1

Jonquière Tax Centre
2251 René-Lévesque Blvd
Jonquière QC G7S 5J2

For internal use ____________

Tax measures for persons with disabilities

Disability-Related Information

2023

Find out if this guide is for you

This guide is for persons with disabilities and their supporting persons. It gives information on:

- the criteria for the disability tax credit and how to apply
- related tax credits you could claim on the income tax and benefit return
- other disability-related information

This guide uses plain language to explain most common tax situations. It is provided for information only and does not replace the law.

The CRA's publications and personalized correspondence are available in braille, large print, e-text, and MP3. For more information, go to **canada.ca/cra-multiple-formats** or call **1-800-959-8281**.

La version française de ce guide est intitulée Renseignements relatifs aux personnes handicapées.

Table of contents

Services for persons with disabilities

Help for persons who have a hearing or speech impairment

If you use a teletypewriter (TTY), call **1-800-665-0354**.

If you use an operator-assisted relay service, you can call the Canada Revenue Agency's (CRA) regular telephone numbers during business hours. You do not need to authorize the relay service operator to communicate with the CRA.

If you need a sign language interpreter and you give the CRA notice, they can have a sign language interpreter at an interview or meeting.

Help for persons who are blind or partially sighted

If you have difficulty filling out regular print forms and returns, you can file them in braille or in large print. To get your publications in the format you want, go to **canada.ca/cra-multiple-formats** or call **1-800-959-8281**.

Community Volunteer Income Tax Program

If you have a modest income and a simple tax situation, community volunteers may be able to prepare your tax return for you. For more information, go to **canada.ca/taxes-help**.

Non-refundable tax credits

Non-refundable tax credits are amounts that reduce the income tax you may have to pay.

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.

A person with a severe and prolonged impairment in physical or mental functions may be eligible for the DTC. Once an individual is eligible for the DTC, the disability amount can be claimed on their tax return(s) for the applicable year(s).

Being eligible for the DTC can allow you to claim certain deductions, credits, and benefits, which are mentioned in this guide.

How to apply

To apply for the DTC, you must submit a filled out Form T2201, Disability Tax Credit Certificate, to the CRA. See page 10 for instructions on filling out Form T2201.

Form T2201 is divided into two parts. Part A is for you to fill out, and Part B is for your medical practitioner to fill out. For the purposes of the DTC, medical practitioners are:

- audiologists
- medical doctors
- nurse practitioners
- occupational therapists
- optometrists
- physiotherapists
- psychologists
- speech-language pathologists

Medical practitioners can use the new DTC digital application to fill out Part B of Form T2201. The application can be found at **canada.ca/dtc-digital-application**.

In order to make an eligibility determination, the CRA uses the details that your medical practitioner provides about your impairment.

Eligibility guidelines

An individual may be eligible for the DTC if they have an impairment in physical or mental functions that is severe and prolonged, resulting in a marked restriction. In all cases, the effects of the impairment must meet specific criteria under one of the following categories:

- vision
- speaking
- hearing
- walking
- eliminating (bowel and bladder functions)
- feeding
- dressing
- mental functions necessary for everyday life
- cumulative effect of significant limitations
- life-sustaining therapy

Eligibility under vision is based on whether an individual is considered blind, that is, even with the use of corrective lenses or medication, **both eyes** meet at least one of the following criteria:

- visual acuity of 20/200 (or worse)
- greatest diameter of the field of vision is 20 degrees or less

A marked restriction means that, even with appropriate therapy, devices, and medication, the individual is unable or takes an inordinate amount of time to perform activities or functions in one of the listed categories, and this is the case all or substantially all of the time. These criteria do not apply to vision, the cumulative effect of significant limitations, and life-sustaining therapy, given that they each have specific conditions that must be met.

An **inordinate amount of time** is a clinical judgment made by a medical practitioner if they observe a recognizable difference in the time it takes an individual to perform an activity or function in the listed categories, even with therapy and the use of appropriate devices and medication. Generally, that difference must be at least three times longer than is required by persons of similar age who do not have an impairment in the particular category.

An individual's limitations are generally considered to exist **all or substantially all of the time** if the individual's impairment limits their ability to perform activities or functions in a category at least 90% of the time. If they are not limited at least 90% of the time, the individual may not meet the eligibility criteria.

An impairment is **prolonged** if it has lasted for a continuous period of at least 12 months or it is expected to last for a continuous period of at least 12 months.

If an impairment is severe and prolonged but does not cause the individual to be blind or to otherwise have a marked restriction, the individual may still qualify under the cumulative effect of significant limitations or life-sustaining therapy, as defined below.

To be eligible under the cumulative effect of significant limitations category, an individual must have limitations in two or more categories (excluding life-sustaining therapy) that:

- exist together all or substantially all of the time (generally interpreted as 90% or more)
- have a combined impact that is:
  - equivalent to being unable, or taking an inordinate amount of time, in one single category
  - present all or substantially all of the time (generally interpreted as 90% or more), even with appropriate therapy, devices, and medication

Another category for the DTC eligibility is **life-sustaining therapy**, which must meet the following criteria:

- The therapy supports a vital function.

- The therapy is needed at least **two times** per week.
- The therapy is needed for an average of at least **14 hours** per week.

Note
Individuals diagnosed with type 1 diabetes are deemed to have met the above criteria.

Only time dedicated to the therapy – that is, time taken away from normal, everyday activities for the purposes of the therapy – is counted in these 14 hours. It includes the time you need to set up a portable device.

If your therapy requires a regular dosage of 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:

- checking blood glucose levels
- preparing and administering the insulin
- calibrating necessary equipment
- testing ketones
- keeping a log book of blood glucose levels
- counting carbohydrates to determine the dose of insulin to be administered

In the case of therapy that requires the daily consumption of a medical food or medical formula to limit intake of a particular compound to levels required for the proper development or functioning of the body, therapy also includes the time spent on activities that are directly related to the determination of the amount of the compound that can be safely consumed.

If a child cannot do the activities related to the therapy because of their age, the time spent by another person to do and supervise these activities **can** be counted in the 14 hours per week requirement. For example, supervision for a child includes:

- having to wake the child at night to perform tests
- monitoring the child to determine if more testing is needed (during or after physical activity)
- performing other supervisory activities that can reasonably be considered necessary to adjust the dosage of medication

Note
If the individual requiring the therapy cannot do the activities related to the therapy due to an impairment in physical or mental functions, the time spent by another person to assist in performing those activities can be counted in the 14 hours per week requirement.

However, some activities **do not** count in the 14 hours per week requirement, such as:

- the time a portable or implanted device takes to deliver the therapy (such as an insulin pump, a CPAP machine, or a pacemaker)
- exercising
- activities related to managing dietary restrictions or regimes other than those **directly** related to the determination of the dosage of medication or the amount of a particular compound that can be safely consumed
- travel time to receive the therapy
- going to medical appointments (other than appointments where the therapy is received or the daily dosage of medication, or medical food or formula is determined)
- obtaining medication
- recuperation after therapy (except when medically required)

The table below shows the type of medical practitioners who can certify each category and gives examples to help you understand what situations may be eligible.

Category:	**You may be eligible for the DTC if you have:**	**Examples:**
Vision can be certified by: ■ a medical doctor ■ a nurse practitioner ■ an optometrist	Reduced visual acuity or field of vision	■ You are considered blind in both eyes according to at least one of the following criteria: o The visual acuity is 20/200 (6/60) or less after correction on the Snellen Chart (or an equivalent) o The greatest diameter of the field of vision is 20 degrees or less after correction ■ You are not considered blind in both eyes, but your reduced vision after correction impacts your ability to perform other activities, such as walking or feeding yourself
Speaking can be certified by: ■ a medical doctor ■ a nurse practitioner ■ a speech-language pathologist	Difficulty speaking so as to be understood by a familiar person in a quiet setting	■ You must rely on other means of communication, such as sign language or a symbol board ■ In a quiet setting, a friend or family member must ask you to repeat words and sentences several times to understand you
Hearing can be certified by: ■ a medical doctor ■ a nurse practitioner ■ an audiologist	Difficulty hearing so as to understand spoken conversation with a familiar person in a quiet setting	■ You must rely on lip reading or sign language to understand a spoken conversation ■ In a quiet setting, a friend or family member must raise their voice and repeat words and sentences several times for you to understand, despite the use of hearing aids
Walking can be certified by: ■ a medical doctor ■ a nurse practitioner ■ an occupational therapist ■ a physiotherapist	Difficulty walking	■ You rely on a wheelchair outside of the home, even for short distances ■ You are unable to walk a short distance, such as 100 metres (approximately one city block).
Eliminating (bowel or bladder functions) can be certified by: ■ a medical doctor ■ a nurse practitioner	Difficulty personally managing bowel or bladder functions	■ You need a catheter for eliminating ■ You have urinary incontinence. You must spend extra time tending to your elimination as you need incontinence pads

Feeding can be certified by: ■ a medical doctor ■ a nurse practitioner ■ an occupational therapist	Difficulty preparing food (not including identifying, finding, obtaining, or shopping for food) and feeding yourself, as well as chewing and swallowing	■ You require a feeding tube ■ You take more time than the average person to prepare meals or to feed yourself, on a daily basis, due to significant pain and decreased strength and dexterity in your upper limbs
Dressing can be certified by: ■ a medical doctor ■ a nurse practitioner ■ an occupational therapist	Difficulty dressing yourself (not including identifying, finding, obtaining, or shopping for clothing)	■ You require assistance from another person to dress yourself ■ Due to pain, stiffness, and decreased dexterity, you take three times longer than the average person to dress yourself on a daily basis
Mental functions necessary for everyday life can be certified by: ■ a medical doctor ■ a nurse practitioner ■ a psychologist	Difficulty performing mental functions necessary for everyday life which are considered to include: ■ adaptive functioning ■ attention ■ concentration ■ goal-setting ■ judgment ■ memory ■ perception of reality ■ problem-solving ■ regulation of behaviour and emotions ■ verbal and non-verbal comprehension	■ You are independent in some aspects of everyday living; however, despite medication and therapy, you need daily support and supervision due to an inability to accurately interpret your environment ■ You cannot make a common, simple transaction, such as buying food at the grocery store, without help ■ You experience psychotic episodes several times a year. Given the unpredictability of your psychotic episodes and the other defining symptoms of your impairment (for example, lack of initiative or motivation, disorganized behaviour and speech), you continue to need daily supervision ■ You are unable to express your needs or anticipate consequences of behaviour when interacting with others ■ You are unable to comply with prescribed treatments ■ You are unable to remember basic personal information, such as date of birth or address

Cumulative effect of significant limitations can be certified by: ■ a medical doctor ■ a nurse practitioner ■ an occupational therapist (can only certify for walking, feeding, and dressing)	Limitations in two or more categories (not including life-sustaining therapy)	■ You can walk 100 metres (approximately one city block), but then must take time to recuperate. You 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 the limitations is equivalent to being unable or taking an inordinate amount of time in one impairment category ■ You always take a long time for walking, dressing and feeding. The extra time it takes you to do these activities, when added together, is equivalent to being unable or taking an inordinate amount of time in one impairment category
Life-sustaining therapy can be certified by: ■ a medical doctor ■ a nurse practitioner	An impairment requiring life-sustaining therapy that: ■ supports a vital function ■ is needed at least 2 times per week ■ is needed for an average of at least 14 hours per week where the patient or another person takes time away from normal, everyday activities to administer the therapy	■ Chest physiotherapy to ease breathing ■ Kidney dialysis to filter blood ■ Insulin therapy to treat type 1 diabetes*

*People with type 1 diabetes are deemed to meet the eligibility criteria under life-sustaining therapy.

How eligibility is determined

Your medical practitioner provides the CRA with your medical information, but does not determine your eligibility for the DTC. Eligibility for the DTC is not based solely on the medical condition, but rather is based on the effects of the impairment.

Eligibility is not impacted by the receipt of other federal or provincial benefits. If you 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 you are eligible for the DTC. These programs have other purposes and different criteria, such as an individual's inability to work.

You can fill out the self-assessment questionnaire on page 16 to find out if you may be eligible. This questionnaire does not replace Form T2201, Disability Tax Credit Certificate.

Fill out Form T2201

To apply for the DTC, you have to submit a fully completed Form T2201, Disability Tax Credit Certificate. This form has two parts. Part A is for the individual applying for the DTC, and Part B is for their medical practitioner to complete and certify that the individual has a severe and prolonged impairment in physical or mental functions.

Part A of Form T2201 can be completed using the digital form, by phone, or by paper form. Only choose one method to apply.

Note
If you have existing DTC eligibility, you only need to send a new Form T2201 if your eligibility period is expiring or if the CRA requests one. You can verify your current eligibility status in My Account at **canada.ca/my-cra-account**.

To help you apply, see the instructions below. For more information on the digital application process, go to **canada.ca/disability-tax-credit** and select "How to apply."

Fill out Part A of Form T2201

Fill out and sign the sections of Part A that apply to you.

1) Information about the person with the disability

Enter the information about the person with the disability.

1) Tell us about **the person with the disability**

First name: ________________

Last name: ________________

Social insurance number: |_|_|_|_|_|_|_|_|_|

Mailing address: ________________

City: ________________

Province or territory: ________________

Postal code: |_|_|_|_|_|_|

Date of birth: |_|_|_|_|_|_|_|_|
Year Month Day

2) Tell us about the person intending to claim the disability amount

This section only needs to be completed if someone other than the person with the disability is intending to claim the disability amount on their taxes. If you are a supporting family member and want to transfer the disability amount from your spouse or common-law partner, or dependant, fill out the following section.

2) Tell us about **the person intending to claim the disability amount** (if different from above)

This person must be a supporting family member of the person with the disability (the spouse or common-law partner of the person with the disability, or a parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew, or niece of that person or their spouse or common-law partner).

First name: ____________________

Last name: ____________________

Relationship: ____________________

Social insurance number: |___|___|___|___|___|___|___|___|___|

Does the person with the disability live with you? ☐ Yes ☐ No

Indicate which of the basic necessities of life have been regularly and consistently provided to the person with the disability, and the years for which it was provided:

☐ Food ____________ Year(s) ☐ Shelter ____________ Year(s) ☐ Clothing ____________ Year(s)

Provide details regarding the support you provide to the person with the disability (regularity of the support, proof of dependency, if the person lives with you, etc.):

If you and another person support the same dependant, you may split the claim for that dependant. However, the total amount of your claim and the other person's claim cannot be more than the maximum amount allowed for that dependant. If you want to provide more information than the space allows, or another supporting family member would like to add information about the support they provide, use a separate sheet of paper, sign it, and attach it to this form. Make sure to provide all identifying information, including social insurance numbers and signatures from all supporting family members.

As the supporting family member intending to claim the disability amount, I confirm the above information is accurate. This authorization will not result in automatic adjustments to my previous tax returns.

Signature: ____________________

As a supporting family member you may be able to transfer the disability amount that the person with the disability may not need to reduce their tax. To transfer all or part of the disability amount, you must provide some or all of the basic necessities of life (such as food, shelter, and clothing) for the person with the disability on a regular and consistent basis, **and** the person has to actually rely on your contributions. To that effect, you must be able to show that the income (or income support) received by the person with the disability is insufficient to fully meet their basic needs. For more information, see "Transfer to a supporting individual" in the Income Tax Folio S1-F1-C2, Disability Tax Credit.

