

Disability Credit

A 15 per cent federal credit on \$7,021 or \$1,053 is available to any individual whom a Canadian medical doctor certifies on Form T2201 is suffering from severe and prolonged mental or physical impairment. The Ontario provincial portion of this credit is 6.05 per cent on \$7,014 or \$424.

Once Form T2201 is on file with the CRA, it doesn't need to be resubmitted annually.

Other professionals may also certify specific disabilities. For instance, an optometrist can certify sight impairment or an audiologist can certify a hearing disability. Occupational therapists and psychologists can also certify a taxpayer's physical or mental disability, respectively.

This impairment is considered severe if the disability markedly restricts the individual in physical daily-living activities, such as walking, speaking, feeding or dressing, or mental activities, such as perceiving, thinking and remembering, among others; and prolonged if the disability lasts, or is expected to last, for a continuous period of at least 12 months. The courts have also often taken a compassionate, common-sense approach toward defining whether a person is restricted in the activities of daily living and, in so doing, have considered the overall impact that a disability has had on that person's life.

In 2002, for instance, the Tax Court of Canada ruled that although an individual suffering from chronic fatigue syndrome was not markedly restricted from performing any one of the CRA's specified basic activities of daily living, she nevertheless qualified for the credit because of the cumulative restrictive effects that illness had on her ability to function.

The disability tax credit (DTC) also extends to individuals who have been certified by a medical doctor to require therapy at least three times a week, averaging a total of at least 14 hours, to deal with a marked restriction in their ability to perform a basic activity of daily living.

Disability Tax Credit Supplement

A federal DTC supplement of up to \$614 (15 per cent of \$4,095) is also available for caregivers of children under 18 who have severe disabilities that require full-time home care. Annual child-care and attendant-care expenses in excess of \$2,399 claimed on behalf of that child will reduce this supplement, eliminating it completely once such expenses reach \$6,494.

For Ontario taxpayers, the maximum DTC supplement is \$248 (6.05 per cent of \$4,091). Annual child-care and attendant-care expenses in excess of \$2,396

Tax Tip

If you qualify for Canada pension-plan (CPP) disability benefits, remember to check to see whether you also qualify for the disability tax credit.

Tax Tip

You may be able to claim a dependant credit (or the equivalent-to-spouse credit) for a person by reason of an infirmity even if that person does not qualify for the disability credit. The CRA considers a person to be infirm if the individual is dependent on the services of another for a considerable period of time.