

Fact Sheet

Disability amount

What is the disability amount?

The disability amount, also referred to as the disability tax credit, is a non-refundable tax credit that reduces the amount of income tax payable. Part or all of this amount may be transferred to your spouse or common-law partner or other supporting person.

What is the disability amount worth for 2005?

The basic credit is worth: $\$6,596 \times 15\% = \989.40 .

The supplement for a child under the age 18 is worth: $\$3,848 \times 15\% = \577.20 . However, the supplement is reduced if more than \$2,216 in child care and attendant care expenses are claimed for the child on your income tax return. The supplement applies only to 2000 and later years.

Who is eligible?

Under the *Income Tax Act*, a qualified practitioner must certify that you have a severe and prolonged impairment in mental or physical functions (proposed legislative change) and that the effects of the impairment are such that one of the following applies, all or substantially all of the time:

- You are blind, even with the use of corrective lenses or medication.
- You are markedly restricted in your ability to perform a basic activity of daily living.
- You are significantly restricted in your ability to perform two or more basic activities of daily living, and the cumulative effect of these significant restrictions is equivalent to having a marked restriction in your ability to perform a basic activity of daily living (proposed legislative change).
- You need, and must dedicate a certain amount of time specifically for, life-sustaining therapy. (This applies to the 2000 and subsequent tax years.)

A **qualified person** is a medical doctor, optometrist, audiologist, occupational therapist, psychologist, physiotherapist (proposed legislative change), or speech-language pathologist.

Prolonged means that your impairment has lasted, or is expected to last, for a continuous period of at least 12 months.



Markedly restricted means that, all or substantially all the time, you are unable (or it takes you an inordinate amount of time) to perform a basic activity of daily living, even with the use of appropriate devices, medication, and therapy (other than life-sustaining therapy).

Basic activity of daily living means one of the following:

- mental functions necessary for everyday life (proposed legislative change)
- feeding
- dressing
- speaking so as to be understood by a person familiar to you in a quiet setting
- hearing so as to understand a person familiar to you in a quiet setting
- eliminating (bowel or bladder functions)
- walking

Basic activities of daily living do **not** include any other activities, such as working, housekeeping, or recreational or social activities.

Feeding and dressing do **not** include the activities of identifying, finding, shopping for, or otherwise procuring food and clothing. Feeding does include preparing food, **except** when the time associated is related to a dietary restriction or regime.

Life-sustaining therapy means therapy that you require to support a vital function and which you dedicate time to at least three times per week, for an average of at least 14 hours per week. Examples of life-sustaining therapy include chest physiotherapy to help in breathing and kidney dialysis to filter blood. It does **not** include implanted devices such as a pacemaker or special programs of diet, exercise, hygiene, or medication.

How to apply

If this is the first time you are applying for the disability amount, get Form T2201, *Disability Tax Credit Certificate*, and have it certified by a qualified practitioner. Send the completed form to your CRA tax centre. To find your tax centre, refer to www.cra.gc.ca/wheretofile.

You can submit Form T2201 at any time of the year or attach it to your income tax return. If possible, submit the form in advance to avoid delays in the assessment of your return, especially if you use an electronic filing service to file your return.

The CRA will advise you of your eligibility on your *Notice of Assessment* or in a letter. If you are eligible, enter the disability amount on your tax return on:

- line 316 if the claimant is the person with the disability;
- line 326 if the claimant is the spouse or common-law partner of the person with the disability;
or
- line 318 if the claimant is a person supporting a dependent who is the person with the disability.

Once you are approved for the disability amount, you will not need to send another Form T2201 to the CRA unless the period of approval has ended or the CRA asks for a new form. In the meantime, you must advise the CRA if your condition improves.

Fees

You are responsible for any fees that a qualified practitioner may charge to certify Form T2201. These fees are not covered by the CRA or by provincial medicare plans, but you may be able to claim them as an eligible medical expense on line 330 of your tax return. See your tax guide for details.

If you receive a disability pension, do you qualify for the disability amount?

The fact that a person receives other types of disability pensions or insurance benefits does not necessarily mean that the person qualifies for the disability amount. Other types of disability pensions or insurance benefits have other purposes and different criteria, such as an individual's inability to work.

More information

For more information about the disability amount, visit our Web site at www.cra.gc.ca/disability or see Form T2201. You can get this form by visiting our Web site at www.cra.gc.ca/forms or by calling **1-800-959-2221**.