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# The Complete Guide to Child Disability Tax Credit Programs in Ontario

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Raising children with disabilities presents an array of unique challenges for parents, including what is often a significant financial responsibility. Fortunately, the Ontario and Federal governments provide several child disability tax credit programs to those families. However, understanding these programs provides a different set of challenges.

The Child Disability Benefit (“**CDB**”), Registered Disability Savings Plan (“**RDSP**”), Disability Tax Credit (“**DTC**”), and the Canada Pension Plan (“**CPP**”) Disability Benefit are Federal programs available to qualifying Canadian taxpayers. The Assistance for Children with Severe Disabilities Program (“**ACSD**”) and the Assistive Devices Program (“**ADP**”) are additional programs available to assist Ontario residents.

This article aims to provide you with a resource that summarizes the key elements of these programs. You will also find out if you are eligible and learn how to apply for each child disability tax program.

## General Eligibility Requirements

The Canada Revenue Agency (“**CRA**”) has specific criteria for determining whether a disability qualifies for disability related programs. These criteria are used to determine eligibility for both Federal and Provincial programs. To be eligible, you must obtain a letter from a medical professional confirming the individual’s disability results in **severe** and **prolonged** impairment\* and a Federal Government Form T2201 must be completed and filed with the CRA.

\*See Appendix I for further information on **severe** and **prolonged** impairments qualifying for government taxpayer support.



# Federal Programs

## Disability Tax Credit (“DTC”)

### What is it?

The DTC is a non-refundable tax credit that reduces the amount of taxes payable by individuals with disabilities or the individuals who are supporting them. The credit is available to individuals who meet the General Eligibility Requirements outlined above and whose submission of Form T2201 has been accepted by the CRA. The following schedule provides the maximum amount of credit available under the DTC in the past 10 years:

Year	Maximum Disability Amount	Supplement for Children (17 and Younger)
2022	\$8,870	\$5,174
2021	\$8,662	\$5,053
2020	\$8,576	\$5,003
2019	\$8,416	\$4,909
2018	\$8,235	\$4,804
2017	\$8,113	\$4,733
2016	\$8,001	\$4,667
2015	\$7,899	\$4,607
2014	\$7,766	\$4,530
2013	\$7,697	\$4,490
2012	\$7,546	\$4,402

### What else do I need to know?

If you believe you, your child or dependent may have been eligible for the DTC in past years, but have never applied, with the appropriate support to ensure eligibility requirements were met, you can request an adjustment with the CRA to up to a maximum of 10 years of past tax under the CRA's Taxpayer Relief Program. This means you could potentially be eligible to take advantage of the full amount of disability credits summarized in the above table.

- Once your application for the DTC has been successful:

- Unless the CRA specifically requests it, there is no need to re-submit your application (Form T2201) for renewal;
- When eligibility is set to expire, the claimant will be notified a year in advance as well as in the year it expires; and
- It is the responsibility of the claimant to inform the CRA if their medical condition improves to the point where they no longer meet the criteria for the DTC.

Often individuals who qualify for the DTC will have full- or part-time attendant care, either at home or at a designated facility such as a nursing home. Expenses related to this care are generally available to be claimed as medical expenses; however, there are certain restrictions and claiming these expenses may impact a taxpayer's eligibility to claim the DTC. The CRA provides a helpful chart summarizing the restrictions on claiming these expenses, which you can find in Appendix 2.

For more information on the DTC, including instructions for the application for the DTC, follow this [link](#).

## **Child Disability Benefit (“CDB”)**

### **What is it?**

- The CDB is a tax-free payment made monthly to families who care for a child under the age of 18 with a severe and prolonged impairment in physical or mental functions.
- CDB payments are based on the Annual Family Net Income from the previous year and for the period from July 2022 to June 2023, qualifying families may be entitled to an annual maximum of **\$2,985** for each eligible child.
- When a child is eligible for the DTC, qualifying families will receive the CDB automatically.

### **What are the eligibility requirements?**

- You must also be eligible for the Canada Child Benefit (“CCB”), which is available to residents of Canada who are primarily responsible for raising a child under the age of 18; and
- Your child must also be eligible for the DTC.

