

# Disability Taxes

*Pursuing financial security for Canadians with Disabilities*

*“Intoxication – euphoria at getting a tax refund, which lasts until you realize it was your money to start with”*

(The Washington Post's Mensa Invitational – 2011)



# Disability Amount = Disability Tax Credit = DTC

- Tax savings of \$1,461 in BC for 2011
- Eligibility for the RDSP
- Eligibility for Working Income Tax Benefit – Disability Supplement
- Child Care Deductions – Age extension
- Disability Supplement – Children’s Fitness & Arts Tax Credits

# DTC Supplement Under - 18

- Tax savings of \$852 in BC in 2011
- May be reduced if child care or attendant care expenses were claimed

# What is the Disability Tax Credit

- A federal tax credit received by people with “severe and prolonged impairments”
- No age limit
- The DTC may be claimed by the qualifying person themselves or by a parent or unpaid caregiver
- The DTC may be claimed retroactively for up to 10 years

# What is a Severe and Prolonged Impairment?

- Has lasted or expected to last for a year
- Disability or impairment must affect people's ability to perform the Activities of Daily Living (e.g. Walking, feeding, dressing, speaking, mental functioning, etc)
- There must be a “marked” restriction that affects people even with the use of therapy, devices and medication

# How to apply for the DTC

- A qualified medical practitioner fills out the CRA Form T2201
- The form must be submitted to CRA
- Medical practitioner often gets supplemental questionnaire
- Incomplete or incorrectly completed applications are usually denied
- Lack of substantiation or contradictions also generally lead to denied applications



# DTC Application Service

- Support to medical practitioner
- Submission, transfers and adjustment requests
- Correspondence with CRA
- Defence of application through appeal process
- Thorough review of medical/tax history to maximize tax credits, deductions and benefits
- Future tax savings as a result of the review





# Tax Appeals

Most people who application is denied stop there. Our service includes:

- Review of appeal options
- Submission of best option appeal
- Representation during the appeal process
- Future tax savings if successful





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# EASY-ACCESS RDSP

FREE QUALIFYING SERVICE  
for people WITHOUT  
taxable income!



COMING SOON!



# Disability Support Deduction

A person with a mental or physical impairment can claim expenses that enabled them to:

- Work or run a business
- Do research or similar work
- Attend a designated educational institution or secondary school

Must not have been claimed as medical expenses

Must be claimed in the year that they have been paid

Must keep receipts

# Disability Support Deduction (Eligible Expenses)

- Attendant care services
- Bliss symbol boards
- Braille note-takers
- Braille printers
- Deaf-blind intervening
- Devices or software
- Speech synthesizers
- Job coaching services
- Note-taking services
- Optical scanners
- Page turner devices
- Reading services
- Real-time captioning or sign-language services
- Talking textbooks
- Teletypewriters
- Tutoring services
- Voice recognition software

# Attendant Care or Care in an Establishment Expenses

- Expenses are amounts paid to group homes, care homes, nursing homes, special schools or institutions
- Entire amount for nursing home, for care or care and training in a special school or institution – otherwise the salaries and wages paid for attendant services

# Amount for Infirm Dependant

- Tax savings of \$852 in BC in 2010
- Dependant must:
  - Not live with you
  - Be a relative
  - Be 18 or older
  - Have an impairment in physical or mental functions
  - Have a net income of less than \$10,358

# Caregiver Amount

- Tax savings of \$852 in BC in 2011
- Dependent must live with you
- Dependent must:
  - be 18 or older
  - Be dependent due to a physical or mental impairment
  - Be a relative – closer than cousin
  - Have net income less than \$18,645

# Medical Expenses

- Many medical and disability related expenses can be claimed as for self, spouse or common-law partner, and children 17 and younger
- Can also claim medical expense for other dependents
- Home renovation expenses can be claimed if related to impairment of person with a disability

# Child Care Expenses

- Amounts paid to look after an eligible child to work, carry on a business, conduct research or attend school, in some circumstances
- Eligible children must live with you, be 16 or under, or be 18 or younger with the DTC
- Maximum \$10,000 with the DTC

# Children's Fitness Amount

- Up to \$500 per child for fees paid in a program of physical activity
- Child must be under 16 or under 18 with DTC
- For children qualifying for the DTC an additional \$500 can be claimed

# Children's Arts Amount

- Up to \$500 per child for fees paid in a program promoting arts, culture, wilderness, environment or academic learning
- Child must be under 16 or under 18 with DTC
- For children qualifying for the DTC an additional \$500 can be claimed

# Social Benefits



# Working Income Tax Benefit

- Refundable tax credit for eligible low income individuals and families
- Maximum benefit is \$1,173 (single)
- Full amount with income below 11,731 (single)
- Working income must be at least \$4,750 per year

# WITB – Disability Supplement

- Must be eligible for the DTC
- Maximum benefit of \$525/year (single)
- Must have working income over \$2,295
- Full amount to income \$18,632 (single)

# Child Disability Benefit

- A tax-free monthly payment (208.66) to families to help with the cost of raising a child under age 18 who is eligible for the DTC
- Paid to families who are receiving the Canada Child Tax Benefit
- Reduced when adjusted family net income is more than \$41,544

# Tax Filing

- Review of current tax situation
- Simultaneous preparation to maximize credits
- Support in the event of Canada Revenue Agency inquiries
- Tax filing - \$75 for an individual with a disability; \$100 for up to four family members/family

# Tax Reviews

- Review of prior years returns
- Submit adjustment requests
- Support in the event of Canada Revenue Agency inquiries
- Future tax savings

# For services and information

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604-637-6616

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