If a supporting family member other than the one whose name appears on Part A is also claiming a portion of the disability amount, they can attach and sign a separate sheet of paper with their name, SIN, and information about the support they provide to the person with the disability. Alternatively, they can wait until the CRA acknowledges the receipt of Form T2201, then submit a letter to the CRA to claim a transfer of a portion of the disability amount. The letter must include their name, SIN, and information about the support they provide to the person with the disability, along with the unique identifier on the CRA acknowledgement letter.

3) Previous tax return adjustments

This section applies only to the person with the disability identified in section 1 or, if they are under 18, to their parent or legal guardian.

3) Previous tax return adjustments

Are you the person with the disability or their legal representative (or if the person is under 18, their legal guardian)?

☐ Yes ☐ No

Note: If no, or more than one person is claiming the disability amount, you will need to send a Form T1-ADJ for each year to be adjusted or a letter with the details of your request(s).

If eligibility for the disability tax credit is approved, would you like the CRA to apply the credit to your previous tax returns?

☐ Yes, adjust my previous tax returns for all applicable years.

☐ No, do not adjust my previous tax returns at this time.

This section allows you to specify whether you would like the CRA to adjust your tax returns to reflect the disability amount if eligibility is approved. After the application is approved, the CRA will automatically adjust your tax returns for all applicable years. The CRA will include the federal and provincial disability amounts for all years that apply (except for residents of Quebec who have to file a separate provincial return).

You can send Form T1-ADJ, T1 Adjustment Request, if you need us to adjust a tax year for one of the following reasons:

- You are claiming the disability amount for a dependant 18 or older.
- You are claiming the disability amount for your spouse or common law partner.
- The disability amount needs to be divided between two or more supporting persons.
- You need any other change that is not mentioned above.

You may also send a letter with the details of your request. Forms and letters can be sent with Form T2201 at the time of application or separately to your tax centre. If another individual is representing you, you must authorize them by going to **canada.ca/taxes-representative-authorization**.

4) Individual's authorization

The person with the disability or their legal representative must sign this section.

4) Individual's authorization (**mandatory**)

As the person with the disability or their legal representative:

- I certify that the above information is correct.
- I give permission for my medical practitioner(s) to provide the CRA with information from their medical records in order for the CRA to determine my eligibility.
- I authorize the CRA to adjust my returns, as applicable, if I opted to do so in question 3.

Signature: ______________________________

If this form is not signed by the person with the disability or their legal representative (or if the person is under 18, their legal guardian), **the CRA will not process this form.**

Telephone number: ______________________________ Date: Year Month Day

Before you sign, make sure that all the information provided in Part A of Form T2201 is correct and complete.

This signature authorizes the CRA to contact your medical practitioner if additional information is required to make an eligibility determination. It also authorizes the CRA to adjust your tax returns, as applicable, if you selected that option in section 3.

Submit your completed Form T2201

Submit Form T2201 to your tax centre. The form must be sent in its entirety. Your Form T2201 can be submitted in two ways:

- through the 'Submit documents' feature in My Account
- by mail to your nearest tax centre (see the following table)

Winnipeg Tax Centre Post Office Box 14006, Station Main Winnipeg MB R3C 0E5
Sudbury Tax Centre Post Office Box 20000, Station A Sudbury ON P3A 5C1
Jonquière Tax Centre 2251 René-Lévesque Boulevard Jonquière QC G7S 5J2

You can send the form at any time during the year. Keep a copy for your records.

What happens after Form T2201 is sent

All applications are reviewed before the CRA allows or denies the credit. The decision is based on the information given by the medical practitioner. If more information is needed, the CRA may contact you or the medical practitioner.

If the CRA asks you to send supporting documents or receipts, you may do so by using My Account at **canada.ca/my-cra-account**. You will receive a letter containing a reference number and instructions on how to proceed.

After a decision is made, the CRA will mail you a notice of determination.

You are responsible for any fees that the medical practitioner charges to fill out the form. You may be able to claim these fees as medical expenses on line 33099 or line 33199 of your tax return (Step 5 – Federal tax). For more information on medical expenses you can claim, see Guide RC4065, Medical Expenses.

The application is approved

The notice of determination will show which year(s) you are eligible for the DTC. The notice of determination may also include information about other programs that depend on eligibility for the DTC. You do not need to send a new Form T2201 each year, unless the CRA asks for one.

You can view your DTC information in My Account.

You must tell the CRA if your medical condition improves and you no longer meet the criteria for the DTC.

The application is denied

The notice of determination will explain why the application was denied. Check your copy of Form T2201 against the reason(s) given. The CRA's decision is based on the information given by the medical practitioner.

If you disagree with the decision, you can write to your tax centre and ask them to review your application. You must include any relevant medical information that you have not already sent, such as medical reports or a letter from a medical practitioner who is familiar with your situation. This information should describe how the impairment affects the activities of daily living.

You can also formally object to the CRA's decision. The time limit for filing an objection is no later than 90 days after the notice of determination is mailed to you. For more information, see Brochure P148, Resolving your dispute: Objection and appeal rights under the Income Tax Act.

How to claim the disability amount

Disability amount for self (line 31600)

If you are eligible for the DTC, you can claim the disability amount on your tax return.

If you were **18 years of age or older** at the end of 2023, claim the federal disability amount of $9,428 on line 31600 of your tax return (Step 5 – Federal tax).

If you or anyone else paid for attendant care, or care in a facility, special rules may apply. For more information, go to **canada.ca/taxes-medical-expenses** or see Guide RC4065, Medical Expenses.

Supplement for persons under 18 – If you qualify for the disability amount and were under 18 years of age at the end of the year, you can claim up to an additional $5,500. This supplement may be reduced if, in 2023, **one** of the following situations applies:

- Someone claimed child care expenses for you on line 21400 or attendant care expenses for you on line 33099 or 33199 of their tax return.
- You claimed attendant care expenses on line 21500 or on line 33099 of your tax return.

To calculate this supplement, use the Federal worksheet.

Disability amount transferred from a dependant (line 31800)

You may be able to claim all or part of your dependant's (other than your spouse's or common-law partner's) disability amount if your dependant meets **all** of the following criteria:

- is eligible for the DTC
- was resident in Canada at any time in 2023
- was dependent on you for all or some of the basic necessities of life (such as food, shelter, and clothing)

In addition, **one** of the following situations has to apply:

- You claimed an amount on line 30400 of your tax return (Step 5 – Federal tax) for that dependant, or you could have if you did not have a spouse or common-law partner and if the dependant did not have any income.

- The dependant was your or your spouse's or common-law partner's parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew, or niece, and you claimed an amount on line 30450 of your tax return for that dependant or you could have if they had no income and had been 18 years of age or older in 2023.

You **cannot** claim the unused part of the disability amount if the spouse or common-law partner of the person with a disability is already claiming:

- the disability amount on line 32600 of their tax return
- any other non-refundable tax credit (other than medical expenses) for the person with a disability

If you or anyone else paid for attendant care or for care in a facility, special rules may apply. For more information, see Guide RC4065, Medical Expenses.

If you pay child support – You cannot claim the disability amount transferred from a dependant for a child for whom you had to pay child support. 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.

If you and another person supported the same dependant – You can split the claim for that dependant. The total of your claim and the other person's claim cannot be more than the maximum amount for that dependant. However, you cannot split the claim with another person if they have claimed an amount on line 30400 for that dependant.

You may also be able to transfer an amount for a **supplement** if your dependant meets **all** of the following criteria:

- was **under 18 years of age** at the end of the year
- was eligible for the DTC

To calculate this amount, use the Federal worksheet.

Amounts transferred from your spouse or common-law partner (line 32600)

You may be able to claim all or part of the disability amount for which your spouse or common-law partner qualifies. To calculate this amount, use Schedule 2, Federal Amounts Transferred From Your Spouse or Common-Law Partner.

If you or anyone else paid for attendant care or for care in a facility, special rules may apply. For more information, see Guide RC4065, Medical Expenses.

Self-assessment questionnaire

The following questions will help you determine if you may be eligible for the DTC. However, even if your answers indicate that you are not eligible, you can still send in an application.

#	Question	Action
1.	Do you have an impairment in physical or mental functions that has lasted, or is expected to last, for a continuous period of at least 12 months?	If yes, proceed to question 2. If no, you are not eligible for the DTC.[1]
2.	Do you receive life-sustaining therapy that supports a vital function?[2]	If yes, proceed to question 3. If no, proceed to question 5.
3.	Do you receive insulin therapy for type 1 diabetes?	If yes, you are eligible for the DTC. If no, proceed to question 4.
4.	Do you receive the life-sustaining therapy at least 2 times per week, for an average of 14 hours per week?	If yes, you may be eligible for the DTC. If no, proceed to question 5.
5.	Are you blind?[3]	If yes, you may be eligible for the DTC. If no, proceed to question 6.
6.	Do you have severe or profound hearing loss in both ears even when using any applicable devices?[4]	If yes, you may be eligible for the DTC. If no, proceed to question 7.
7.	Do any of the following statements apply to you? ■ I am confined to a bed or wheelchair at all times. ■ I have had a limb amputated. ■ Tube feeding is my primary means of feeding myself. ■ I have chronic renal failure. ■ I require catheterization to manage my bladder functions. ■ Sign language is my primary means of communication.	If yes, you may be eligible for the DTC. If no, proceed to question 8.
8.	Do you have an impairment in any of the following categories? ■ vision ■ speaking ■ hearing ■ walking ■ eliminating (bowel or bladder functions) ■ feeding (including food preparation) ■ dressing ■ mental functions necessary for everyday life	If yes, proceed to question 9. If no, you are not eligible for the DTC.

9.	Does your impairment in at least one of these categories cause you to be unable to perform the activity – or to take at least three times longer than someone of similar age without the impairment – all or substantially all of the time, even with the appropriate therapy, devices, and medication?	If yes, you may be eligible for the DTC. If no, proceed to question 10.
10.	Do you have impairments in two or more of the categories listed in question 8 causing significant limitations which exist together all or substantially all of the time?	If yes, proceed to question 11. If no, you are not eligible for the DTC.
11.	Is the combined effect of your significant limitations comparable to being unable – or taking an inordinate amount of time – in one category all or substantially all of the time, even with appropriate therapy, devices, and medication?[5]	If yes, you may be eligible for the DTC. If no, you are not eligible for the DTC.

1. The impairment must be prolonged, meaning that it has lasted or is expected to last for a continuous period of at least 12 months.
2. People with type 1 diabetes are deemed to meet the eligibility criteria under life-sustaining therapy. Examples of life-sustaining therapy that support a vital function are therapies like kidney dialysis, insulin therapy, oxygen therapy, and chest physiotherapy.
3. You are considered to be blind if your visual acuity is 20/200 (6/60) or worse on the Snellen Chart (or an equivalent) or the greatest diameter of your field of vision is 20 degrees or less in both eyes after correction.
4. Severe hearing loss is in the range of 71-90dB and profound hearing loss is 91dB+.
5. An example of a combined effect of multiple limitations is when someone always takes a long time to walk and dress. The extra time it takes to perform those activities, when added together, is equivalent to taking an inordinate amount of time in one impairment category.

Amount for an eligible dependant (line 30400)

The maximum amount for 2023 that you can claim on line 30400 of your tax return (Step 5 – Federal tax) is $15,000 if your net income for the year was $165,430 or less. If your net income was $235,675 or more, the maximum amount for 2023 is $13,520. Otherwise, if your net income was between $165,430 and $235,675 the amount is gradually reduced from $15,000 to a minimum of $13,520.

If your dependant has an impairment in physical or mental functions, you may also claim the Canada caregiver amount (on this page).

Eligibility criteria

You may be able to claim this amount if, **at any time in the year**, you met **all** of the following criteria at once:

- You did not have a spouse or common-law partner or, if you did, you were not living with, supporting, or being supported by that person.
- You supported a dependant in 2023.
- You lived with the dependant (in most cases in Canada) in a home you maintained. You cannot claim this amount for a person who was only visiting you.

In addition, when you met all of these criteria, your dependant must have been one of the following persons:

- your parent or grandparent by blood, marriage, common-law partnership, or adoption
- your child, grandchild, brother, or sister, by blood, marriage, common-law partnership, or adoption **and** under 18 years of age
- your child, grandchild, brother, or sister, by blood, marriage, common-law partnership, or adoption and 18 years of age or older **with** an impairment in physical or mental functions

A household is allowed only one claim on line 30400, even if there is more than one dependant in the household.

If you or someone else claims this amount for a dependant, it may affect other claims being made.

For more information, go to **canada.ca/line-30400**.

Canada caregiver amount

The Canada caregiver credit helps caregivers with the expenses involved with taking care of their spouse or common-law partner or dependant who has an impairment in physical or mental functions. The Canada caregiver amount can be claimed on different lines of your tax return depending on whom you are claiming an amount for.

If you or someone else claims this amount for a spouse or common-law partner or dependant, it may affect other claims being made.

Claiming an amount for your spouse or common-law partner

You may be able to claim the Canada caregiver amount for your spouse or common-law partner who is dependent on you because of an impairment in physical or mental functions. If you can claim an amount for your spouse or common-law partner on line 30300 of your tax return (Step 5 – Federal tax), you may be able to include the Canada caregiver amount of $2,499 when calculating the amount on line 30300. You may also be able to claim an additional amount on line 30425 of your tax return.

For more information, go to **canada.ca/line-30300** and **canada.ca/line-30425**.

Claiming an amount for your dependant who is 18 years of age or older

If you can claim an amount for your dependant on line 30400

If you can claim an amount for your dependant with an impairment in physical or mental functions who is 18 years of age or older on line 30400 (on the previous page) of your tax return (Step 5 – Federal tax), you may be able to include the Canada caregiver amount of $2,499 when calculating the amount on line 30400. Also, you may be able to claim an additional amount on line 30425 of your tax return.

For more information, go to **canada.ca/line-30400** and **canada.ca/line-30425**.

If you cannot claim an amount for your dependant on line 30400

You may be able to claim the Canada caregiver amount of up to $7,999 on line 30450 of your tax return (Step 5 – Federal tax) for each of your or your spouse's or common-law partner's dependent children or grandchildren if that person meets **all** of the following criteria:

- has an impairment in physical or mental functions
- is dependant on you because of that impairment
- was born in 2005 or earlier

You may also be able to claim an amount for each dependant if that person meets **all** of the following criteria. They must:

- be your or your spouse's or common-law partner's parent, grandparent, brother, sister, uncle, aunt, nephew, or niece
- be born in 2005 or earlier
- have an impairment in physical or mental functions
- be dependent on you, or on you and others, for support
- be a resident of Canada at any time in the year (you cannot claim this amount for a person who was only visiting you)

For more information, see line 30450 in Schedule 5, Amounts for Spouse or Common-Law Partner and Dependants, of your income tax package.

Claiming an amount for your dependant under 18 years of age

Claiming an amount for your child

A child includes a person who is one of the following:

- your or your spouse or common-law partner's biological or adopted child
- your child's spouse or common-law partner
- under your custody and control and is wholly dependent on you for support

You can claim an amount of $2,499 on line 30500 of your tax return (Step 5 – Federal tax) for each child who meets **all** of the following criteria:

- is your or your spouse's or common-law partner's child
- is under 18 years of age at the end of the year
- has an impairment in physical or mental functions
- needs much more help for their needs and care compared to children of the same age

If the child does not live with both parents throughout the year, only the parent or their spouse or common-law partner who claims an amount on line 30400 for that child can make the claim on line 30500. If no one can claim an amount on line 30400, the claim can be made on line 30500 for their child if the parent or spouse or common-law partner could not claim an amount on line 30400 because of one of the following reasons:

- The parent has a spouse or common-law partner.
- The parent claimed an amount on line 30400 for another eligible dependant.
- Someone else in the household claimed an amount on line 30400 for another dependant.
- The child's income is too high.

