

Disability Tax Credit Webinar: Companion Guide

The Disability Tax Credit (DTC) is an important federal benefit that gives access to many other benefits, including the [Canada Disability Benefit \(CDB\)](#) and [Registered Disability Savings Plan \(RDSP\)](#). This guide summarizes the information shared in the [Plan Institute's DTC Webinar](#), which was developed in collaboration with [Disability Alliance BC \(DABC\)](#) and [Disability Alliance Canada \(DAC\)](#).

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What is the Disability Tax Credit (DTC)?

The Disability Tax Credit (DTC) is a tax credit that helps people with disabilities and their supporting family members pay less income tax. The DTC application is also known as the T2201 Form.

Anyone working or making an income in Canada must file taxes based on the income they have earned that year. In Canada, taxes are collected by the Canada Revenue Agency (CRA). Even if you don't earn any money, filing your taxes can be important!

This is because you might have access to benefits that can give you money, especially if:

- you are a parent
- you are a student
- you pay taxes on goods and services
- you have a lot of medical expenses
- you have a disability

The Disability Tax Credit (DTC) is a non-refundable tax credit. This means if you do not pay any tax, you will not get any money back. However, the DTC can be transferred to a family member who supports someone with a disability. It is also important because it gives access to other benefits.

Tax Benefits of the DTC

The DTC is applied to your income tax returns. In 2025, people across Canada can claim up to 15% of the tax credit amount depending on where they live.

For the 2025 tax year, the DTC is worth \$10,138. For children with disabilities who are approved for the DTC, there is an added credit amount of \$5,914.

- Typically somebody is only allowed to claim 15% of a non-refundable tax credit on their income taxes. This means that on their income tax return somebody could claim up to \$1,520.70 for an adult, and up to an additional \$887.10 for a child who is approved for the DTC.

The DTC can be approved from the year your disability began. Your income tax return can be reassessed up to 10 calendar years in the past. This might give you a tax refund.

Unused credit amounts can be given to an eligible family caregiver to help reduce their taxes.

- An eligible family member is someone you are related to by birth, marriage, or adoption, who provides you with regular food, shelter, and/or clothing.
- If you want to transfer your DTC to a supporting family member:
 - In Part A of the application form, fill out question 2 with the caregiver's information.
 - The Disability Amount will be applied to the disabled individual's income taxes first. Any amount leftover will be applied to the support person's income taxes.
- Parents, guardians or legal representatives can choose to get their taxes reassessed automatically on the application form.
 - Other family members will need to request a readjustment by letter or T1 adjustment form.

Other Tax-Related Benefits of the DTC:

In addition to reducing your income tax, being eligible for the Disability Tax Credit (DTC) can unlock a range of other federal and provincial benefits. Below is a list of other tax-related benefits of the DTC based on situations:

For workers: Canada Worker's Benefit Disability Supplement

For caregivers: Child Disability Benefit and Caregiver Credit

For medical expenses: Ability to claim certain medical expenses and the Disability Supports Deduction

For homeowners: Home Buyer's Amount and Home Accessibility Tax Credit

For students: Education-related benefits such as being considered a full-time student even if only enrolled in part-time studies

For those with trusts (type of financial account): Eligibility for Qualified Disability Trust status and Preferred Beneficiary Election option

For financial support: Registered Disability Savings Plan (RDSP) and Canada Disability Benefit (CDB)

[Click here to see other benefits of the DTC from DABC.](#)

Who can apply for the DTC?

The DTC has no age restrictions. Qualifying for the DTC is based on how a condition or impairment affects someone's daily life. It doesn't have to do with whether someone can work or go to school, and it doesn't depend on their income or assets.

To apply for the DTC, an applicant must have:

1. a Social Insurance Number (SIN);
2. a prolonged and severe impairment (mental or physical); and
3. Canadian residency for tax-filing purposes.

Prolonged means that the impairment (disability) has lasted, or will last, at least 1 year.

Severe means that the applicant has either:

1. *A marked restriction:* Very restricted in one basic activity of daily living. This means they either can't do the activity, need a lot of help to do the activity, or take a lot longer to do the activity than most people.
2. *Cumulative (combined) effect of significant restrictions:* Restricted a little less, but in two or more of the activities. The combined effect is equal to a marked restriction.
3. *Requires life-sustaining therapy:* In need of therapy that keeps them alive and also takes up a lot of time. On average, therapy that is received 2x/week for a total of 14 hours or more.