For more information on the CDB, please click on the following [link](#).

## **Registered Disability Savings Plan (“RDSP”)**

### **What is it?**

An RDSP is a registered account intended to help families save for the long-term financial security of a person who is eligible for the DTC. Within an RDSP all investments grow tax-free, and withdrawals are not included as income to the beneficiary when paid out. Contributions to an RDSP, however, are not tax deductible.

### **What do I need to know?**

- You can make contributions until the end of the year in which the beneficiary turns 59;
- There is no annual limit on amounts that you can contribute; however, a lifetime limit for a particular beneficiary is \$200,000;
- Anyone can contribute to an RDSP with the written permission of the plan holder;
- The Government of Canada will deposit up to \$20,000 for low-income families with no contribution necessary; and
- The Government of Canada will match deposits by up to 300% (to \$70,000) to incentivize contributions.

For more information on the RDSP, visit this [link](#).

## Canada Pension Plan (“CPP”) Disability Benefits

### What is it?

The CPP disability benefit is a monthly payment which you can receive if you:

- are under 65;
- have made sufficient contributions into the CPP;
- have a disability that regularly stops you from doing any type of substantially gainful work; and
- have a disability that is severe and prolonged, or is likely to result in death.

There are three types of CPP disability benefits:

Benefit	Age	Requirements	Average Monthly Payment Amount	Maximum Monthly Payment Amount (2022)
CPP Disability Benefit (Regular)	Under 65	Not receiving CPP retirement pension	\$1,053.20	\$1,457.45*
CPP Post-Retirement Disability Benefit	Ages 60-65	Already receiving CPP retirement pension or become disabled after starting to receive pension	\$524.64	\$524.64
CPP Children’s Benefit	Under 18 OR 18-25 and in full-time attendance at a recognized post-secondary institution	The child of a person receiving a disability benefit	\$264.53	\$264.53

Please note that it may take up to 4 months for a decision to be made as to your eligibility for the program. You will need to submit a signed medical report and complete application form to Service Canada for processing.

\*The maximum payment amount is dependent on the amount of CPP contributions made throughout the taxpayer’s career.

# Ontario Programs

## Assistance for Children with Severe Disabilities Program (“ACSD”)

### What is it?

If you are a parent or a guardian of a child who is under 18 years of age, lives at home and has a severe disability, you may be eligible to receive between \$25 and \$550 a month to help with disability-related costs such as:

- Travel to doctors' appointments, hospitals and other appointments related to the child or dependent's disability;
- Special shoes and clothes required because of the disability; and
- Parental relief such as respite.

In addition to monthly financial support, parents or guardians of children receiving the ACSD may also receive reimbursement for certain specific expenses related to their child's condition.

### How to Apply?

Contact your Ontario Ministry of Children, Community, and Social Services and complete an application form. A Special Agreements officer will then review your application form to determine the amount of the benefit received.

Please note that this is financial support for low or moderate-income families and the amount of assistance may be dependent on the following factors:

- Your household income
- Size of your family
- Severity of your child's disability
- Extraordinary costs related to your child's disability

For more information on the ACSD, visit this [link](#).

## Assistive Devices Program (“ADP”)

### What is it?

This program provides financial help for families who need equipment and supplies for their child with a disability.

### What are the eligibility requirements?

To qualify for the ADP, an applicant will need to meet all the following criteria. It is important to note that household income levels are **not** considered in this determination.

Qualifying criteria:

- Residency in Ontario;
- Possession of valid Ontario health card; and
- Have a disability that has required the relevant assistive devices for a period of at least six months.

There is specific equipment that qualifies for support under this program. Below is a brief list of items but it is highly recommended to visit the Ministry of Ontario website for more information:

- Mobility aids
- Hearing aids and other devices
- Communication aids
- Visual aids
- Diabetic equipment and supplies
- Respiratory equipment and supplies
- Home oxygen therapy
- Artificial eyes and facial prosthetics
- Custom orthotic braces, compression garments and lymphedema pumps
- Prosthetic breasts or limbs
- Enteral-feeding pumps and ostomy supplies

## We can help with your tax credits

Raising children with disabilities can present a unique array of challenges. However, the Federal and Ontario government provide support through a wide range of child benefit tax programs. Having a professional financial team can help ensure you are taking advantage of the available programs to help your family.