You or your spouse or common-law partner can claim this amount for all eligible children separately, but the amount can only be claimed once for each child.

The full amount can be claimed in the year of the child's birth, death, or adoption.

For more information, go to **canada.ca/line-30500**.

Claiming an amount for a dependant who is not your child

If you can claim an amount on line 30400 for your dependant who is under 18 years of age and is **not** your or your spouse's or common-law partner's child, you may be able to include the Canada caregiver amount of $2,499 when calculating the amount on line 30400. For you to claim the Canada caregiver amount, your dependant must have an impairment in physical or mental functions and need much more help for their needs and care compared to children of the same age.

For more information, go to **canada.ca/line-30400**.

Supporting documents

If your spouse or common-law partner, or dependant has an impairment in physical or mental functions, the CRA may ask you to provide a signed statement from a medical practitioner. The statement should show:

- when the impairment began
- what its duration is expected to be

For children under 18 years of age, the statement should also show that the child is, and will likely continue to be, dependent on others for a long and continuous period because of an impairment in physical or mental functions. "Dependent on others" means they need much more help for their personal needs and care compared to children of the same age.

Many professionals are considered medical practitioners. To view the list of professionals who can give a signed statement, go to **canada.ca/taxes-medical-expenses-practitioners**.

You do not need a signed statement from a medical practitioner if the CRA has already approved a Form T2201, Disability Tax Credit Certificate, for the specified period.

Example 1
Amal has an impairment. Her husband, Abdul, has been taking time off from work to take her to appointments and to help with her personal needs. Amal's doctor certified in writing that she is dependent on her husband for her personal needs because of her impairment. Based on Amal's income, Abdul can claim the spouse or common-law partner amount, including the Canada caregiver amount, on line 30300 of his tax return (Step 5 – Federal tax). He may also be able to claim the additional amount on line 30425.

Example 2
Paul, age 10, has an impairment and is eligible for the DTC. Because of his impairment, Paul needs significant help from his father, Mike, for his personal needs. Since Paul is eligible for the DTC, Mike does not need to send a signed statement from a medical practitioner.

Mike, who is separated, meets the criteria to claim an amount for an eligible dependant on line 30400 of his tax return (Step 5 – Federal tax) for Paul. He **cannot** include the Canada caregiver amount when calculating the amount on line 30400. However, he **can** claim the Canada caregiver amount on line 30500.

Example 3
Alexandra, age 75, is dependent on her son, Shawn, because of an impairment. Shawn is married, therefore he cannot claim an amount for Alexandra on line 30400. He can however claim the Canada caregiver amount on line 30450 of his tax return (Step 5 – Federal tax).

Example 4
Nora is the caregiver for her husband's daughter, Anja. Anja has an impairment. She is 16 years old and lives with Nora and her husband. Either Nora or her husband can claim the Canada caregiver amount on line 30500 of their tax return (Step 5 – Federal tax). There is no additional amount they can claim for Anja.

Since Anja is not eligible for the DTC, Nora may need a signed statement from a medical practitioner to confirm Anja's impairment if the CRA asks for it.

Example 5
James, age 17, has an impairment and is eligible for the DTC. James lives with his mother and his older brother, Brendan. Brendan, who is single, supports James since their mother is unemployed. Based on James' income, Brendan can claim an amount for an eligible dependant on line 30400 of his tax return (Step 5 – Federal tax) for James. He can also include the Canada caregiver amount when calculating the amount on line 30400. Brendan cannot claim an amount for James on line 30425 because James is under the age of 18. Since Brendan does not have custody and control of James, he also cannot claim the amount on line 30500.

Example 6
Linh, age 82, lives with her daughter, Kim. Linh does not have an impairment and does not require assistance with the activities of daily living. Kim cannot claim the Canada caregiver amount for Linh because Linh is not dependent on her because of an impairment.

Medical expenses (lines 33099 and 33199)

If you paid for medical expenses, you may be able to claim them on your tax return.

For more information, go to **canada.ca/taxes-medical-expenses** or see Guide RC4065, Medical Expenses.

Home buyers' amount (line 31270)

The amount that you can claim on line 31270 for buying a qualifying home after December 31, 2021 is $10,000.

Eligibility criteria

You can claim an amount on line 31270 of your tax return (Step 5 – Federal tax) if you meet **both** of the following criteria:

- You or your spouse or common-law partner bought a qualifying home.
- You did **not** live in another home owned by you or your spouse or common-law partner in the year the home was bought or in any of the four preceding years (first-time home buyer).

Persons with disabilities – You do **not** have to be a first-time home buyer if you meet **one** of the following criteria:

- You are eligible for the DTC.
- You bought the home for the benefit of a related person who is eligible for the DTC.

However, the purchase must be made to allow the person with the disability to live in a home that is more accessible or better suited to their needs.

For the home buyers' amount, a person with a disability is an individual for whom the CRA has approved a Form T2201, Disability Tax Credit Certificate, for the year in which the home was bought.

For more information, go to **canada.ca/line-31270**.

Home accessibility expenses (line 31285)

You may be able to claim this non-refundable tax credit if you own a home in Canada and paid for eligible renovations to improve the safety or accessibility of your home. You can claim up to $20,000 per year in eligible expenses on line 31285 of your tax return (Step 5 – Federal tax).

Eligibility criteria

You may be eligible for this credit if, at any time in the year, you meet **one** of the following criteria:

- You are 65 years of age or older.
- You are eligible for the DTC.

You may also claim this credit on your tax return for a dependent, if certain criteria are met.

If you have an eligible expense that also qualifies as a medical expense, you can claim the expense as a medical expense and a home accessibility expense. For more information about medical expenses, go to **canada.ca/taxes-medical-expenses**.

Eligible renovations

The renovations must be for the main residence of the person who is 65 years of age or older or eligible for the DTC. Also, the renovations must be permanently part of the home and meet **one** of the following criteria:

- allow the person to gain access to, or be mobile or functional within the home
- reduce the risk of harm within the home or in accessing the home

To calculate this credit, use the Federal worksheet.

For more information, go to **canada.ca/line-31285**.

Refundable tax credits

Refundable tax credits reduce the amount of tax you owe and could result in a refund.

Refundable medical expense supplement (line 45200)

If you are working, have low income, and have high medical expenses, you may be able to claim a maximum amount of $1,399.

For more information, see Guide RC4065, Medical Expenses.

Canada workers benefit (line 45300)

You may be able to claim the Canada workers benefit (CWB). The CWB is for low-income individuals and families who earned income from employment or business. The CWB consists of a basic amount and a disability supplement.

You may be able to claim a CWB disability supplement if you meet both of the following criteria:

- You are eligible for the DTC.
- You had working income in the year.

For more information, see Schedule 6, Canada Workers Benefit.

Multigenerational home renovation tax credit (line 45355)

The multigenerational home renovation tax credit is a new refundable tax credit that allows an eligible individual to claim certain renovation costs to create a secondary unit within an eligible dwelling so that a qualifying individual (a senior or an adult who is eligible for the disability tax credit) can reside with their qualifying relation. Qualifying expenditures must be made or incurred after December 31, 2022.

For more information, go to **canada.ca/benefits** and select "Housing benefits."

Other tax measures

Child care expenses (line 21400)

You or your spouse or common-law partner may have paid someone to look after your child who, at some time in 2023, was under 16 years of age or had an impairment in physical or mental functions.

Generally, only the spouse or common-law partner with the lower net income (**even if it is zero**) can claim these expenses, but only if the expenses were paid so one of you could be employed, carry on a business, go to school, or conduct research in 2023.

If the person with the lower net income was not capable of caring for children because of an impairment in physical or mental functions, the spouse or common-law partner with the higher net income may be able to claim these expenses.

You can deduct some or all of these expenses on line 21400 of your tax return. For more information, and to make your claim, see Form T778, Child Care Expenses Deduction for 2023.

Disability supports deduction (line 21500)

Eligibility criteria

If you have an impairment in physical or mental functions, you may be able to deduct the expenses that you paid in the year so that you could:

- work
- go to school
- do research for which you received a grant

Only the person with the disability can claim this deduction.

If you lived outside Canada for part or all of the year and the CRA considers you to be a factual or deemed resident of Canada, you can claim the expenses that you paid to a non-resident person for services provided outside of Canada.

Eligible expenses

You can claim the amount you paid for the following expenses:

Attendant care services provided in Canada and used by a person with an impairment in physical or mental functions. You **cannot** claim amounts you paid for attendant care services provided by your spouse or common-law partner, or to someone under 18 years of age.

You may claim **full-time** attendant care services if you meet **one** of the following criteria:

- You are eligible for the DTC.
- A medical practitioner certifies in writing that these services are necessary and that your impairment is likely to be indefinite.

You may claim **part-time** attendant care services only if you are eligible for the DTC.

Bliss symbol boards or similar devices that help a person with a speech impairment to communicate by choosing the symbols or spelling out words – prescription needed.

Braille note-taker devices that allow a person who is blind to take notes (that can be read back to them, printed, or displayed in braille) with the help of a keyboard – prescription needed.

Braille printers, synthetic speech systems, large print-on-screen devices and other devices that allow a person who is blind to use a computer – prescription needed.

Deaf-blind intervening services used by a person who is both blind and profoundly deaf when paid to someone in the business of providing these services.

Devices or software that allow a person who is blind or has a severe learning disability to read print – prescription needed.

Electronic speech synthesizers that allow a person who is unable to speak to communicate using a portable keyboard – prescription needed.

Job coaching services (other than job placement or career counselling services) for a person with a severe and prolonged impairment in physical or mental functions and paid to someone in the business of providing these services. A medical practitioner must certify in writing that these services are needed.

Note-taking services used by a person with an impairment in physical or mental functions and paid to someone in the business of providing these services. A medical practitioner must certify in writing that these services are needed.

Optical scanners or similar devices that allow a person who is blind to read print – prescription needed.

Page turner devices to help a person turn the pages of a book or other bound document when they have a severe and prolonged impairment that causes a marked restriction in the person's ability to use their arms or hands – prescription needed.

Reading services used by a person who is blind or has a severe learning disability and paid to someone in the business of providing these services. A medical practitioner must certify in writing that these services are needed.

Real-time captioning or sign language interpretation services used by a person with a speech or hearing impairment and paid to someone in the business of providing these services.

Talking textbooks related to enrolment at a secondary school in Canada or a designated educational institution for a person who has a perceptual disability. A medical practitioner must certify in writing that the product is necessary.

Teletypewriters or similar devices that allow a person who is deaf or unable to speak to make and receive telephone calls – prescription needed.

Tutoring services that are additional to the primary education of a person with a learning disability or an impairment in mental functions, and paid to a person in the business of providing these services to individuals who are not related to the person. A medical practitioner must certify in writing that these services are needed.

Voice recognition software used by a person who has an impairment in physical functions. A medical practitioner must certify in writing that the software is needed.

Who is considered a medical practitioner

For this deduction, many professionals are considered medical practitioners. To view the list of practitioners who can certify the need for these devices, products, or services or give a prescription, go to **canada.ca/taxes-medical-expenses-practitioners**.

Amounts you cannot claim

You cannot claim amounts you or someone else claimed as medical expenses (line 33099 or 33199) or amounts for which anyone was reimbursed or entitled to be reimbursed by a **non-taxable** payment, such as insurance.

However, the person with the disability can claim the medical expense on either line 21500 or line 33099. They can also split the claim between these two lines, as long as the total amount claimed is not more than the total expense.

How to calculate your claim

Use Form T929, Disability Supports Deduction, to calculate your claim. Expenses must be claimed in the same year they are paid. Unused amounts cannot be applied to another year.

Child disability benefit

If you get the Canada child benefit (CCB) for a child who is eligible for the DTC, you may be entitled to get the child disability benefit (CDB). The CDB is a supplement to the CCB. A child is eligible for the DTC when the CRA has approved Form T2201, Disability Tax Credit Certificate, for that child.

The CDB is based on the family net income. You could get up to $264.41 per eligible child each month. The CDB amount is included in the CCB payment.

You do not need to apply separately to get the CDB. It will be calculated automatically for the current and two previous benefit years for each child who qualifies and is under 18 years of age. For years before that, send a letter to your tax centre (see page 14).

For more information, go to **canada.ca/child-disability-benefit** or call **1-800-387-1193**.

Home buyers' plan

If you are buying or building a qualifying home for a person with a disability, you may be able to take part in the home buyers' plan. This program allows you to withdraw up to $35,000 in a calendar year from your registered retirement savings plans. For more information, go to **canada.ca/home-buyers-plan**.

Registered disability savings plan

A registered disability savings plan is intended to help parents and others save for the long-term financial security of a person who is eligible for the DTC.

For more information, go to **canada.ca/taxes-rdsp** or see Guide RC4460, Registered Disability Savings Plan.

Students with disabilities

Certain education-related benefits that require an individual to be a full-time student, such as the scholarship exemption, can be claimed by a part-time student if they meet one of the following criteria. The student:

- is eligible for the DTC for the year
- has an impairment in physical or mental functions and a medical practitioner has certified in a letter that the impairment would not reasonably allow the student to be enrolled full-time

For more information about the DTC, see page 4.

For more information on how to file your tax return as a student, go to **canada.ca/taxes-students** or see Guide P105, Students and Income Tax.

Disability-related employment benefits

Employment benefits or allowances you received that relate to your disability, such as attendant services and transportation costs, may not be taxable. For more information, see "Disability-related employment benefits" in Chapter 3 of Guide T4130, Employers' Guide, Taxable Benefits and Allowances.

Excise tax information

If you have a permanent mobility impairment and cannot safely use public transportation, you can ask for a refund of part of the federal excise tax on the gasoline you buy. A qualified medical practitioner must certify the impairment.

To ask for a refund, send Form XE8, Application for Refund of Federal Excise Tax on Gasoline. For more information, call **1-877-432-5472**.

GST/HST information

There are goods and services used by persons with disabilities that are exempt supplies or zero-rated supplies for the purposes of the goods and services tax/harmonized sales tax (GST/HST). This means you will not pay GST/HST on these goods and services.

If you paid GST/HST in error, you can ask the supplier for a refund or credit instead of asking for a rebate from the CRA.

If the supplier gives you a refund or credit, you cannot get a rebate from the CRA.

If you cannot get a refund or credit from the supplier (for example, if the supplier refuses to refund the amount or goes out of business), you can ask the CRA for a rebate by sending Form GST189, General Application for GST/HST Rebates.

Digital services for individuals

The CRA's digital services are fast, easy, and secure!

My Account

My Account lets you view and manage your personal income tax and benefit information online.