Basic Activities of Daily Living

Activities of daily living refer to the functions of an individual that are utilized to complete aspects of their everyday life, within the context of the DTC these include:

1. Vision
2. Speaking
3. Feeding (including eating and making food)
4. Hearing
5. Eliminating (bowel and bladder functions/toileting)
6. Dressing
7. Walking
8. Mental functions necessary for everyday life (includes questions in the following 10 areas: adaptive functioning, attention, concentration, goal-setting, judgment, memory, perception of reality, problem-solving, regulation of behaviour and emotions, and verbal and non-verbal comprehension).

How to Apply for the DTC

Option 1: Form T2201 Paper/Hard Copy

There are two parts of the DTC form. Part A by you, Part B by a medical practitioner, and there are two options to complete the form - paper or online

1. Fill out Part A of the application with your (the applicant's) information. Also include information about the supporting family member who you want to transfer unused credit amounts to if relevant.
2. Take the form to the medical professional who completes their portion of the application, Part B. Any sections for activities of daily living that don't apply can be left blank.
3. Send in the completed form to the Canada Revenue Agency (CRA) tax center that is nearest to you. Mailing addresses are available on the back of the application form.

Scan to learn how to make a
CRA MyAccount:



Option 2: Online Version

1. Fill out the first section (Part A) of the form online through your CRA My Account or by calling the CRA at 1-800-959-8281 to get an application reference number.
2. Talk to a medical professional to finish Part B of the form online. Give them the reference number if they want to submit their part online.
3. Send in the completed form to CRA by mail or online.

What medical professionals can complete Part B of the form?

All sections of the DTC application form can be completed by a medical doctor (including surgeons and psychiatrists) and nurse practitioners.

Some sections can be completed by other types of medical professionals depending on their specialty. This includes:

- Optometrists: vision
- Audiologist: hearing
- Occupational Therapist: walking, feeding, and/or dressing (and cumulative/combined effects of these)
- Speech-Language Pathologist: speaking
- Physiotherapist: walking
- Psychologist: mental functions necessary for everyday life

There is no preferred medical professional. We suggest you work with the medical professional who knows you best.

Please note that your medical professional might charge you money to complete the DTC form. You can ask them to waive or lower the cost if you are living on a low income, but unfortunately this is not guaranteed. You can always claim the money you spend on the application form on your income tax return next year.

We encourage you to be aware of for-profit companies that help with the DTC. They can charge up to 33% of the total income tax refund you get after being approved for the DTC, which could be anywhere from a few hundred to a few thousand dollars! **Plan Institute and Disability Alliance Canada offer free support to people across Canada in applying for the DTC.**

To contact Plan Institute's helpline: 1-844-311-7526 or helpline@planinstitute.ca

To contact Disability Alliance Canada: 1-604-606-4160 or
info@disabilityalliancecanada.ca

Eligibility is not based on diagnosis!

Eligibility is based on how someone is restricted in daily living activities.

You must include specific examples about your restrictions. Think about how your disability restricts you on your worst day, even if you have help.

Some phrases that your medical professional can use on the application form to help explain the severity of your disability are:

- “substantially all the time”
- “unable to manage activity”
- “not expected to reach milestones of same aged peers”
- “takes two or three times as long to complete an activity”
- “requires assistance”

It is the CRA that approves the DTC application, not your medical professional, so it is worth trying to apply.

Do not include information about your:

- ability to work
- ability to stay on top of daily chores
- ability to manage a bank account
- ability to drive or do recreational activities

These things don’t matter to the CRA. Including this information could make your application confusing, lead to extra questions, or lead to being denied.

What happens after you submit your DTC application to the CRA?

It may take 4-6 months or more for the CRA to make a decision on your application.

Processing times and the status of your application can be checked online or from your CRA My Account.

You can also call the CRA at 1-800-959-8281 to check the status of your application.

