



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. (A family must have paid federal taxes in the years of claiming the DTC. If the family income is too low and they did not pay federal taxes, they will be ineligible.)

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 **\$8,113** for the 2017 taxation year. An additional **\$4,732** was available for eligible children younger than 18 years of age, for a total of **\$12,845**.
- 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.

Life-sustaining therapy:

Must meet the following 2 criteria: i) the therapy is needed to support a vital function, even if it eases the symptoms, and ii) the therapy is needed at least **3 times** per week, for an average of at least **14 hours** a week.

What counts in the 14 hours requirement?

Time must be dedicated for the therapy – i.e., the child or parent has to take time away from his/her normal, everyday activities to receive it. It includes the time required to set up a portable device. For example, time dedicated for chest physiotherapy in patients with cystic fibrosis, or for dialysis in patients with renal failure.

If the therapy requires a regular dosage of a medication that needs to be adjusted daily, the time spent on activities directly related to determining the dosage and administering the medication can be counted in the 14 hours per week requirement. For example, in patients with diabetes, the time spent on the following activities for insulin therapy:

- monitoring blood glucose levels
- preparing and administering insulin
- calibrating and preparing necessary equipment, including changing infusion sites for insulin pump
- testing ketones
- maintaining a log book of blood glucose levels

*If a child cannot do the activities related to the therapy because of their age, the time spent by the child's primary caregivers to do and supervise these activities **can** be counted in the 14 hours per week requirement.

Examples

For a child with Type 1 diabetes, supervision includes:

- having to wake the child at night to test their blood glucose level
- checking the child to decide if more blood glucose testing is needed (during or after physical activity)
- other supervisory activities that can reasonably be considered necessary to adjust the dosage of insulin

For a child with a gastrostomy tube, supervision includes:

- preparing feeds, pump and connecting gastrostomy tube for a feed
- flushing gastrostomy tube (pre- and post-feeds and pre- and post-medication administration)

For a child with a tracheostomy or requiring CPAP/BiPAP, supervision includes:

- routine tracheostomy care
- tracheostomy suctioning
- preparing CPAP/BiPAP machines and making adjustments to ventilatory settings as necessary
- monitoring oxygen levels or end-tidal CO₂ levels as required

What does not count in the 14 hours requirement?

Some activities **do not** count in the 14 hours per week requirement, such as:

- the time a portable or implanted device takes to deliver the therapy (such as an insulin pump, a CPAP/BiPAP machine, a gastrostomy tube feed, or a pacemaker)
- activities related to dietary restrictions or regimes, even when these activities are a factor in determining the daily dosage of medication (such as carbohydrate calculation)
- exercising, even when these activities are a factor in determining the daily dosage of medication
- meal preparation
- travel time to receive the therapy
- going to medical appointments (other than appointments where the therapy is received)
- buying medication
- recuperation after therapy

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?
- Does the child's behaviour or propensity for aggression require inordinate supervision?

*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. Other disability supports requiring DTC eligibility are included in Table 1 below (with credit to Autism Canada, 2018).

TABLE 1 DISABILITY SUPPORTS REQUIRING DTC ELIGIBILITY IN 2017

	Family with a child with a severe & prolonged disability under 18 years of age	Adult with a severe & prolonged disability
DTC eligibility required for access	Disability Tax Credit (federal and provincial) ¹ DTC Child Supplement (federal and provincial) ¹ Child Disability Benefit Home Accessibility Credit Home Buyers' Plan Registered Disability Savings Plan Qualified Disability Trust	Disability Tax Credit (federal and provincial) ¹ Home Accessibility Credit Disability-related Employment Benefits Registered Disability Savings Plan Home Buyers' Plan Qualified Disability Trust
DTC eligibility provides additional benefits	Medical Expenses Tax Credit Child Care Expenses Deduction Tuition, Education and Textbook Amount Home Buyers' Amount Registered Education Savings Plan	Medical Expenses Tax Credit Working Income Tax Benefit Tuition, Education and Textbook Amount Home Buyers' Amount Registered Education Savings Plan
¹ For all provinces except Quebec		

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.