Use My Account throughout the year to:

- view your benefit and credit information and apply for certain benefits
- view your notice of assessment or reassessment
- view uncashed cheques and request a replacement payment
- change your address, phone numbers, direct deposit information, marital status, and information about children in your care
- manage notification preferences and receive email notifications when important changes are made to your account
- check your tax-free savings account (TFSA) contribution room, your registered retirement savings plan (RRSP) deduction limit, and your first home savings account (FHSA) participation room
- track the progress of certain files you have submitted to the CRA
- make a payment online to the CRA with My Payment service, create a pre-authorized debit (PAD) agreement, or create a QR code to pay in person at Canada Post for a fee. For more information on how to make a payment, go to **canada.ca/payments**
- view and print your proof of income statement
- manage authorized representatives and authorization requests
- submit documents to the CRA
- submit an audit enquiry
- link between your CRA My Account and Employment and Social Development Canada (ESDC) My Service Canada Account
- manage Multi-factor authentication settings

To sign in to or register for the CRA's digital services, go to:

- My Account, at **canada.ca/my-cra-account**, if you are an individual
- Represent a Client, at **canada.ca/taxes-representatives**, if you are an authorized representative

Receive your CRA mail online

Set your correspondence preference to "Electronic mail" to receive email notifications when CRA mail, like your notice of assessment, is available in your account.

For more information, go to **canada.ca/cra-email-notifications**.

For more information

If you need help

If you need more information after reading this guide, go to **canada.ca/taxes** or call **1-800-959-8281**.

Direct deposit

Direct deposit is a fast, convenient, and secure way to receive your CRA payments directly in your account at a financial institution in Canada. For more information and ways to enrol, go to **canada.ca/cra-direct-deposit** or contact your financial institution.

Forms and publications

The CRA encourages you to file your return electronically. If you need a paper version of the CRA's forms and publications, go to **canada.ca/cra-forms-publications** or call **1-800-959-8281**.

Electronic mailing lists

The CRA can send you an email when new information on a subject of interest to you is available on the website. To subscribe to the electronic mailing lists, go to **canada.ca/cra-email-lists**.

Tax Information Phone Service (TIPS)

For tax information by telephone, use the CRA's automated service, TIPS, by calling **1-800-267-6999**.

Teletypewriter (TTY) users

If you use a TTY for a hearing or speech impairment, call **1-800-665-0354**.

If you use an **operator-assisted relay service**, call the CRA's regular telephone numbers instead of the TTY number.

Formal disputes (objections and appeals)

You have the right to file an objection if you disagree with an assessment, determination, or decision.

For more information about objections and related deadlines, go to **canada.ca/cra-file-objection**.

CRA service feedback program

Service complaints

You can expect to be treated fairly under clear and established rules, and get a high level of service each time you deal with the CRA. For more information about the Taxpayer Bill of Rights, go to **canada.ca/taxpayer-rights**.

You may provide compliments or suggestions, and if you are not satisfied with the service you received:

1. Try to resolve the matter with the employee you have been dealing with or call the telephone number provided in the correspondence you received from the CRA. If you do not have contact information for the CRA, go to **canada.ca/cra-contact**

2. If you have not been able to resolve your service-related issue, you can ask to discuss the matter with the employee's supervisor

3. If the problem is still not resolved, you can file a service-related complaint by filling out Form RC193, Service Feedback. For more information and to learn how to file a complaint, go to **canada.ca/cra-service-feedback**

If you are not satisfied with how the CRA has handled your service-related complaint, you can submit a complaint with the Office of the Taxpayers' Ombudsperson.

Reprisal complaints

If you have received a response regarding a previously submitted service complaint or a formal review of a CRA decision and feel you were not treated impartially by a CRA employee, you can submit a reprisal complaint by filling out Form RC459, Reprisal Complaint.

For more information, go to **canada.ca/cra-reprisal-complaints**.

Registered Disability Savings Plan

Find out if this guide is for you

Use this guide if you want information about registered disability savings plans (RDSPs). This guide has information which is not in the general income tax and benefit package, and which you may need to fill out your income tax and benefit return.

The CRA's publications and personalized correspondence are available in braille, large print, e-text, and MP3. For more information, go to **canada.ca/cra-multiple-formats** or call **1-800-959-8281**.

La version française de ce guide est intitulée Régime enregistré d'épargne-invalidité.

Unless otherwise stated, all legislative references are to the Income Tax Act or, where appropriate, the Income Tax Regulations.

What’s new for 2023

Registered Disability Savings Plans (RDSPs)

The temporary qualified family member (QFM) measure has been extended by 3 years to December 31, 2026, and the QFM definition has been expanded to include a beneficiary's brother or sister.

Table of contents

Definitions

This section provides a general definition of the technical terms that we use in this guide.

Adjusted family net income – is your family net income **minus** any Universal child care benefit (UCCB) and Registered disability savings plan (RDSP) income received **plus** any UCCB and RDSP amounts repaid.

Advantage – any benefit or debt that is conditional on the existence of the RDSP, subject to certain exceptions for normal investment activities and conventional incentive programs.

An advantage also includes any benefit that is an increase in the total fair market value (FMV) of the property of the RDSP that is reasonably attributable to any one of the following:

- a transaction or event (or series) that would not have occurred in a normal commercial or investment context between arm's length parties acting prudently, knowledgeably, and willingly, and one of the main purposes of which is to benefit from the tax-exempt status of the RDSP
- a payment received in substitution for a payment for services rendered by the holder (or non-arm's length person) or for a return on investment on non-registered property
- **a swap transaction**
- specified non-qualified investment income that has not been paid from the RDSP within 90 days of the holder receiving a notice from CRA requiring removal

An advantage also includes a registered plan strip, or any benefit that is income or a capital gain that is reasonably attributable to one of the following:

- a prohibited investment
- an artificial diversion of an amount away from the RDSP

For more information on advantages, see Income Tax Folio S3-F10-C3, Advantages – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs.

Arm's length – refers to a relationship or a transaction between unrelated persons who act in their separate interests. An arm's length transaction is generally a transaction that reflects ordinary commercial dealings between parties acting in their separate interests.

Common law partner – a person who is **not your spouse**, with whom you are living in a conjugal relationship, and to whom at least **one of the following situations** applies.

The person:

- has been living with you in a conjugal relationship, and this current relationship has lasted for at least 12 continuous months

  Note
  In this definition, "12 continuous months" includes any period that you were separated for less than 90 days because of a breakdown in the relationship.

- is the parent of your child by birth or adoption
- has custody and control of your child (or had custody and control immediately before the child turned 19 years of age) and your child is wholly dependent on that person for support

Fair market value (FMV) – is generally considered to mean the highest price expressed in terms of money that can be obtained in an open and unrestricted market between informed and prudent parties, who are dealing at arm's length and under no compulsion to buy or sell. For more information on the valuation of securities of closely-held corporations, see Information Circular IC89-3, Policy Statement on Business Equity Valuations.

Financially dependent – if you are a child or grandchild of an annuitant, you are generally considered financially dependent on that annuitant at the time of their death if, before that person's death, you ordinarily resided with and depended on the annuitant, and you meet **one of the following conditions**:

- your net income for the previous year (shown on line 23600 of your income tax and benefit return) was less than the unreduced maximum basic personal amount (line 30000 of your income tax and benefit return) for that previous year
- your financial dependence was due to a mental or physical infirmity and your net income for the previous year was equal to or less than the unreduced maximum basic personal amount **plus** the disability amount (line 31600 of your income tax and benefit return) for that previous year

If, at the time of the annuitant's death, you are away from home because you were attending school, we still consider you to have resided with the annuitant.

If you meet one of the above conditions and you did not reside with the annuitant at the time of their death but received significant financial support from the annuitant, we may consider you to be financially dependent on the annuitant at the time of their death, if you can establish that you were. To do so, you or the legal representative should submit a request in writing to your tax services office explaining why we should consider you to be financially dependent on the annuitant at the time of their death.

If your net income was **more than the amounts described above**, we **will not** consider you to be financially dependent on the annuitant at the time of their death, unless you can establish that you were by submitting a request as described above.

Non-arm's length – generally refers to a relationship or transaction between persons who are related to each other.

However, a non-arm's length relationship might also exist between unrelated individuals, partnerships, or corporations, depending on the circumstances. For more information, see the definition of "Arm's length".

Non-qualified investment – any property that is not a qualified investment for the RDSP trust.

For more information, see Income Tax Folio S3-F10-C1, Qualified Investments – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs.

Prohibited investment – property to which the RDSP holder is closely connected. It includes any of the following:

- a debt of the holder
- a debt or share of, or an interest in, a corporation, trust or partnership in which the holder has a significant interest (generally a 10% or greater interest, taking into account non-arm's length holdings)
- a debt or share of, or an interest in, a corporation, trust, or partnership with which the holder does not deal at arm's length

A prohibited investment **does not include** a mortgage loan that is insured by the Canada Mortgage and Housing Corporation or by an approved private insurer. It also does not include certain investment funds and certain widely held investments that reflect a low risk of self-dealing. For more information, see Income Tax Folio S3-F10-C2, Prohibited Investments – RRSPs, RESPs, RRIFs, RDSPs and TFSAs.

Qualified investment – an investment in properties (except real property), including money, guaranteed investment certificates, government and corporate bonds, mutual funds, and securities listed on a designated stock exchange.

For more information see Income Tax Folio S3-F10-C1, Qualified Investments – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs.

RDSP holder – the plan **holder** is the person who opens the RDSP and makes or authorizes contributions on behalf of the beneficiary.

Related persons – are not considered to deal with each other at arm's length. Related persons include individuals connected by blood relationship, marriage, common-law partnership, or adoption (legal or in fact). A corporation and another person or two corporations may also be related persons.

Registered plan strip – the amount of a reduction in the FMV of property of the RDSP, if the value is reduced as part of a transaction or event (or series) for which one of the main purposes is to enable the holder (or non-arm's length person) to obtain a benefit in respect of the property of the RDSP or to obtain a benefit as a result of the reduction. Exceptions are provided for plan distributions that are included in income, or specifically excluded from income (such as a tax-deferred transfer between plans).

For more information on a registered plan strip, see Income Tax Folio S3-F10-C3, Advantages – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs.

Specified non-qualified investment income – any income (excluding the dividend gross-up), or a capital gain that is reasonably attributable, directly or indirectly, to an amount that is taxable for any RDSP of the holder (for example, subsequent generation income earned on non-qualified investment income or on income from a business carried on by an RDSP).

Specified registered disability savings plan payment – in respect of an eligible individual means a payment that meets all of the following conditions:

- the payment is made to an RDSP under which the eligible individual is the beneficiary
- the payment complies with the plan registration conditions
- the payment has been designated in prescribed form for a taxation year by the holder of the plan and the eligible individual at the time that the payment is made
- if the eligible individual is **not** a DTC-eligible individual, the payment is made before the end of the fifth year throughout which the individual is **not a DTC-eligible** individual.

Spouse – a person to whom you are legally married.

Swap transaction – this is any transfer of property between the RDSP and its holder (or non-arm's length person). Exceptions are provided for contributions to and distributions from the RDSP, purchase and sale transactions between the RDSP and another RDSP of the holder, and transactions relating to insured mortgages. For more information on swap transactions and applicable transitional rules, see Income Tax Folio S3-F10-C3, Advantages – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs.

Unrelated persons – may not be dealing with each other at arm's length at a particular time. Each case will depend upon its own facts. The following criteria will be used to determine if the parties to a transaction are not dealing at arm's length:

- whether there is a common mind that directs the bargaining for the parties to a transaction
- whether the parties to a transaction act in concert without separate interests; ("acting in concert" means, for example, that parties act with considerable interdependence on a transaction of common interest)
- whether there is de facto control of one party by the other because of, for example, advantage, authority, or influence

For more information, see Income Tax Folio S1-F5-C1, Related Persons and Dealing at Arm's Length.

Chapter 1 – What is a registered disability savings plan

A registered disability savings plan (RDSP) is a savings plan intended to help an individual who is approved to receive the disability tax credit (DTC) to save for their long-term financial security.

Contributions to an RDSP are not tax deductible and can be made until the end of the year in which the beneficiary turns 59. Contributions that are withdrawn are not included as income to the beneficiary when paid out of an RDSP. However, the Canada disability savings grant (grant), the Canada disability savings bond (bond), investment income earned in the plan, and the proceeds from rollovers are included in the beneficiary's income for tax purposes when paid out of the RDSP. For more information on RDSPs, go to **canada.ca/registered-plans-administrators**.

What is a Canada disability savings grant

The grant is an amount that the Government of Canada pays into an RDSP. The government will pay a matching grant of 300%, 200%, or 100%, depending on the beneficiary's adjusted family net income and the amount contributed. The beneficiary's adjusted family net income is calculated as follows:

- from birth to December 31 of the year the beneficiary turns 18, the beneficiary's adjusted family net income is based on the income information used to determine the Canada child benefit (CCB) for that beneficiary
- beginning the year the beneficiary turns 19 until the RDSP is closed, the beneficiary's adjusted family net income is based on their income **plus** their spouse's, or common-law partner's income
- if the beneficiary is under the care of a department, agency, or institution for at least one month in the year, the adjusted family net income is based on the allowance payable to the department, agency, or institution under the Children's Special Allowances Act

An RDSP can get a maximum of $3,500 in matching grants in one year and up to $70,000 over the beneficiary's lifetime. A beneficiary's RDSP can receive a grant on contributions made until December 31 of the year in which the beneficiary turns 49.

The amount of the grant is based on the beneficiary's adjusted family net income as follows:

Chart 1 – Canada disability savings grant

Beneficiary's adjusted family net income	Grant	Maximum
$106,717* or less		
on the first $500	$3 for every $1 contributed	$1,500
on the next $1,000	$2 for every $1 contributed	$2,000
More than $106,717*		
on the first $1,000	$1 for every $1 contributed	$1,000

*The beneficiary adjusted family net income thresholds are indexed each year to inflation. The income thresholds shown are for 2023.

What is a Canada disability savings bond

The bond is an amount paid by the Government of Canada directly into an RDSP. The government will pay a bond of up to $1,000 a year to low-income Canadians with disabilities. No contributions have to be made to get the bond. The lifetime bond limit is $20,000. A bond can be paid into an RDSP until the year in which the beneficiary turns 49.

The amount of the bond is based on the beneficiary's adjusted family net income as follows:

Chart 2 – Canada disability savings bond

Beneficiary's adjusted family net income	Bond
$34,863* or less (or if the holder is a public institution)	**$1,000**
Between **$34,863*** and **$53,359***	Part of the **$1,000** based on the formula in the **Canada Disability Savings Act**
More than $53,359*	No bond is paid

*The beneficiary adjusted family net income thresholds are indexed each year to inflation. The income thresholds shown are for 2023.

To qualify for the bond or to earn a grant, the beneficiary must file income tax and benefit returns for the past two years and all future taxation years when they have an RDSP.

For a beneficiary under the age of 18, their grant and bond amounts are calculated using the combined income of their parents or guardians from filed income tax returns. To continue receiving the correct amount of grants and bonds in the year they turn 19 and for every year after that, the beneficiary must start filing personal income tax returns, every year beginning in the year they turn 17.

Carry forward of unused grant and bond

Before the end of the year you turn 49 years of age, you can carry forward up to 10 years of unused grant and bond entitlements to future years, as long as you met the eligibility requirements during the carry-forward years (for example, if you were approved for the disability tax credit and you were a Canadian resident). If an RDSP was opened:

- in 2023, the carry forward period would be from 2013 to 2023
- in 2027, the carry forward period would be from 2017 to 2027

The grant and bond will be paid on unused entitlements up to an annual maximum of $10,500 for the grant and $11,000 for the bond.

Employment and Social Development Canada (ESDC) administers the grant and the bond programs. ESDC bases the amount of the grant and bond that are available for any particular year on the beneficiary's family income, as well as on matching rates.