The CRA will send you the decision in a letter called the Notice of Determination. There are three possible outcomes of your DTC application:

1. **Additional Questionnaire sent to the medical professional.** The CRA may have additional questions. You will not be told by the CRA if they send this to your medical professional, so it's always good to tell your medical professional to contact you if they receive it.
2. **Approved**, for all future years (permanent) or number of years (e.g. 2025-2030). Most people are approved for 5-10 years at a time. You can always request the CRA reconsider and ask to be approved for all future years with the help of your medical professional.
3. **Denied, which is not the final outcome.** You have options!
 - a. You can reapply (an unlimited number of times).
 - b. You can add new information, which ~90% of the time gets the application approved.
 - c. If your application was perfect and you have talked to an advocate who doesn't see any problems with your application, you have 90 days to submit a formal objection to the Chief of Appeals or Tax Court.
 - d. **If you are denied, please contact us for free help on your next steps.**

Do you have questions about the DTC?

At the end of this webinar, there will be time to ask the DTC expert your questions. Please use this section to write down any notes or questions about DTC information you would like to understand more.

Notes on the DTC:

Questions for the DTC expert:

The DTC provides access to the Canada Disability Benefit (CDB)

The Canada Disability Benefit (CDB) is a new federal benefit. The goal of the CDB was to lift people with disabilities out of poverty, recognizing that the cost of living for a disabled person is estimated to be 30% higher than for a non-disabled person.

Applications for the CDB opened in June 2025 and the first payments were distributed in July 2025. People who are approved for the CDB in the future can receive up to 24 months of retroactive payments going back to June 2025.

The CDB provides up to \$200/month or \$2400/year to people aged 18-65 (working age) with disabilities that qualify.

Who can apply for the CDB?

To apply for the CDB, applicants must:

1. be a resident of Canada for tax-filing purposes;
2. be of working age (month you turn 18 up until the month you turn 65)
3. be approved currently for the DTC
4. have filed your income taxes for the most recent year (Example: To receive the benefit from July 2025 - June 2026, your taxes for 2024 must be filed); and
5. meet the household income thresholds to qualify for some or part of the benefit amount.

How do I know how much money I can get?

The CDB payment amounts are based on the adjusted net income of you and your spouse/partner (household income).

If your income is under the **income threshold**, you will get the full \$200/month.

You can still get some of the CDB as long as your income is not higher than the **phase-out income threshold**. If your income is higher than this threshold you will get no benefit.

Additional **working income exemption**: If you or your spouse/common-law partner earn some or all of your money from employment, then up to \$10,000 for a single person and up to \$14,000 for a couple is also allowed.

	Single	Couple: One Applicant	Couple: Two Applicants
Income Threshold for maximum benefit amount (\$200/month)	23,000	32,500	32,500
Reduction Rate per dollar above the income threshold	20%	20%	10%
Phase out income Threshold (\$0/month)	35,000	44,500	56,500
Maximum Working Income Exemption	10,000	14,000	14,000

Steps to apply for the CDB

1. **Find out if you have the DTC or apply for it:** You can call the CRA to find out if you have already been approved for the Disability Tax Credit (DTC) by calling 1-800-959-8281. If you do not have the DTC, apply for it with the help of a medical professional.
2. **File your taxes:** Make sure your (and your spouse/common-law partner's) most recent taxes have been filed with the CRA.
3. **Apply for the CDB:** Applications for the CDB are sent through Service Canada (online, mail-in, in person, or over the phone). Legal representatives can apply on behalf of an applicant.

Do you have questions about the CDB?

At the end of this webinar, there will be time to ask the DTC expert your questions. Please use this section to write down any notes or questions about the CDB and DTC you would like to understand more.

Notes on the CDB:
Questions for the DTC expert:

The DTC provides access to the Registered Disability Savings Plan (RDSP)

The Registered Disability Savings Plan (RDSP) was created by the Federal Government as a long-term savings plan for people with disabilities and their families.

It can help people even if they can't put any of their own money into the plan.

It won't affect most* disability benefits! All Federal and most Provincial/Territorial programs consider the RDSP exempt from asset and income thresholds, even when the money is withdrawn.

Who qualifies for the RDSP?