*This article has been prepared for the general information of our clients. Please note that this publication should not be considered a substitute for personalized advice related to your situation.*

# Appendix I

As of 2022, individuals diagnosed with Type 1 Diabetes can automatically qualify for the DTC. You must still complete Form T2201 to notify the CRA of eligibility.

For all other disabilities, eligibility will depend on whether the impairment restricts a person's ability to complete "basic activities of daily living" in a manner that is **severe** and **prolonged**.

The CRA's listing of "basic activities of daily living" is provided below:

Qualifying Activities/Functions	
Walking	Speaking
Dressing	Hearing
Feeding	Eliminating (bowel or bladder functions)
Mental Functions	Vision
Life Sustaining Therapy*	The Cumulative Effect of Significant Limitations**

\* Life Sustaining Therapy is any therapy that is needed:

- to support a vital function, even if it eases the symptom
- at least two times per week
- for an average of at least 14 hours per week
- if your impairment has lasted or is expected to last for a continuous period of 12 months

\*\* To qualify under the cumulative effect of significant limitations category, an individual must have limitations in **two or more categories** that:

- exist together all or substantially all of the time (greater than **90%**)
- have a combined impact that is: equivalent to taking an inordinate amount of time in one category, and be present all or substantially all of the time even with appropriate therapy, devices, and medication

**Severe** and **prolonged** impairments are defined as follows:

Severe	Prolonged
<ul style="list-style-type: none"><li>• Qualifying activities or functions take an <b>inordinate amount of time</b> to perform</li><li>• This is a clinical judgement made by a medical professional, but generally 3x longer than is typically necessary</li><li>• This must occur <b>substantially all of the time</b> (greater than 90%)</li></ul>	<ul style="list-style-type: none"><li>• An impairment is prolonged if it has lasted for a continuous period of at least 12 months, or it is expected to last a continuous period of at least 12 months.</li></ul>

# Appendix II

(source: <https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4065/medical-expenses.html#chrt>)

## Claimable expenses and the certification needed:

Type of expense	Certification needed	Can you claim the disability amount
Fees paid for full-time care in a <b>nursing home</b>	Form T2201 <b>or</b> a medical practitioner must certify in writing that you are, and in the foreseeable future will continue to be, dependent on others for your personal needs and care because of a lack of normal mental capacity.	You can claim the disability amount, if eligible, <b>or</b> these expenses, but not both.
<b>Salaries and wages</b> for attendant care given in Canada. This can include the part of the <b>nursing home</b> fees paid for full-time care that relate only to salaries and wages	Form T2201	You can claim the disability amount <b>and</b> up to \$10,000 for these expenses (\$20,000 if the person died in the year).  For residents of Ontario, the provincial limit is up to \$15,046 for these expenses (\$30,091 if the person died in the year).
<b>Salaries and wages</b> for one full-time attendant outside of a self-contained domestic establishment	Form T2201	You can claim the disability amount <b>or</b> these expenses, but not both.
Full-time attendant <b>at home</b>	Form T2201 <b>or</b> a medical practitioner must certify in writing that you are, and will likely be for a long continuous period of indefinite duration, dependent on others for your personal needs and care because of an impairment in physical or mental functions and need a full-time attendant.	You can claim the disability amount, if eligible, <b>or</b> these expenses, but not both.
Salaries and wages for care or supervision in a <b>group home</b> in Canada  Care, or training and care, at a <b>school, institution, or other place</b> (such as a detoxification clinic)	Form T2201  Form T2201 <b>or</b> an appropriately qualified person must certify in writing that because of a mental or physical impairment, you need the equipment, facilities, or staff specially provided by that place for persons with the same type of impairments.  <b>Note</b> An appropriately qualified person includes a medical practitioner, the principal of the school or the head of the institution or other place.	You can claim the disability amount and these expenses.  You can claim the disability amount, if eligible, <b>and</b> these expenses.

## Connect with the Author

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