Example
Let us take Roger for example:

- he is a person with a disability
- his income has been less than $15,000 each year since 2008
- he has been approved for the DTC each year since 2008
- he is not, and has never been, a beneficiary of an RDSP
- he has reached the age of majority and is contractually competent to enter into a plan

In August 2023, Roger opens an RDSP. Although opened in 2023, Roger's plan has accumulated grant and bond entitlements over the past 10 years, going back to 2013 since RDSPs became available in 2008.

The following is a breakdown of Roger's accumulated grant and bond entitlements:

- $1,500 in grant entitlements per year at the 300% matching rate ($1,500 × 10 years for a total of $15,000)
- $2,000 in grant entitlements per year at the 200% rate ($2,000 × 10 years for a total of $20,000)
- $1,000 in bond entitlements per year ($1,000 × 10 years for a total of $10,000)

Upon application for his bond, his RDSP will receive $10,000 in accumulated bond entitlements.

After the RDSP is opened, with Roger's written consent, his family contributes $800 to his RDSP in October 2023, for which his RDSP receives $2,400 ($800 × 300%) as a grant.

Roger carries forward $12,600 ($15,000 - $2,400) in unused grant entitlement at the 300% rate and still carries $20,000 in unused grant entitlement at the 200% rate.

Who can become a beneficiary of an RDSP

You can designate an individual as beneficiary if the individual meets all of the following criteria:

- Is approved for the DTC (unless transferring from an existing RDSP to a new RDSP).
- Has a valid social insurance number (SIN).
- Is a resident of Canada when the plan is entered into.
- Is under the age of 60 (a plan can be opened for an individual until the end of the year in which they turn 59). The age limit does not apply when a beneficiary's RDSP is opened as a result of a transfer from the beneficiary's former RDSP.

A beneficiary can **only have one RDSP** at any given time, although this RDSP can have **several plan holders** throughout its existence, and it can have **more than one plan holder** at any given time.

Notes
A person is approved for the DTC only if a medical practitioner certifies on Form T2201, Disability Tax Credit Certificate, that the individual has a severe and prolonged impairment in physical or mental functions. This form must also be approved by the CRA and the person must be deemed to be approved for the DTC. To apply online or get Form T2201, go to **canada.ca/disability-tax-credit** or call **1-800-959-8281**.

The holder does not have to be a resident of Canada. However, the beneficiary must be a resident of Canada when the plan is opened and when each contribution is made to the plan. RDSP payments can only be made to the beneficiary (or to the beneficiary's estate after the beneficiary's death). Contributors will not be entitled to a refund of their contributions.

For more information, go to **canada.ca/disability-tax-credit** or see Guide RC4064, Disability-Related Information.

How to open an RDSP

To open an RDSP, a person who qualifies to be a holder of the plan must contact a participating financial institution that offers RDSPs. These financial institutions are known as RDSP **issuers**.

Note
The plan **holder** is the person who opens the RDSP and makes or authorizes contributions on behalf of the beneficiary. As long as conditions are met, there can be more than one plan holder at any time.

Who can open an RDSP

The beneficiary is under the age of majority

If the beneficiary is under the age of majority, a qualifying person can open an RDSP for the beneficiary and become a holder if that person is any of the following:

- a legal parent of the beneficiary
- a guardian, tutor, or curator of the beneficiary, or another individual who is legally authorized to act for the beneficiary
- a public department, agency, or institution that is legally authorized to act for the beneficiary

The beneficiary has reached the age of majority and is contractually competent to enter into a plan

If the beneficiary has reached the age of majority and is contractually competent to enter into a plan, the beneficiary can open an RDSP for themselves.

If the legal parent(s), at the time the plan is established, are holders of a pre-existing RDSP for the adult beneficiary, the legal parent(s) could remain holder(s) of the new plan. The adult beneficiary could also be added as a joint holder along with their parents.

The beneficiary has reached the age of majority but their contractual competency to enter into a plan is in doubt

The ability for a qualifying family member (QFM) to open a plan under these rules applies as of June 29, 2012 and ends on **December 31, 2026**.

A QFM of a beneficiary includes a spouse, common-law partner, parent, brother or sister.

> **Note**
> The spouse or common-law partner is not eligible for this measure if they are living apart from the individual due to a breakdown in their marriage or partnership.

The QFM measure cannot be used if the beneficiary is currently the individual of an existing RDSP or if a qualifying person is authorized to act on behalf of the individual.

A QFM can open an RDSP for the beneficiary and become a holder if, after reasonable inquiry, it is the opinion of the RDSP issuer, that an adult individual's contractual competency to enter into a plan is in doubt.

A QFM is no longer qualified to be a holder if any of the following apply:

- in the issuer's opinion, after reasonable inquiry, the beneficiary's contractual competence to enter into a plan is no longer in doubt and the beneficiary notifies the issuer that they choose to become the plan holder
- the beneficiary is determined to be contractually competent by a competent tribunal or other authority under provincial law and the beneficiary chooses to replace the QFM as the plan holder
- a legal representative is later named in respect of the beneficiary, the legal representative will then replace the QFM as the plan holder

The RDSP issuer will be required to notify the individual if the individual becomes a beneficiary under an RDSP opened according to these rules.

The beneficiary has reached the age of majority but is not contractually competent to enter into a plan

An individual who is eligible to be a beneficiary of an RDSP, (but for whom a plan has not yet been opened) may have reached the age of majority but may not be contractually competent to enter into a plan.

A qualifying person, who is legally authorized to act for the beneficiary, under the provincial legislation, can open an RDSP for the individual and become a holder.

Can the holder of an RDSP be changed

The plan was opened when the beneficiary was a minor – the beneficiary is now a contractually competent adult

If a plan is opened by a beneficiary's legal parent(s), the legal parent(s) can continue as the holder(s) of the plan after the beneficiary reaches the age of majority. When the beneficiary reaches the age of majority and is contractually competent to enter into a plan, the beneficiary can be added to the RDSP as a joint holder.

If a plan was opened by a legally authorized person or body other than the beneficiary's legal parent(s), that person or body must be removed as a holder of the plan when the beneficiary reaches the age of majority and is contractually competent to enter into a plan. The beneficiary will become the new plan holder.

The plan was opened when the beneficiary was an adult whose contractual competency was in doubt

A qualifying family member (other than a legal parent who opened a plan when the beneficiary was a minor) will be replaced by the beneficiary upon their written request if it is determined that the beneficiary is contractually competent.

The plan was opened when the beneficiary was not able to enter into a contract

If the guardian, tutor, public department, or any other qualifying person or body (with the exception of a qualifying family member) is no longer qualified to be a holder (for example they are no longer the legal guardian or have died), they must be removed from the plan as holder.

A qualifying person can choose to remove themselves as a holder as long as there is another qualifying person to assign their rights to.

In these cases, the following can be added to the plan as a holder's successor or assignee:

- the beneficiary (provided that the beneficiary has reached the age of majority and is contractually competent)
- the beneficiary's estate
- any other person or body who is already a holder (for example, two legal parents enter into an RDSP plan together and one parent passes away; the other parent would receive the deceased parent's rights and become the sole holder of the plan)
- a legal parent of the beneficiary and was previously a holder of the plan
- a qualifying person at the time the rights are acquired

Who can contribute to an RDSP

Anyone can contribute to an RDSP with the written permission of the plan holder. For more information, see "Who can open an RDSP" on page 8.

The contribution limit for RDSPs

There is no annual limit on amounts that can be contributed to an RDSP of a particular beneficiary in a given year. However, the overall lifetime limit for a particular beneficiary is $200,000 (all previous contributions and rollovers that have been made to an RDSP of a particular beneficiary will reduce this amount). Contributions are permitted until the end of the year in which the beneficiary turns 59.

Note
Amounts directly transferred from one beneficiary's RDSP to another RDSP for the same beneficiary do not count toward the $200,000 overall contribution limit.

What types of payments are made from an RDSP

There are three types of payments made from an RDSP:

- disability assistance payments (DAPs) which include:
  - single disability assistance payments (lump sum DAPs)
  - lifetime disability assistance payments (LDAPs)
- direct transfers to another RDSP for the same beneficiary (for more information, see "Transfers" on page 12)
- repayments under the Canada Disability Savings Act (CDSA) or a designated provincial program

A **DAP** is any payment from an RDSP to the beneficiary or to their estate after their death. DAPs may consist of contributions, grants, bonds, proceeds from rollovers and income earned in the plan. Only the beneficiary or the beneficiary's estate will be permitted to receive DAPs from the RDSP.

Note
A DAP is not permitted if, after the payment, the FMV of the property held by the RDSP would be less than the assistance holdback amount for the RDSP. For more information, see "Repayments under the CDSA" on page 10.

Not all RDSPs permit the payment of lump sum DAPs. The RDSP issuer **may** allow the RDSP holder to request lump sum DAPs to be made to a beneficiary that are separate from LDAPs, (as described below), where it is permitted under the specific RDSP. Contact a participating RDSP issuer to determine if it offers plans that allow an RDSP holder to request these types of payments from a plan.

If the RDSP is a **specified disability savings plan** (SDSP), as described on the next page, withdrawals can be made from the plan in the year of certification and each subsequent year without triggering the repayment of the assistance holdback amount.

LDAPs are disability assistance payments (DAPs) that, once started, must be paid at least annually until either the plan is terminated or the beneficiary has died. These payments must begin by the end of the year in which the beneficiary turns 60 and, unless the year is a specified year (as described below), are subject to an annual withdrawal limit determined by the formula described on this page.

Note
If an RDSP is a SDSP, payments must start being paid from the plan before the end of the calendar year following the year in which the plan last became an SDSP.

A **specified year** is the calendar year in which a licensed medical doctor or a nurse practitioner certifies in writing that the beneficiary will not live longer than five years, and includes each of the five calendar years following the year of certification. A year will not qualify as a specified year unless the medical certificate has been provided to the issuer in or before the year in question. For example, if a doctor makes such a certification in 2022, but the issuer is not provided with the certification until 2023, only the years from 2023 to 2027 are specified years for the RDSP.

If the RDSP is an SDSP, the specified year includes each following calendar year.

Repayments under the CDSA

Under the CDSA, the assistance holdback amount is generally required to be repaid to ESDC if any DAP is paid from the RDSP.

The **assistance holdback amount** is defined in the Canada Disability Savings Regulations. In general terms, it is the total amount of bond and grant paid into the RDSP within the last 10-year period, less any part of that amount that has been repaid to ESDC.

As of January 1, 2014, an amount that is three times the amount of the DAP, up to a maximum of the assistance holdback amount, is required to be repaid to ESDC if any DAP is paid from the RDSP.

The assistance holdback amount, as of January 1, 2021, depends on the beneficiary's age.

For more information on the assistance holdback rules, contact ESDC at **1-800-622-6232**.

LDAP formula

There is no limit on the amount of lump sum DAPs or LDAPs payable to the beneficiary in a specified year (if the plan is **not** an SDSP). However, in all cases a DAP is not permitted if, after the payment, the FMV of the property held by the RDSP would be less than the assistance holdback amount for the RDSP.

The total amount of the LDAP paid in the year cannot be more than the amount calculated using the following formula:

$A \div (B + 3 - C) + D$

where:

A = the FMV of the property held in the plan at the beginning of the year, (excluding the value of locked-in annuity contracts held by the plan trust)

B = the greater of 80 and the age of the beneficiary at the beginning of the calendar year

C = the actual age of the beneficiary at the beginning of the calendar year

D = the total of all periodic payments paid, or deemed to have been paid, under certain locked-in annuity contracts, to the plan trust in the calendar year, if applicable

Non-taxable portion of a DAP

The **non-taxable portion** of a DAP made to a beneficiary from an RDSP is the lesser of:

- the DAP
- the amount determined by the formula:

A × B ÷ C + D

where:

A = the amount of the DAP

B = the amount by which the total contributions made to any RDSP of the beneficiary exceeds the total non-taxable portion of all DAPs previously made from any RDSP of the beneficiary (if this formula were read without reference to variable D below)

C = the amount by which the FMV of the property held by the RDSP before the DAP is greater than the assistance holdback amount for the plan

D = the amount in respect of which a holder of the plan pays the tax payable on an advantage described on page 17, unless this tax is waived, cancelled or refunded or has previously been included in the non-taxable portion of a DAP made to the beneficiary

Example
Linda earned more than $106,717 in 2023 and is the sole provider for her spouse Paul, who is 40 years old. She starts contributing to his RDSP in 2023 and Linda contributes $10,000 annually to Paul's RDSP for 20 years. The contributions made are eligible for the grant at a rate of 100% of the contributions made in the particular year, up to a maximum of $1,000 annually (see "Chart 1" on page 7). Paul is **not** eligible for the bond (see "Chart 2" on page 7).

After 20 years, the FMV of the RDSP is $261,448. Since Paul will be 60 years old in 2043, the grant can be paid on the contributions from 2023 to 2032 (until he turns 49).

Contributions can be made to the plan up until the end of the year in which Paul turns 59. No DAPs were paid from the RDSP since the RDSP was set up.

Therefore, in 2043, the amount that Paul can receive is $10,893.67 calculated by the LDAP formula, which is **A ÷ (B + 3 - C) + D**:

$261,448 ÷ (80 + 3 - 59) + $0
$261,448 ÷ 24
$10,893.67

The non-taxable portion of the LDAP is $8,333.33 and is calculated by the second formula described on this page:

$10,893.67 × $200,000 ÷ $261,448 + $0

Variable B is $200,000 because no DAPs were made before 2043.

Variable C is $261,448 because no assistance holdback amount exists since the last grant was paid into the RDSP more than 10 years ago.

What is a specified disability savings plan (SDSP)

A **specified disability savings plan** (SDSP) is a measure to provide beneficiaries who have **shortened** life expectancy with greater flexibility to access their savings from an RDSP. Withdrawals from an SDSP **will not** trigger a repayment of the assistance holdback amount as long as the sum of the taxable portions of all withdrawals made in the year does not exceed $10,000 (unless the LDAP formula result requires a greater amount to be paid). However, once the election is made, no more contributions can be made to the plan and the plan will not be entitled to any new grant or bond. Furthermore, beneficiaries **will not** be entitled to carry forward any grant or bond for those years under this plan.

When an RDSP becomes an SDSP

The RDSP becomes an SDSP when all of the following conditions are met:

- a licensed medical doctor or a nurse practitioner certifies in writing that the beneficiary of an RDSP is, in their professional opinion, unlikely to survive more than five years
- the holder of the RDSP elects in prescribed form and provides the election, along with the medical certification, to the issuer of the RDSP and
- ESDC receives notification of the election from the issuer

When a plan stops being an SDSP

A plan stops being an SDSP if any of the following occur:

- ESDC receives notification from the issuer of the plan that the holder elects to have the plan stop being an SDSP.
- The total of the taxable portion of the DAPs made from the plan in the year while it was an SDSP exceeded $10,000 (unless the LDAP formula result requires a greater amount to be paid).

  Note
  The holder must wait 24 months after the plan stopped being an SDSP before making a new election.
- A contribution, bond, or grant is paid into the plan.
- An amount is paid into the plan from a designated provincial program.
- The plan is terminated.
- The plan stops being an RDSP.
- It is the beginning of the first calendar year throughout which the beneficiary under the plan is no longer approved for the DTC.
- Payments have not begun to be paid before the end of the particular calendar year following the year in which the plan last became an SDSP.
- An RESP rollover is made.