To be eligible, an applicant must:

1. be a Canadian resident for tax filing purposes;
2. have a temporary or permanent SIN; and
3. be approved for the DTC

Age criteria:

- No minimum age limit to open a RDSP
- RDSPs can be **opened** up to December 31st of the year an applicant would turn **59**
- *Grants and bonds* for the RDSP can be claimed up to December 31st of the year an applicant would turn **49**

RDSP Grants and Bonds 2025 income thresholds

If you are in the calendar year you turn 49 or younger, you can access up to \$90,000 in government bonds and matching grants for your RDSP.

RDSP Bonds

Someone with an RDSP can get the Canada Disability Savings Bond (CDSB) if their family income is less than or equal to \$37,487*. If their family income is between \$37,487* and \$57,375*, they can still receive partial bonds. No personal contribution is required!

- The CDSB maximum is:
 - \$1,000/year
 - \$20,000 up until December 31st of the year the beneficiary turns 49 years old

RDSP Matching Grants

Non-government contributions to an RDSP can attract matching Canadian Disability Savings Grants (CDSBG) based on family income levels:

Income equal to or less than \$114,750*: \$3,500 maximum annual grant

First \$500 annual contributions equal to \$3 matched for every \$1 contributed, up to \$1,500

Next \$1,000 annual contributions equal to \$2 matched for every \$1 contributed, up to \$2,000

Income greater than \$114,750*: \$1,000 maximum annual grant

\$1 matched for every \$1 contributed, up to \$1,000

- The CDSBG maximum is:
 - \$3,500/year
 - \$70,000 up until December 31st of the year the beneficiary turns 49 years old

Retroactive Grants & Bonds

- Grants and bonds can be claimed retroactively as far back as 10 years.
- To claim grants and bonds retroactively, the RDSP must be opened before December 31st of the year a beneficiary would turn 49.
- Retroactive bonds are received automatically.
- Consult your financial professional about how much to contribute to the RDSP to receive retroactive matching grants.

RDSP Calculator

You can check how much you can earn in your RDSP using our free online RDSP calculator. [Click here to calculate how much you can earn in your RDSP.](#)

Scan to calculate how much
you can earn in your RDSP:



RDSP Withdrawals

Withdrawals can be made without penalty after the beneficiary is in the calendar year they turn 60.

Early withdrawals are possible, but you must keep in mind the **10-Year Repayment Rule**: If someone takes money out of their RDSP before 60, they may be required to pay back all or parts of the grants and bonds they received in the past 10 years.

Summary

The DTC can be an incredibly powerful tool to help you or someone you know access tax benefits, long-term financial savings options, and ongoing monthly financial support for low-income individuals.

You can apply many times throughout your lifetime, and it is almost always worth trying. We are here to help!

Who is Plan Institute?

Plan Institute is a national nonprofit organization that works to empower people with disabilities to lead a good life, whatever that looks like to them.

We do that by focusing our work on one-on-one disability planning through our free Helpline service, which can be accessed by calling 1-844-311-7526 or emailing helpline@planinstitute.ca.

(Interpretation is available in all languages upon request, including sign languages)

In addition to our individual helpline support, we offer a lot of educational workshops and resources online, and in-person. Visit Plan Institute's website, PlanInstitute.CA to learn more!

Who are Disability Alliance BC (DABC) and Disability Alliance Canada (DAC)?

Plan Institute has been involved in a partnership with DABC since 2016, this partnership is called Access RDSP. Our organizations have worked together for many years to increase awareness of and access to the DTC and RDSP.

DABC provides free, one-on-one support to people in British Columbia in applying for the DTC as well as other benefits like the provincial Persons with Disability (PWD) and federal Canada Pension Plan Disability (CPP-D). DABC realized how valuable this support was and created a new national version of their nonprofit, DAC, to provide this support with federal benefits to people across Canada.

DABC and DAC representative Cynthia Minh (she/her), Director for the Tax AID & Access DTC programs, worked closely with Plan Institute to create and facilitate this DTC webinar. To learn more about DABC and DAC, please go to their websites at DABC.CA and DisabilityAllianceCanada.CA.

Resources & Links:

[BC and Federal Benefits Help Sheets:](#)



[MyDTC Online Tool:](#)



[Information and resources on the DTC and CDB:](#)



[Disability and non-Disability Benefits Wayfinder:](#)

