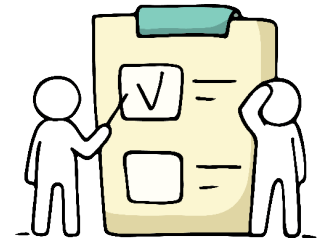




A GUIDE TO THE DISABILITY TAX CREDIT FOR OCCUPATIONAL THERAPISTS

A guide to help you support clients applying for the Disability Tax Credit (DTC)



Created by Access RDSP in partnership with the Canadian Association of Occupational Therapists.

The Disability Tax Credit (DTC) offers significant benefits for people with disabilities who qualify. Occupational Therapists can play a key role in supporting clients' application for the DTC.

WHY SHOULD CLIENTS APPLY?

- The DTC is available to individuals with any level of income, including clients receiving the Persons with Disabilities (PWD) benefit, clients who work full time and clients with no income.
- The DTC allows individuals to open a Registered Disability Savings Plan (RDSP). Clients under the age of 50 may qualify for up to \$90,000 in government grants and bonds.
- In the 2017 tax year, the DTC provided a non-refundable tax credit of \$8,113. An additional \$4,733 was available for eligible children younger than 18 years of age, for a total of \$12,846.
- The DTC credit may be transferred to a spouse or other family member.

WHO IS ELIGIBLE?

To qualify for the DTC your client needs to meet the following three criteria:

1. The client has a restriction **in one or more of the following areas**: Walking, dressing or feeding
2. The restriction is **prolonged**: the client's disability must last, or be expected to last, at least 12 months.
3. The restriction is **severe (marked restriction)**: the client is unable or takes an inordinate amount of time (approximately three times longer) to perform the activity **all or substantially all of the time** (approximately 90% of the time) even with appropriate therapy and devices.
 - Only **one severe (marked)** restriction is required to qualify.
 - Clients with **two or more less severe** restrictions (significant restrictions) may qualify for the DTC in the "Cumulative effects of significant restrictions" section.

HOW CAN OCCUPATIONAL THERAPISTS HELP THEIR CLIENTS APPLY?

Occupational therapists are authorized by the Canada Revenue Agency to complete the DTC application for clients with restrictions in walking, dressing and feeding.

- If you have a client with restrictions in cognition (mental functions), vision, hearing, or elimination,

they may be better served by asking a physician or nurse practitioner (NP) to complete the form, as occupational therapists are not authorized to complete these sections. NPs and physicians can also assist clients who require 14 hours of life-sustaining therapy to apply.

GENERAL APPLICATION TIPS

Walking: If a client requires use of a mobility device such as a scooter or wheelchair at least 90% of the time for use outside of their home, the client qualifies for the DTC. If a client requires use of a walker or a cane, indicate this in the description of effects. Clients may qualify if they require significantly longer to walk anywhere and require frequent rests while walking, even with the use of a cane or walker.

Feeding: This includes preparing food and activities such as chopping, stirring, lifting pots and pans, etc.

Do **not** include the client's ability to work, housekeep, manage a bank account, drive or engage in recreational activities. These activities are not considered relevant to DTC eligibility.

SECTION-SPECIFIC TIPS

Cumulative effects

Clients with two or more significant restrictions may qualify under this section. A significant restriction moderately restricts the client's functioning. For example, your client can prepare food, but must take time to recuperate afterward due to pain or inflammation. Or, your client walks with the use of a cane and requires twice as long to walk one city block compared to an average person of the same age.

Effects of impairment

Include your client's relevant diagnoses, while emphasizing the effects of the disabling condition(s) on their everyday life and daily functionality. Compare this functioning to an average person of the same age.

Consider answering the following questions when you complete the "Effects of Impairment" section:

- What is this client's diagnosis and how does the condition restrict them?
- How often does this effect occur? Explain how the client is restricted at least 90% of the time.
- Does this client require help with daily activities? Do they use any assistive devices?
- What is an example from the client's life which demonstrates how they are impacted by this restriction in function? Do they take 2 or 3 times longer to do a task than the average person?

Certification

In question two, you are required to indicate if the medical information you keep in your client files correlates with the restrictions you indicated on the application. No additional medical information or assessments from other healthcare providers is required to complete the form.

EFFECTS OF IMPAIRMENT | EXAMPLE TEXT

"Cumulative effect of significant restrictions - Walking and Dressing: "Client can walk 100 meters, but then must take time to recuperate. Client can dress and undress independently, but requires assistance with socks, and requires longer to put on pants and shirts due to poor coordination. The cumulative effect of these two significant restrictions is equal to being markedly restricted."

QUESTIONNAIRE

The Canada Revenue Agency (CRA) frequently requests additional information regarding the applicant in a follow-up questionnaire specific to each client.

In this questionnaire, the CRA may ask you to provide examples from your client's life, explaining how they require additional time to perform activities or are unable to complete certain activities. The CRA may ask you to verify that your client experiences their restriction(s) at least 90% of the time and that the restrictions are severe. You may need to re-submit information you already provided.

Please use our guidelines in **General Application Tips** and **Section Specific Tips** to assist you in completing the questionnaire.

RESOURCES

Canada Revenue Agency Resources

- www.canada.ca: Guide RC4064 Disability-Related Information
- www.canada.ca: Tax credits and deductions for persons with disabilities
- A dedicated CRA line for health care providers is available to discuss the DTC program, application criteria and the Income Tax Act. Call 1-800-280-2639.

Access RDSP

We provide free supports and services for occupational therapists and their clients, including:

Disability Tax Credit Support:

- For one-on-one support with the DTC, email: rdsp@disabilityalliancebc.org or call Toll-free: 1-800-663-1278

RDSP Support:

- Assistance to open an RDSP
- Specialized support and navigation for Indigenous peoples
- RDSP & Disability Planning Helpline
- RDSP & DTC Info sessions for individuals, organizations and professionals
- \$150 grant for low-income BC residents

For more on these services, call toll-free: 1-844-311-7526, email: info@rdsp.com or visit www.rdsp.com.

Access RDSP is a partnership between BC Aboriginal Network on Disability Society (BCANDS), Disability Alliance BC (DABC) and Plan Institute.

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