- The total amount of DAPs made from the plan to the beneficiary in the calendar year is less than the amount determined by the LDAP formula or an amount equal to the FMV of the property in the plan, whichever is the lesser.

Additional rules if the RDSP is a primarily government-assisted plan (PGAP) in the year

An RDSP becomes a PGAP in a year when the total of all government grant and bond payments made into any of the beneficiary's RDSPs in the previous years is more than the total of all private contributions made to any of the beneficiary's RDSPs in the previous years.

Generally, in a PGAP year (other than a specified year), the DAPs (including LDAPs) must not exceed the greater of the LDAP formula and 10% of the FMV of the plan assets at the beginning of the year. Certain DAPs made following, and as a consequence of, a transfer of property from another RDSP of the beneficiary do not count toward this limit on DAPs.

If the beneficiary is no longer approved for DTC and the holder requests the termination of the plan, there is no limit in the amount withdrawn.

In any year where the beneficiary is over the age of 59, the LDAP will not be more than the LDAP **formula**. In a PGAP year, the combination of LDAPs and DAPs must not exceed the greater of the LDAP formula and 10% of the FMV of the plan assets at the beginning of the year.

When the beneficiary turns 28 (or any later age up to, and including, the age of 58) during the calendar year, the beneficiary has the right to direct that DAPs be paid to them at any time in that year if, after payment, the FMV of the property in the RDSP is not less than the assistance holdback amount for the RDSP. The DAP that can be paid under these circumstances cannot be more than the calculated allowable amount. With the exception of plans where the beneficiary is over the age of 59, a DAP made in any other year may require that the assistance holdback amount be repaid to ESDC.

Reporting of payments from an RDSP

Proceeds from rollover amounts as well as the grant, bond and investment income earned in the plan are included in the beneficiary's income for tax purposes when they are paid out of the RDSP. RDSP issuers report the taxable portions of the payments from the plan in box 131, located in the "Other information" area of a T4A slip and send two copies of the slip to the beneficiary or the beneficiary's legal representative. The beneficiary has to include this amount as income on line 12500 of their income tax and benefit return for the year in which they receive it.

For more information on the taxable portion of the payments see "Tax payable on DAPs" on page 15.

Transfers

An amount can be transferred from one RDSP to another RDSP **only** under the following conditions:

- the transfer must be made directly from a beneficiary's current RDSP to a new RDSP for the same beneficiary
- a transfer can only be made if all holders of the current RDSP agree to the transfer
- all funds must be transferred from the current RDSP to the new RDSP
- the current RDSP must be terminated immediately following the transfer to another RDSP
- where the beneficiary has attained 59 years of age before the year in which the transfer takes place, the issuer of the new plan agrees to pay any DAPs required to be made under the plan

Rollovers

Rolling over retirement savings property on a tax-deferred basis to an RDSP

The maximum rollover amount into an RDSP is $200,000. All contributions and rollover amounts made to any RDSP of a beneficiary will reduce this amount. A grant will not be paid into the RDSP on amounts that are rolled over.

The RDSP rules allow for a rollover of a deceased individual's registered retirement savings plan (RRSP) proceeds to an RDSP of the deceased individual's financially dependent child or grandchild with an impairment in physical or mental functions. For more information, see "Eligible individual" on the this page.

If the beneficiary is no longer approved for DTC, the rollover must be done before the end of the fifth taxation year throughout which the beneficiary is no longer approved for DTC.

These rollover rules also apply to:

- registered retirement income fund (RRIF) proceeds
- certain lump-sum amounts paid from registered pension plans (RPPs) and specified pension plans (SPPs)
- pooled registered pension plans (PRPPs) proceeds

RDSP rollover reporting

The retirement savings rollover transaction must be documented using Form RC4625, Rollover to a Registered Disability Savings Plan (RDSP) Under Paragraph 60(m) or the form provided by the RDSP issuer. A tax slip will be issued (for example, T4A, T4RSP, or T4RIF). The amount of the retirement savings rollover is reported and deducted on the eligible individual's income tax and benefit return. In some cases, the amount may also need to be reported and deducted in the deceased individual's final return.

For more information on how rollovers should be reported, see “Transfers to registered disability savings plans” in Guide T4040, RRSP and Other Registered Plans for Retirement.

Note
These rules apply to retirement savings rollovers only. Education savings rollovers are recorded on Form RC435, Rollover from a Registered Education Savings Plan to a Registered Disability Savings Plan or another form provided by the RESP promoter. Tax slips are not issued for education savings rollovers.

RDSP issuers may produce and use their own method of documentation for education savings rollovers. The retirement savings rollover to an RDSP:

- will be considered a private contribution for the purpose of determining whether the RDSP is a PGAP, but will not be eligible for grants
- will be included in the taxable portions of RDSP withdrawals made to the beneficiary
- may not exceed, and will reduce the RDSP contribution lifetime limit

Eligible individual

An eligible individual is a child or grandchild of a deceased annuitant under an RRSP or RRIF, or of a deceased member of an RPP or SPP or PRPP, who was financially dependent on the deceased for support, at the time of the deceased’s death, by reason of an impairment in physical or mental functions. The eligible individual must also be the beneficiary under the RDSP into which the eligible proceeds will be paid.

Rolling over RESP property on a tax-deferred basis to an RDSP

Rollovers can be made from an RESP to an RDSP. In general terms, a subscriber of an RESP that allows accumulated income payments and a holder of an RDSP may jointly elect to rollover an accumulated income payment under the RESP to the RDSP if, at the time of the election, the RESP beneficiary is also the beneficiary under the RDSP.

To qualify for an RESP rollover, the beneficiary must meet the existing age and residency requirements in relation to RDSP contributions. As well, **one** of the following conditions must be met:

- the beneficiary is, or will be, unable to pursue post-secondary education because they have a severe and prolonged mental impairment
- the RESP has been in existence for more than 35 years
- the RESP has been in existence for at least 10 years, each beneficiary under the RESP has reached 21 years of age and is not eligible to receive educational assistance payments

An RESP rollover to an RDSP will not be subject to regular income tax or the additional 20% tax, for more information, see Form T1172, Additional Tax on Accumulated Income Payments from RESPs. The RESP promoter must send Form RC435, Rollover from a Registered Education Savings Plan to a Registered Disability Savings Plan to the RDSP issuer and keep a copy of it on file. This will satisfy the RESP promoter’s requirement to file the election with CRA.

When an RESP rollover occurs, contributions in the RESP will be returned to the subscriber on a tax-free basis. As well, Canada education savings grants (CESGs) and Canada learning bonds (CLBs) in the RESP will be required to be repaid to ESDC and the RESP terminated by the end of February of the year after the year during which the rollover is made.

The RESP rollover to an RDSP:

- will be considered a private contribution for the purpose of determining whether the RDSP is a PGAP, but will not be eligible for grants
- will be included in the taxable portions of RDSP withdrawals made to the beneficiary
- may not exceed, and will reduce the RDSP contribution lifetime limit

When a rollover cannot be made

A rollover from an RESP, RRSP, RRIF, RPP, PRPP or SPP cannot be made if any of the following conditions applies:

- the beneficiary is not approved for the DTC (There is one exception. See “Rolling over retirement savings property on a tax-deferred basis to an RDSP” on page 12)
- the beneficiary has died
- the beneficiary is over 59 years of age in the year of the contribution or
- the beneficiary is not a resident of Canada
- it will cause the $200,000 contribution limit to be exceeded
- the RDSP holder has not provided their consent to the rollover

What happens if the beneficiary is no longer approved for the DTC

Since 2021, if a beneficiary is no longer approved for DTC, the holder of their RDSP has the option of closing the plan or keeping it open.

If the holder decides to keep it open, amounts can still be withdrawn from the RDSP, but:

- new contributions are not allowed to be made to the RDSP
- new grants or bonds cannot be paid to the RDSP
- amounts from a deceased parent or grandparent’s RRSP, RRIF, RPP, PRPP or SPP which the beneficiary was financially dependent for support, can be rolled over into the RDSP provided the rollover is completed before the end of the fifth taxation year throughout which the beneficiary is no longer DTC-eligible

The grants and bonds that were received by the plan are not required to be repaid solely due to the loss of the beneficiary’s DTC approval.

Amounts from the RDSP can still be withdrawn at the request of the holder. Prior to the year the beneficiary turns 60, withdrawals will result in the repayment of grants and bonds that were paid into the RDSP in the 10 years before the beneficiary lost their DTC approval.

If the beneficiary regains DTC approval, the RDSP will operate normally and contributions can be made to the plan.

What happens if the beneficiary dies

The RDSP **must** be closed and all amounts remaining in the plan must be paid out to the beneficiary's estate by December 31 of the year **following** the calendar year in which the beneficiary dies. Any funds remaining in the RDSP, after any required repayment of government grants and bonds will be paid to the estate. If a DAP had been made and the beneficiary is deceased, the taxable portion of the DAP must be included in the income of the beneficiary's estate in the tax year in which the payment is made.

When do grants and bonds have to be repaid

10-Year Repayment Rule

If any of the following events occur, all government grants and bonds paid into the plan during the preceding **10 years** before the event must be repaid to the Government of Canada. Repayments are required when any of the following conditions applies:

- the RDSP is terminated
- the plan ceases to be a RDSP
- the beneficiary loses DTC approval before the age of 60 and the holder chooses to close or withdraw amounts from the RDSP
- the beneficiary dies

To ensure the funds in an RDSP are available to meet potential obligations under the 10-year repayment rule, RDSP issuers must set aside an "assistance holdback amount" equal to the total grant and bond paid into the RDSP in the preceding 10 years less any grant and bond already repaid in respect of that 10-year period. When one of the events described above occurs, the required repayment is equal to the amount of the assistance holdback amount immediately preceding the event.

Note
Repayments of amounts that were previously included as income **are** tax deductible and reported on line 23200 of the income tax and benefit return.

A beneficiary with a life expectancy of five years or less will be allowed annual RDSP withdrawals of up to $10,000 in taxable plan savings, as well as a pro-rated amount of plan contributions, without having to repay the grants or bonds paid into the plan in the preceding 10 years. These rules only apply when an election to consider the plan an SDSP has been filed with the RDSP issuer by the holder of the RDSP and the issuer has notified ESDC of the election.

A rule **applies** for withdrawals made from an RDSP **after 2013**. This rule replaces the 10-year repayment rule only for RDSP withdrawals. The former 10-year repayment rule will continue to apply where the RDSP is terminated or deregistered or the RDSP beneficiary dies.

This rule may change due to legislation. For the most updated information on the 10-year rule, contact the issuer of your RDSP or go to ESDC at **esdc.gc.ca**.

Proportional repayment rule

As of 2014, the proportional repayment rule applies on the event where an amount is withdrawn from the RDSP. The proportional repayment rule will require that, for each $1 withdrawn from an RDSP, $3 of any grants or bonds paid into the plan in the 10 years preceding the withdrawal be repaid, up to a maximum of the assistance holdback amount. Repayments will be attributed to the grants or bonds that make up the assistance holdback amount based on the order in which they were paid into the RDSP.

The proportional repayment rule does not apply for those beneficiaries that have lost DTC approval before the age of 60 and want to close or withdraw amounts from their RDSP. In this case, the 10-year repayment rule will apply and the entire Assistance Holdback Amount will need to be repaid. The proportional repayment rule also does not apply in the case of the death of a beneficiary. In this case, the full Assistance Holdback Amount must be paid back to the government and the remaining amounts held in the plan goes to the estate of the beneficiary.

The proportional repayment rule may be change due to legislation. For the most updated information on how much the repayment will be, contact the issuer of your RDSP or go to ESDC at **esdc.gc.ca**.

Example
Jeff opens an RDSP in 2018 and contributes $1,500 to his plan annually, being eligible for the maximum grant ($3,500) for each year. In 2023, the assistance holdback amount for his plan equals $21,000 (6 years, 2018 to 2023 inclusively, multiplied by $3,500).

In 2023, he withdraws $600 from his RDSP. Under the 10-year repayment rule, the entire assistance holdback amount of $21,000 would have to be repaid. Under the proportional repayment rule, $1,800 of the assistance holdback amount will be repaid (approximately 9% of the repayment required under the former 10-year repayment rule). The $1,800 repayment will come from the grants paid into his RDSP in 2018 and the plan's assistance holdback amount will be reduced to $19,200.

Chapter 2 – Tax payable

Tax payable on DAPs

When a DAP is made from an RDSP, the part of the payment that includes proceeds from a rolled over amount, the grants and bonds paid into the plan, and all investment income earned in the RDSP, such as interest, is taxable.

That part of the payment is included in the income of the beneficiary for the year in which the payment is made. If the beneficiary is deceased when the payment is made, the amount is included in the income of the beneficiary's estate for the year of the payment.

Note
The taxable portion (or RDSP income) is excluded from income when calculating various income-tested benefits, such as the GST/HST credit, the Canada child benefit (CCB), and the Canada workers benefit (CWB). It is also excluded when calculating the social benefit repayment and the refundable medical expense supplement.

Tax deduction at source

RDSP issuers will have to withhold income tax at source once the taxable portion of a beneficiary's lump sum **DAPs** and **LDAPs** exceed the **total** of the following two federal non-refundable tax credits (NRTCs):

- the maximum basic personal amount (BPA)
- the disability amount (DA)

NRTCs help to reduce a taxpayer's total income tax liability at the end of the year. There are many federal and provincial NRTCs that individuals may be eligible to claim when filing their personal income tax and benefit returns. However, only the federal maximum BPA of $15,000 and federal DA ($9,428 in 2023) are to be used to calculate the taxable income from which to withhold income tax at source. This is because all RDSP beneficiaries are eligible for these two NRTCs.

Using the chart on this page, with the 2023 tax year for example, a beneficiary can receive up to $24,428 (BPA of $15,000 + DA of $9,428) in taxable lump sum DAPs and LDAPs before the RDSP issuer has to withhold income tax at source. For the 2022 tax year, this amount was $23,268.

Withholding threshold		
Year	**2023**	**2022**
Federal maximum Basic Personal Amount (BPA)	$15,000	$14,398
Federal Disability Amount (DA)	$9,428	$8,870
Total	$24,428	$23,268

Once this amount is reached, income tax must be deducted from the taxable portion of all remaining payments in the year using the lump-sum tax withholding rate displayed below.

Note
NRTCs are adjusted annually to allow for inflation and other factors.

The taxable portion of a beneficiary's lump sum DAPs and LDAPs are the total of:

- the Canada disability savings grants
- the Canada disability savings bonds
- the investment income earned in the plan, such as interest
- proceeds from rollovers of other plans (RRSPs or RESPs for example)

Note
Individual or private contributions, or an amount in respect of which a holder of the plan pays the **Error! Reference source not found.** tax described on page 17 (unless this tax is waived, cancelled or refunded, or has previously been included in the non-taxable portion of a DAP made to the beneficiary) are not taxable.

RDSP issuers will use the lump-sum withholding rate that corresponds to either the:

- total taxable portion of all LDAPs expected to be paid in the year,
- taxable portion of each lump sum DAP when requested

The lump-sum withholding rates are:

- 10% (5% for Quebec) on amounts up to and including $5,000
- 20% (10% for Quebec) on amounts over $5,000, and up to $15,000
- 30% (15% for Quebec) on amounts over $15,000

Note
The above rates are a blend of the federal and provincial rates. The Quebec rates represent only the federal rates. For more information on the provincial rates for the province of Quebec, go to **finances.gouv.qc.ca.**

Chapter 3 – Anti-Avoidance Rules for RDSP

The anti-avoidance rules provide for a special tax on certain advantages that unduly exploit the tax attributes of an RDSP, as well as special taxes on prohibited investments and on non-qualified investments.

