Tips for paediatricians completing the Disability Tax Credit (DTC) Form

At the request of members and to advocate for children with special health needs, the Canadian Paediatric Society has had ongoing discussion with representatives from the Canadian Revenue Agency (CRA) about the DTC.

Background

Who is eligible?

- Parents or legal guardians of children with severe and prolonged cognitive, developmental or physical limitations that affect the activities of daily living
- Families who file a tax return with the CRA (i.e., who are not on social assistance)

Where is the DTC application form?

Form T2201, the "Disability Tax Credit Certificate" is downloadable on the CRA website: www.cra-arc.gc.ca/E/pbg/tf/t2201/t2201-16e.pdf

What is the DTC worth?

- The non-refundable DTC credit is **$8,001** for the 2016 taxation year. An additional **$4,667** was available for eligible children younger than 18 years of age, for a total of **$12,668**.
- Credits can be retroactive for up to 10 years.

General tips for completing a DTC application on behalf of an eligible family

The format of the DTC application is fixed by legislation and cannot be revised to meet paediatric needs specifically at the present time. However, paediatricians completing DTC applications on behalf of a family may find the following tips helpful:

1. Make reasonable assumptions regarding developmental milestones for age. If a child is too young to have achieved the milestones, check 'Not applicable'.

2. Indicate the date when a designated restrictive condition began to manifest. The CRA uses this as a starting date for assessing credit if the application is approved. This date is not necessarily the date of

diagnosis, or date of birth, but rather when the child began to deviate from his/her peers. (For example, a child with severe ADHD may qualify at age 3, while another with less severe ADHD, at age 5.)

3. If the disability does not affect a specific domain, check "Not applicable" rather than "No". Only check "No" when you wish to indicate that a child experiences some disability but not enough to meet criteria for being "Markedly restricted". Report less severe disabilities in the "Cumulative effect of significant restriction" section.

4. Other supporting documentation (e.g., psycho-educational reports, SLP reports) is welcomed as part of the review process, and can be attached with parental permission.#

Section-specific tips

Vision: For the child with a visual impairment (but not legally blind), consider recording the visual acuity in the "Cumulative effect of significant restriction" section.

Speaking: Check "Yes" only if a child cannot produce speech for motor or neurological reasons. Children approximately 18 months of age and older who are not able to speak may qualify for credit under this section. This section does not pertain to receptive language skills. Use the "Mental Functions necessary for everyday life" section for children with developmental speech delay and/or autism.

Hearing: Children born with congenital hearing loss qualify at year of birth.

Walking: Children approximately 18 months of age and older who are not able to walk may qualify for credit under this section.

Elimination: Children approximately 36 months of age and older who have not achieved bowel and bladder control may qualify for credit under this section. Children requiring supportive devices (e.g., ostomy appliances, catheters) may qualify at a younger age.

Dressing: Children approximately 48 months of age and older who are not be able to dress themselves may qualify under this section.

Mental functions necessary for everyday life: Children with significant neurodevelopmental and mental health disorders may qualify under this section. Difficulties with social communication and reciprocal social interaction also fit into this category. Children who require significant levels of supervision to ensure their safety may also qualify under this section. Children with ADHD who are well managed with medication typically do not qualify under this section, while those with more severe symptoms or significant comorbidities may qualify.

For the infant with severe disability, a statement such as "It is not expected that this child will ever meet ____milestones" is needed.

Effects of Impairment (free text section):

Include the relevant diagnoses while emphasizing the effects of disabling condition(s) on a child's everyday life, on functionality and on caregivers. Answer the question "Compared to a peer of the same age, how would this infant/child's day and care differ?" thoroughly. Consider and describe how the child is coping in typical environments with age-appropriate expectations.

For the child with school difficulties or behavioural difficulties, include details such as the need for an educational assistant, safety risk, effect on social relationships (peers and family members), requirements for repeated instructions or cues, impulsivity, and the effect (if any) of medication. Sleep difficulties are important to include.

For example: Consider answering the following questions in the "Effects of impairment" section* for the child or youth with ADHD and/or behavioural issues:

- Can the child be left independently (in age-appropriate settings or circumstances)?
- Does the child need 1:1 supervision for safety?
- Does the child need 1:1 attention at school, with an educational assistant?
- Does the child need more frequent reminders and prompts to get ready for school every day?
- Does the child understand basic road safety rules?
- Can the child express specific needs?
- Can the child communicate with, and be understood by, peers or siblings?
- Can the child play games with others or participate in organized sport?
- How does the child's impulsivity manifest?
- Does medication make a difference for this child?

*N.B. Depending on the child or youth, these points may be more (or less) relevant

DTC approval

The decision to approve or reject an application for credit rests entirely with the CRA, not a child's physician. Be sure to make this clear to each eligible child's family as part of the application process.

Children considered eligible for the DTC may also be eligible for the Child Disability Benefit. The Child Disability Benefit is a monthly payment rather than a tax credit. Submitting a second application is not required; any eligible child will be considered automatically for both.

Being approved for the DTC is a requirement for participation in the Registered Disability Savings Plan.

Recommended resources

Guide RC4064 Disability-Related Information: www.cra-arc.gc.ca/E/pub/tg/rc4064/README.html

Tax credits and deductions for persons with disabilities: www.cra-arc.gc.ca/disability/ (this link provides several scenarios)

Information for Parents on the Disability Tax Credit (DTC) Form:
www.cps.ca/uploads/about/DTC_Info_for_Parents_Jan_26_2017.pdf

Do you have questions?

A dedicated CRA line for physicians **(1-800-280-2639)** is staffed during working hours by registered nurses who are thoroughly familiar with the DTC program, application criteria and the Income Tax Act.