

# Disability Tax Credit (DTC): Information for Parents/Caregivers of Family Members with a Brain Condition



Image credit: 123rf.com

**Summary:** The Disability Tax Credit (DTC) provides a means for parents/caregivers to receive a tax break when they file their income tax with the Canada Revenue Agency (CRA) on expenses for a child or family member with special needs resulting from having a particular medical condition or diagnosis.

## What is the Disability Tax Credit (DTC)?

The Disability Tax Credit (DTC) provides a means for parents to receive a tax break when they file their income tax with the Canada Revenue Agency (CRA) on expenses for a child with special needs resulting from having a particular medical condition or diagnosis. Examples may include autism spectrum disorder (ASD), attention deficit hyperactivity disorder (ADHD), that causes impairment in day-to-day function.

## Why Apply for the Disability Tax Credit (DTC)?

According to the CRA: *“In the event that the DTC is successful, you can submit for the specific costs that you have had to incur as a result of the impairment from your child's condition, such as:*

- *Medications*
- *Specialized camps for special needs youth*
- *Childcare costs from needing specialized childcare providers (as opposed to leaving the child simply with a family member or regular babysitter)”*

## Wondering About Applying for the Disability Tax Credit (DTC)?

Here are questions to consider, based on CRA criteria from the DTC Application Form, as retrieved from CRA website in 2016:

### Questions to consider

Does the person have restrictions at least 90% of the time, even with treatment and therapy?

Yes \_\_ No \_\_

### CRA Criteria from website.

The effects of the person's impairment must be those which, even with therapy and the use of appropriate devices and medication, cause the person to be restricted all or substantially all of the time (at least 90% of the time).

Does the person have restrictions in these categories:

- Walking,
- Speaking
- Hearing
- Dressing
- Feeding
- Eliminating, or
- Mental functions?

Basic activities of daily living (ADLs) are walking, speaking, hearing, dressing, feeding, eliminating (bowel or bladder functions), and mental functions necessary for everyday life. (Note that working, housekeeping, managing a bank account, and social or recreational activities are not considered basic activities of daily living).

Is the person markedly restricted, i.e. takes at least 3 times longer than a person without such impairment?

Yes \_\_\_ No \_\_\_

The person is considered markedly restricted in performing the mental functions necessary for everyday life (described below) if, all or substantially all of the time (at least 90% of the time), he or she is unable or requires an inordinate amount of time to perform them by himself or herself, even with appropriate therapy, medication, and devices (for example, memory aids and adaptive aids).

Note An inordinate amount of time means that your patient takes three times the normal time required by an average person who does not have the impairment.

**Mental functions:** Does the person have with mental functions such as:

- Adaptive function
- Memory
- Problem-solving

Yes \_\_\_ No \_\_\_

Mental functions necessary for everyday life include:

- Adaptive functioning (for example, abilities related to self-care, health and safety, abilities to initiate and respond to social interaction, and common, simple transactions);
- Memory (for example, the ability to remember simple instructions, basic personal information such as name and address, or material of importance and interest); and
- Problem-solving, goal-setting, and judgment, taken together (for example, the ability to solve problems, set and keep goals, and make appropriate decisions and judgements).

Note A restriction in problem-solving, goal-setting, or judgement that markedly restricts adaptive functioning, all or substantially all of the time (at least 90% of the time), would qualify.

Examples of markedly restricted in the mental functions necessary for everyday life:

- Your patient is unable to leave the house, all or substantially all of the time (at least 90% of the time) due to anxiety, despite medication and therapy.
- Your patient is independent in some aspects of everyday living. However, despite medication and therapy, your patient needs daily support and supervision due to an inability to accurately interpret his or her environment.
- Your patient is incapable of making a common, simple transaction, such as a purchase at the grocery store, without assistance, all or substantially all of the time (at least 90% of the time).
- Your patient experiences psychotic episodes several times a year. Given the unpredictability of the psychotic episodes and the other defining symptoms of his or her impairment (for example, lack of initiative or motivation, disorganized behaviour and speech), your patient continues to require daily supervision.
- Your patient is unable to express needs or anticipate consequences of behaviour when interacting with others.

Have you been able to answer YES to all the above questions? If so, then you might consider applying.

## Looking to Apply for the Disability Tax Credit (DTC)?

Learn more about the [DTC from the Canada Revenue Agency \(CRA\) website](#).

Looking for help and assistance with the DTC?

- Consider speaking with the office of your [member of parliament \(MP\)](#). They can help you with navigating the DTC as it is a service of the federal government (Canada Revenue Agency).

Looking to apply for the DTC?

- Speak with your healthcare provider. Note that simply having a diagnosis of a medical condition or diagnosis is not enough to meet criteria for the DTC; one needs to show that the diagnosis or condition causes **significant impairment** meeting the DTC criteria.

**Beware Companies Offering to Fill out the Disability Tax Credit!**

- There are private companies that will offer to help you fill out the DTC, but beware. Some of them are dishonest and will expect you to pay outrageous amounts of funds if you are successful, such as ongoing fees based on a percentage. If they do charge a fee, ensure it is a one-time fee.

## Looking to Apply for a Loved One with a Specific Condition?

Are you looking for more information about the DTC, and does the person have a specific condition such as:

- Does the applicant have troubles with ADHD or a learning disability?
  - Learning Disabilities Association fo Canada  
<https://www.ldac-acta.ca>
- Does the applicant have troubles with ADHD?
  - Centre for ADHD Awareness, Canada (CADDAC)  
[www.caddac.ca](http://www.caddac.ca)
- Does the applicant have autism spectrum disorder (ASD)?
  - Contact your national or provincial autism association for information about disability tax credit for those with autism, e.g. Autism Canada, or Autism Ontario.

## Questions for Parents/Caregivers to Consider for Mental Health and Brain Conditions

Has your health care provider agreed that it might be reasonable to apply for the DTC? If so, then think about your child, and try to come up with examples of how your child has difficulties in these areas. You can go over this information at your next visit with the health care provider.

### Presence of Restriction

Does the person have restrictions at least 90% of the time, even with treatment and therapy?	Yes ___ No ___
Does the person have restrictions in these categories: • Walking, • Speaking • Hearing • Dressing • Feeding • Eliminating, or • Mental functions?	Yes ___ No ___
Is the person markedly restricted, i.e. takes at least 3 times longer than a person without such impairment?	Yes ___ No ___

### Types of Mental Functions

Adaptive functioning • Abilities related to self-care, health and safety, • Abilities to initiate and respond to social interactions, and common, simple transactions • Severe problems with minor changes in the environment or routines • Do they need 1:1 support?	Please provide more information...
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Memory: Any problems with remembering

- Simple instructions,
- Basic personal information such as name, address, phone number;
- Material of importance and interest;
- Understanding concept of time

Please provide more information...

Problem-solving, goal-setting, and judgment: Any problems with

- Ability to solve problems,
- Set and keep goals,
- Make appropriate decisions and judgments).

Please provide more information...

## START OF LIMITATIONS

What YEAR did the above limitations begin? (This is not necessarily the same year as when the diagnosis was made).

## Have you Completed the Above Form?

If so, then please return and discuss with your healthcare provider. Your health care provider will review, and let you know if it makes sense to submit.

**If submitted, note that the decision is NOT up to your health care provider -- it is the CRA that decides.**

## For More Information

Canada Revenue Agency (CRA) website.

URL: <https://www.canada.ca/en/reven...>

## Authors

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## Disclaimer

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