Each person who is a holder of an RDSP is jointly liable for the taxes on prohibited investments, non-qualified investments and advantages described below. Where two or more holders of an RDSP are jointly liable to pay such a tax only one form needs to be filed on behalf of all the holders that are liable for the tax.

Tax payable on prohibited investments

If the RDSP trust acquires a prohibited investment or if previously acquired property becomes prohibited, the investment will be subject to a special tax equal to 50% of the fair market value (FMV) of the investment, and the holder must file, Form RC339, Individual Return for Certain Taxes for RRSPs, RRIFs, RESPs or RDSPs, with a payment for any balance due, no later than June 30 following the end of the calendar year.

The tax is refundable in certain circumstances. For more information, see "Refund of taxes paid on non-qualified or prohibited investments" on page 16.

If the prohibited investment ceases to be a prohibited investment while it is held by the RDSP trust, the RDSP trust is considered to have disposed of and immediately re-acquired the property at its FMV.

The holder is also liable for the 100% advantage tax on income earned and capital gains realized on prohibited investments.

The 100% advantage tax applies to income earned, and the portion of any realized capital gain that accrued, **after March 22, 2017**, regardless of when the prohibited investment generating the income or gain was acquired.

Note
If an investment is both a non-qualified investment and a prohibited investment, it is treated as a prohibited investment only.

For more information, see Income Tax Folio S3-F10-C2, Prohibited Investments – RRSPs, RESPs, RRIFs, RDSPs and TFSAs.

Tax payable on non-qualified investments

If the RDSP trust acquired a non-qualified investment, or if a previously acquired property becomes a non-qualified investment, the investment will be subject to a special tax. The tax is equal to 50% of the FMV of the property at the time that it was acquired or that it became non-qualified, and the holder must file Form RC339, Individual Return for Certain Taxes for RRSPs, RRIFs, RESPs or RDSPs, with a payment for any balance due, no later than **June 30** following the end of the calendar year.

Notes
Any increase in the value of a non-qualified investment at the time of disposition is not reported on the Form RC339, Individual Return for Certain Taxes for RRSPs, RRIFs, RESPs or RDSPs. Income earned and capital gains realized by an RDSP trust on non-qualified investments will continue to be taxable to the Trust, regardless of when the investment was acquired. The Trust must file Form T3RET, T3 Trust Income Tax and Information Return and is liable to pay any tax owing.

Any charges or fees that the financial institution has passed on to the annuitant as a result of the T3 Return having been filed is a matter between the annuitant and the financial institution.

If an investment is both a non-qualified investment and a prohibited investment, it is treated as a prohibited investment only and the trust is not subject to tax on the investment earnings.

The tax payable on non-qualified investments is refundable in certain circumstances. For more information, see "Refund of taxes paid on non-qualified or prohibited investments" below.

The holder is also liable for the 100% advantage tax on specified non-qualified investment income if this income is not withdrawn promptly.

For more information, see Income Tax Folio S3-F10-C1, Qualified Investments – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs.

Refund of taxes paid on non-qualified or prohibited investments

You may be entitled to a refund of the 50% tax on non-qualified or prohibited investments if the investment was disposed of, or ceased to be a non-qualified or prohibited investment, before the end of the calendar year after the year in which the tax arose (or such later time as is permitted by the Minister of National Revenue).

However, no refund will be issued if it is reasonable to expect that the holder knew, or should have known, that the investment was or would become a non-qualified or a prohibited investment.

The refund applies to the 50% tax on non-qualified or prohibited investments but not to the 100% tax on advantages.

Note
If the 50% tax on non-qualified or prohibited investments, and the entitlement to the refund of that tax, arose in the same calendar year then a remittance of the tax is not required. For example, no remittance of tax would be required if an RDSP trust acquired and disposed of a non-qualified investment in the same calendar year.

How to claim a refund

To claim a refund, you must:

- send your request in writing (you can attach it to Form RC339)
- attach the appropriate documents detailing the information relating to the acquisition and disposition of the non-qualified or prohibited property (you can attach the written request and supporting documents to Form RC339)

The documents must contain the following:

- name and description of the property
- number of shares or units
- date the property was acquired or became non-qualified or prohibited property
- date of the disposition or the date that the property became qualified or ceased to be prohibited

Obligations of the RDSP issuer

The issuer of an RDSP must exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that a trust governed by the plan holds a non-qualified investment.

If the issuer fails to comply with this obligation, the issuer is liable to a penalty under the Income Tax Act.

The issuer is also required to notify the holder of the RDSP, in prescribed form and manner before March of a calendar year, if at any time in the preceding year the RDSP trust acquired or disposed of a non-qualified investment, or if an investment became or ceased to be a non-qualified investment.

Tax payable on an advantage

If the holder or a person not dealing at arm's length with the holder (including the RDSP itself) was provided with an advantage in relation to their RDSP during the year, a 100% tax is payable, which is:

- in the case of a benefit, the FMV of the benefit
- in the case of a loan or a debt, the amount of the loan or debt
- in the case of a registered plan strip, the amount of the registered plan strip

For taxes payable on an advantage you must file using Form RC339, Individual Return for Certain Taxes for RRSPs, RRIFs, RESPs or RDSPs.

> **Note**
> When an advantage is extended by the issuer of an RDSP, the issuer, and not the holder, is liable for the tax. The issuer must file Form RC298, Advantage Tax Return for RRSP, TFSA, FHSA, or RDSP issuers, RESP promoters or RRIF carriers, with a payment for any balance due, no later than **June 30** following the end of calendar year.

For more information, see Income Tax Folio S3-F10-C3, Advantages – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs.

Waiver or cancellation of tax

We may waive or cancel all or part of the taxes if we determine it is fair to do so after reviewing all factors, including whether:

- the tax arose because of a reasonable error
- the extent to which the transaction or series of transactions that gave rise to the tax also gave rise to another tax under the Income Tax Act
- the extent to which payments have been made from the RDSP

> **Note**
> A **waiver** refers to penalties and interest otherwise payable by a taxpayer for which relief is granted by the CRA before these amounts are assessed or charged to the taxpayer. A **cancellation** refers to penalties and interest amounts that were assessed or charged to the taxpayer for which relief is granted by the CRA.

The waiver is limited to tax paid under the anti-avoidance rules and not taxes paid under any other part of the Income Tax Act.

To consider your request, we need a letter that explains why the tax liability arose, why this is a reasonable error, and why it would be fair to cancel or waive all or part of the tax.

Send your letter to one of the following addresses:

If your residential address is based in:

Ontario, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut, Northwest Territories, as well as the following cities in the province of Quebec (Montréal, Québec City, Laval, Sherbrooke, Gatineau, and Longueuil).

Send your request to:

Canada Revenue Agency
Sudbury Tax Centre
Pension Workflow Team
Post Office Box 20000, Station A
Sudbury ON P3A 5C1

If your residential address is based in:

Manitoba, Saskatchewan, Alberta, British Columbia, Nova Scotia, New Brunswick, and the remaining areas in the province of Quebec not listed under the Sudbury Tax Centre.

Send your request to:

Canada Revenue Agency
Winnipeg Tax Centre
Pension Workflow Team
Post Office Box 14000, Station Main
Winnipeg MB R3C 3M2

Digital services for individuals

The CRA's digital services are fast, easy, and secure!

My Account

My Account lets you view and manage your personal income tax and benefit information online.

Use My Account throughout the year to:

- view your benefit and credit information and apply for certain benefits
- view your notice of assessment or reassessment
- view uncashed cheques and request a replacement payment
- change your address, phone numbers, direct deposit information, marital status, and information about children in your care
- manage notification preferences and receive email notifications when important changes are made to your account
- check your tax-free savings account (TFSA) contribution room, your registered retirement savings plan (RRSP) deduction limit, and your first home savings account (FHSA) participation room
- track the progress of certain files you have submitted to the CRA
- make a payment online to the CRA with the My Payment service, create a pre-authorized debit (PAD) agreement, or create a QR code to pay in person at Canada Post for a fee. For more information on how to make a payment, go to **canada.ca/payments**
- view and print your proof of income statement
- manage authorized representatives and authorization requests
- submit documents to the CRA
- submit an audit enquiry
- link between your CRA My Account and Employment and Social Development Canada (ESDC) My Service Canada Account
- manage multi-factor authentication settings

To sign in to or register for the CRA's digital services, go to:

- My Account, at **canada.ca/my-cra-account**, if you are an individual
- Represent a Client, at **canada.ca/taxes-representatives**, if you are an authorized representative

Receive your CRA mail online

Set your correspondence preference to "Electronic mail" to receive email notifications when CRA mail, like your notice of assessment, is available in your account.

For more information, go to **canada.ca/cra-email-notifications**.

MyBenefits CRA mobile web application

Get your benefit information on the go!

Benefit recipients can access the MyBenefits CRA mobile web application throughout the year to quickly view their benefit and credit payment details, eligibility information and application status.

For more information, go to **canada.ca/cra-mobile-apps**.

Electronic payments

Make your payment using:

- your Canadian financial institution's online or telephone banking services
- the CRA's My Payment service at **canada.ca/cra-my-payment**
- your credit card, Interac e-transfer, or PayPal through one of the CRA's third-party service providers
- pre-authorized debit (PAD) at **canada.ca/my-cra-account**

For more information, go to **canada.ca/payments**.

For more information

If you need help

If you need more information after reading this guide, go to **canada.ca/taxes** or call **1-800-959-8281**.

Direct deposit

Direct deposit is a fast, convenient, and secure way to receive your CRA payments directly in your account at a financial institution in Canada. For more information and ways to enrol, go to **canada.ca/cra-direct-deposit** or contact your financial institution.

Forms and publications

The CRA encourages you to file your return electronically. If you need a paper version of the CRA's forms and publications, go to **canada.ca/cra-forms-publications** or call **1-800-959-5525**.

Electronic mailing lists

The CRA can send you an email when new information on a subject of interest to you is available on the website. To subscribe to the electronic mailing lists, go to **canada.ca/cra-email-lists**.

Tax Information Phone Service (TIPS)

For tax information by telephone, use the CRA's automated service, TIPS, by calling **1-800-267-6999**.

Teletypewriter (TTY) users

If you use a TTY for a hearing or speech impairment, call **1-800-665-0354**.

If you use an **operator-assisted relay service**, call the CRA's regular telephone numbers instead of the TTY number.

Formal disputes (objections and appeals)

You have the right to file an appeal if you disagree with an assessment, determination, or decision.

For more information, go to **canada.ca/cra-file-objection**.

CRA service feedback program

Service complaints

You can expect to be treated fairly under clear and established rules, and get a high level of service each time you deal with the CRA. For more information about the Taxpayer Bill of Rights, go to **canada.ca/taxpayer-rights**.

You may provide compliments or suggestions, and if you are not satisfied with the service you received:

1. Try to resolve the matter with the employee you have been dealing with or call the telephone number provided in the correspondence you received from the CRA. If you do not have contact information for the CRA, go to **canada.ca/cra-contact**
2. If you have not been able to resolve your service-related issue, you can ask to discuss the matter with the employee's supervisor
3. If the problem is still not resolved, you can file a service-related complaint by filling out Form RC193, Service Feedback. For more information and to learn how to file a complaint, go to **canada.ca/cra-service-feedback**

If you are not satisfied with how the CRA has handled your service-related complaint, you can submit a complaint to the Office of the Taxpayers' Ombudsperson.

Reprisal complaints

If you have received a response regarding a previously submitted service complaint or a formal review of a CRA decision and feel you were not treated impartially by a CRA employee, you can submit a reprisal complaint by filling out Form RC459, Reprisal Complaint.

For more information, go to **canada.ca/cra-reprisal-complaints**.

Due dates

When a due date falls on a Saturday, Sunday, or public holiday recognized by the CRA, your return is considered on time if the CRA receives it or if it is postmarked on or before the next business day.

For more information, go to **canada.ca/taxes-dates-individuals**.

Related forms and publications

Forms

RC193	Service Feedback
RC298	Advantage Tax Return for RRSP, TFSA, FHSA, or RDSP issuers, RESP promoters or RRIF carriers
RC339	Individual Return for Certain Taxes for RRSPs, RRIFs, RESPs or RDSPs
RC435	Rollover from a Registered Education Savings Plan to a Registered Disability Savings Plan
RC459	Reprisal Complaint
RC4625	Rollover to a Registered Disability Savings Plan (RDSP) Under Paragraph 60(m)
T1172	Additional Tax on Accumulated Income Payments from RESPs
T2201	Disability Tax Credit Certificate

Publications

IC89-3	Policy Statement on Business Equity Valuations
IC99-1R3	Registered Disability Savings Plans
RC4064	Disability-Related Information

Income Tax Folios

S1-F1-C2	Disability Tax Credit
S1-F5-C1	Related Persons and Dealing at Arm's Length
S3-F10-C1	Qualified Investments – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs
S3-F10-C2	Prohibited Investments – RRSPs, RESPs, RRIFs, RDSPs and TFSAs
S3-F10-C3	Advantages – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs

Cancel or waive penalties and interest

The CRA administers legislation, commonly called taxpayer relief provisions, that allows the CRA discretion to cancel or waive penalties and interest when taxpayers cannot meet their tax obligations due to circumstances beyond their control.

The CRA's discretion to grant relief is limited to any period that ends within 10 calendar years before the year in which a relief request is made.

For penalties, the CRA will consider your request only if it relates to a tax year or fiscal period ending in any of the 10 calendar years before the year in which you make your request. For example, your request made in 2023 must relate to a penalty for a tax year or fiscal period ending in 2013 or later.

For interest on a balance owing for any tax year or fiscal period, the CRA will consider only the amounts that accrued during the 10 calendar years before the year in which you make your request. For example, your request made in 2023 must relate to interest that accrued in 2013 or later.

Taxpayer relief requests can be made online using the CRA's My Account, My Business Account (MyBA), or Represent a Client digital services:

- **My Account**: After signing in, select "Accounts and payments," then "Request relief of penalties and interest."
- **MyBA or Represent a Client**: After signing in, on the MyBA overview page, select the appropriate program from the navigation menu, then select the correct account. Finally, select "Request relief of penalties and interest" under the "Request" heading.

You can also fill out Form RC4288, Request for Taxpayer Relief - Cancel or Waive Penalties and Interest, and send it with one of the following ways:

- online with My Account: select "Submit documents" under the "Correspondence" section
- online with MyBA or Represent a Client: select "Submit documents" from the banner at the top of the page
- by mail to the designated office, as shown on the last page of the form, based on your place of residence

For information on the "Submit Documents online" service, go to **canada.ca/cra-submit-documents-online**.

For more details on the required supporting documents, relief from penalties and interest, and other related forms and publications, go to **canada.ca/penalty-interest-relief**.

Appendix D -Recommendations Table

	Recommendation	Getting It Right (2002)	Disability Tax Fairness (2004)	Breaking Down Barriers (2018)
1	Make the DTC application more accessible	5, 6, 8	2.8, 2.12	5
2	Coordinate the DTC with other disability credits and benefits		2.13	13, 14, 15
3	Provide seamless access to disability benefits available in Canada	9		
4	Position the DTC within Canada's poverty reduction Strategy			15, 16
5	Change the DTC back to a refundable credit			14
6	Amend DTC eligibility so that all conditions are treated equitably	4a, 4b, 4c, 6	2.2, 2.3, 2.4	3,4
7	Promote education and awareness of the DTC	10, 11	2.7	10

Appendix E: Table from the 2006 A New Beginning Report

Estimates of Contribution Levels and Annuity Values

Annual Contribution ($)	500	1,000	2,000	5,000	7,500	20,000	5,000
Savings Period (years)	20	20	20	20	20	10	40
Cumulative Contributions ($)	13,435	26,870	53,741	134,352	201,528	200,000	200,000
Assets ($)	23,708	47,417	94,834	237,084	355,626	273,204	872,021
Age of Child at Annuity Commencement	35	35	35	35	35	35	55
Age of Parent at Annuity Commencement	65	65	65	65	65	65	85
Life Annuity Value ($)	1,004	2,008	4,017	10,042	15,064	11,572	46,346
Life Annuity Value PV ($)	676	1,352	2,703	6,758	10,137	9,493	20,990
20 Year Term Annuity Value ($)	1,653	3,307	6,613	16,533	24,799	19,052	62,493
20 Year Term Annuity PV ($)	1,113	2,225	4,450	11,126	16,689	15,629	28,302
Single Contribution ($)	50,000	50,000	100,000	100,000	200,000	200,000	200,000
Holding Period (years)	0	20	0	20	0	20	40
Assets ($)	50,000	148,679	100,000	297,357	200,000	594,714	1,768,425
Age of Child at Annuity Commencement	35	35	35	35	35	35	55
Age of Parent at Annuity Commencement	65	65	65	65	65	65	85
Life Annuity Value ($)	2,118	6,298	4,236	12,595	8,472	25,191	93,987
Life Annuity Value PV ($)		4,238		8,476		16,953	42,566
20 Year Term Annuity Value ($)	3,487	10,368	6,973	20,736	13,947	41,472	126,733
20 Year Term Annuity PV ($)		6,977		13,955		27,910	57,396

Assumptions:

1. Annual contributions made over the 20-year savings period are assumed to grow at 3% per year from their initial levels.
2. Annual rate of return is 5.6%.
3. Annuities indexed at 2%.
4. To obtain present value (PV) of annuity level at beginning of savings period, annuity level at end of savings period is discounted over a savings period at 2% per year.

Appendix F: Knowledge Gathering and Synthesis

Review of Peer-Reviewed Literature

We used the 6-step scoping review approach developed by Arskey and O'Malley (2005) and advanced by Levac et al. (2010) to identify and describe the nature and the scope of the literature about the DTC. Our overall purpose was to explore the impact of the eligibility criteria on the experiences of persons with disabilities, inclusive of the following three research questions:

1. What are the barriers individuals encounter when they attempt to access the DTC?
2. Is the DTC in its current format fulfilling its intended purpose?
3. What changes could be implemented to improve access?

Using EconLit, Soc Abstracts, Web of Science, and MEDLINE databases, an initial literature search yielded 877 articles for consideration. These articles were compiled into an Excel spreadsheet for initial reviewing (Step 3). Information from each article was collected and used to populate the spreadsheet including article keywords, abstract, jurisdiction, topic, and type of article. In addition, each article was assigned an ORN (Ovid Result Number) as an identifier. This information was independently reviewed by two researchers to determine whether articles were in scope (by assigning a 'yes' to the article), outside of scope (by assigning a 'no' to the article), or unable to determine based on the available information (by assigning an 'uncertain' to the article).

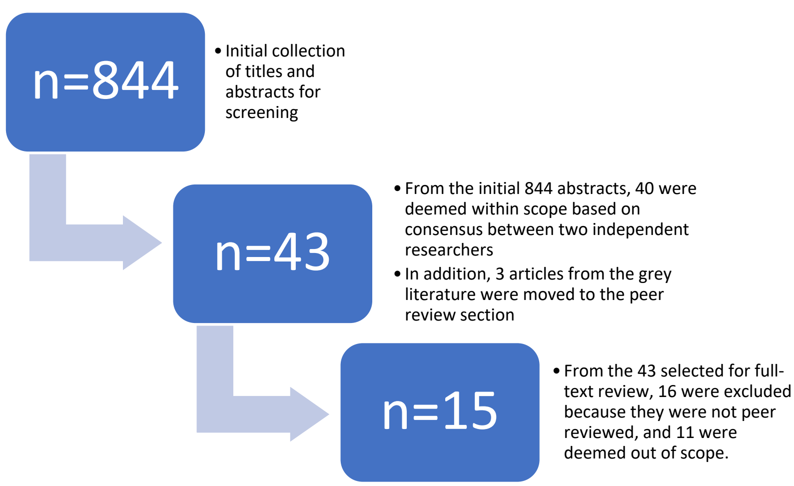
If both initial researchers determined an article was within scope, it was accepted as within scope. If both initial researchers agreed an article was not within scope, it was accepted as being outside of scope. If the initial researchers were not in agreement about an article, it was reviewed by the second pair of researchers to reach consensus.

From the initial 844 articles 40 were determined to warrant further analysis and moved to the new table for full-text review. As we did a full-text review of the included articles, we began to group the data extracted from the articles into initial themes to answer the research questions (Step 4). The themes were initially labelled as follows:

1. Barriers to accessing the DTC.
2. How disability is conceptualized in the DTC.
3. Proposal for reducing barriers to accessing the DTC.
4. Intent of the DTC.
5. DTC as a gateway.

The category ‘DTC background’ was used to capture information related to the progressive development of the DTC to provide a conceptual background and starting point for discussion and analysis. *Barriers* refers to noted challenges in accessing the DTC. ‘Success of Policy Goal’ refers to both the noted successes and failures of the DTC in its current format and relates to RQ2. ‘Disability Support Outputs’ refers to programs and policies that have been implemented and/or conceptualized and which could be adapted in the Canadian context. *Definitions of disability* refers to how disability is framed and conceptualized in differing circumstances. If a full review of the article determined it contained no information relating to one of the themes or to answer the research question, it was deemed not in scope and excluded. At this point, articles were also verified as being peer reviewed[28]. Between verification of peer review status and removal of articles that contained no information relating to the current themes, 27 of the 40 articles were excluded. Additionally, we were unable to locate one article in its full-text format, one article was not peer reviewed, and three articles from the grey literature were added after determining that they were peer reviewed.

Of the initial 844 articles, 40 were determined to warrant a deeper analysis and from those 40 (43 including the 3 received from the grey literature), 15 articles contained information related to the themes under analysis and form the basis for the peer review findings and discussions. The Excel spreadsheet for these 40 articles was populated with the original ORN for each article[29], the article citation, a summary of the key findings, summary of the findings by theme under study, jurisdiction, type of analysis, type of study, and information related to the methodology from the article.



[28] If an article related to the material under study but was not peer reviewed, it was moved to the grey literature portion of analysis.
[29] The three articles retrieved from the grey literature were denoted with 'sub' followed by a number to indicate they were added subsequent to the formation of the initial article list. The article that was replaced with a peer reviewed format article was denoted by the ORN followed by .1 to indicate it as a subsequent version or an earlier document.

Review of Grey Literature

The next component of this project synthesizes non-peer-reviewed or "grey literature." The grey literature includes government and non-government reports, responses to reports, and other types of evaluations. We use an adapted model of grey literature synthesis established in Adams et al. (2016) for searching and synthesizing grey literature in public health. Rather than a singular definition of grey literature, Adams et al. separates the term into three distinct types: grey literature, grey data, and grey information.

Table: Grey literature, data, and information (Adams et al. 2016)

Term	Defining aspect	Example
Grey literature	Not controlled by commercial publishing organization	Government commission reports, Government and Non-government reports, policy papers,
Grey data	User generated, web-based	Conference presentations, journalism, Government budget memorandums
Grey information	Informally published or not published at all	Meeting notes, non-profit website posts

We adapted the framework by Adam et al. to fit the distinct nature of the DTC literature, focused on tax policy rather than public health policy. Rather than synthesizing public health interventions, DTC literature and information address a range of data from low-level public complaints, Senate investigations and information pamphlets found in doctors' offices.

While there are some grey literature databases like OpenGrey, the specificity of finding information on a small tax credit within the Canadian tax system made such databases unfruitful. Some scholars attempt to shape the Google search engine as a tool for grey literature, but given the customized nature of algorithms, it is unclear if others could reproduce any of the results. Instead, we opted for the Memorial University Catalogue system (https://library.mun.ca) that draws findings from grey literature sources like the Canadian Electronic Library from desLibris, newspapers, and some internet publications. The Catalogue also addresses paywall issues because the University has access to all of the major newspapers in Canada. In addition to the Memorial Catalogue system, we also looked for Canadian think tanks and not-for-profit disability organizations looking for documents like:

- academic-style literature that may not have been peer-reviewed
- blog posts
- references to media publications
- press releases
- conferences and presentations

Documentation occurs at each search stage, including the date, relevant citation, the search terms used, and the number of results each search yielded. One of the challenges grey literature presents is the varying degree of how information is indexed (or not indexed) on websites. Some websites like maytree.com have a search function but present their results in pages rather than entries. Manual tabulation is necessary for pages with less robust indexing to calculate the total number of entries on any topic. Furthermore, within websites, there was a reliability problem with what entries appeared with any given search term. For example, Statistics Canada (StatsCan) does not allow Boolean searches and has no subsequent filters to sift through entries. A search for “disability tax credit” yielded over 6000 results. The first 25 results of the search only yielded four relevant links.

The non-standardized nature of searching for grey literature meant being flexible in search terms. Each website was subjected to the following iterative searches:

“disability” AND “tax”

“disability” AND “tax” AND “credit”

“disability” AND “tax credit”

“disability” AND “tax” AND “credit” AND “Canada”

“disability” AND “tax credit” AND “Canada”

After months of searching and accounting for duplications, a total of 100 documents were available on the DTC. Relevant documents were collated, reviewed and sorted for being either in or out-of-scope. Documents were then organized based on each document’s central argument or expository point.

Data Extraction

The data extraction process adheres as closely as practical to techniques found in the peer-reviewed section of this report. Complicating grey literature data extraction is that most non-peer-reviewed materials do not contain research questions or rigorous sampling methods. The non-standardized nature of grey literature means that headings from the data extraction table require some interpretation to include the different types of entries that grey literature searches yield. Terms like “key findings” correspond to “conclusions” like court case outcomes or policy recommendations.

Document analysis is an iterative process of superficial examination, reading, and interpretation that combines content and thematic analyses (Bowen, 2009). Through content analysis, data extracted from the documents were organized into categories. The thematic analysis captures patterns in the data and capture the nature and scope of the existent literature.

Key Informant Interviews

We conducted qualitative interviews with people who have experience with the DTC, including persons with disabilities who receive the DTC, people who have applied for the DTC, and those who support persons with disabilities including family members, medical professionals and other service providers, advocates and representatives from key national disability organizations. Our focus was on examining key issues associated with the DTC from the perspectives of those most affected by it - persons with disabilities and those who support persons with disabilities in Canada. Specifically, we examined key issues associated with access to the DTC and how the benefit impacts experiences of persons with disabilities. The research question guiding this work was, “How do persons with disabilities in Canada access the DTC and what is the impact of the DTC on experiences of persons with disabilities in Canada?”.

The interviews were conducted on Zoom to allow us to interview people across Canada without the barriers created by travel, and to allow us to use features such as closed captioning. To address the potential barrier of accessing the technology required to participate in a Zoom meeting, we also provided a telephone number that participants could use to join the interview. Interviews were audio recorded in Zoom and transcribed verbatim using the artificial intelligence voice to text function, and then reviewing the text while listening to the audio to ensure accuracy. We then uploaded the transcripts to Dedoose, a mixed method research software to facilitate text-based analysis.

Before beginning the interview, a member of the research team initiated a process of informed consent, where participants were reminded that their involvement in the interview was voluntary, that they could stop the interview at any point and choose to say as much or as little as they wished. During the interview participants were asked questions relevant to their connection with the DTC. At first, we explored key ideas from the literature. In later interviews we followed up on key concepts and ideas from previous interviews and from our preliminary analysis according to the constant comparative approach to qualitative research (Boeije, 2002). Importantly, we asked participants to tell us what they think we should know about their experience with the DTC.

In total, we spoke to 20 individuals about their experiences with the DTC in 19 interviews. These individuals represented a range of perspectives and experiences with the DTC. See Table 1 for a summary of the participants and the perspectives they represented. We spoke to a range of people in Canada with diverse connections to the DTC, recipients/applicants, family members and caregivers of persons with disabilities, advocates and representatives from disability organizations, and service providers/medical professions.

Table 1: Characteristics of Participants

Interview Participants	Number of Participants
Total number of participants	20
Recipient	8
Applicant (not approved)	2
Family members/caregivers/advocate	2
Disability organization/advocate	3
Service providers or medical professionals	4

The analysis of the interview data was guided by the principles of thematic analysis to capture the experiences of persons with disabilities in Canada with the DTC. The analysis started with multiple readings of the transcripts by the research associates and the lead investigator to become familiar with the key concepts and experiences of participants. Next the research team developed a coding framework based on the key ideas expressed in the transcripts that addressed the research question. Then the transcripts were coded, and codes were grouped into higher-level themes grounded in the experiences of key informants (Braun & Clarke, 2006). Throughout the process the team met regularly to discuss emerging themes and agree on the description of each theme until all initial codes that were relevant to the research question were captured by the themes. Initially we had six themes but through further dialogue and discussion we identified four distinct themes that captured the experiences of persons with disabilities and their supports with the DTC.

Workshops

We ran two workshops in May/June 2023 with stakeholders and advocates who know the DTC program quite well to validate our analysis and understanding of the DTC, and review the recommendations we developed based on our findings. To ensure we explored and considered critical issues in our analysis and interpretation of the findings from both the literature and the interviews, captured all information and experiences we could find, and explored potential alternatives, we conducted workshops with those who have exceptional knowledge about the DTC and its function. During our data gathering phase, we identified individuals we considered experts on the DTC and combined their names with those from our combined professional network. In total, our research team compiled a list of 35 names, and we arranged for 2 workshop presentations (May 29 and June 1). The workshop invitees included advocates, researchers, analysts, and representatives from disability organizations. One of our research associates emailed the identified individuals to tell them about the project and invite them to attend one of two 90 mins workshops held by Zoom to hear a summary of our findings and to provide feedback.

From our initial list of 35, 7 invitees agreed to attend the first workshop, and 9 agreed to attend the second. A further 3 said they were unavailable for either date but wanted to provide feedback to us based on the executive summary circulated in advance. In the end 6 stakeholders participated in the first workshop and 8 in the second one, for a total of 14 participants across two workshops. Table 2 summarizes the individuals who participated in the workshops.

Table 2: Workshop Participants

Workshop Participants	Number of Participants
Total number of workshop participants	14
Government	2
Disability Organization	6
Advocate/Researcher	3
Service providers or medical professionals	2
Other	1

Both workshops were held over lunchtime Eastern Standard Time in an effort to make them accessible for individuals across Canada. Each workshop opened with a brief overview of ethical considerations, introductions, and a summary of the findings from both the literature and the key informant interviews, including recommendations based on the findings. We then facilitated a discussion and answered any questions or clarifications needed.