



A GUIDE TO THE DISABILITY TAX CREDIT FOR PATIENTS WITH DIABETES

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

Created by Access RDSP in partnership with Diabetes Canada



Patients living with diabetes face high out-of-pocket medical expenses. The Disability Tax Credit (DTC) offers significant benefits that can help defray medical costs.

Many eligible Canadians have not applied for the DTC due to a lack of awareness, the overwhelming application process, and common misconceptions about the credit.

Healthcare practitioners can play a key role in supporting their patients by filling out Part B of the Disability Tax Credit Certificate (Form T2201).

SHOULD I ENCOURAGE MY PATIENTS TO APPLY?

Yes! The profound intersections between poverty and health have been well researched and documented. The DTC not only helps defray medical costs; it is also the gateway to other important financial supports.

- The DTC is available to individuals with any level of income, including patients receiving provincial disability benefits, patients who work full time, and patients with no income.
- In the 2019 tax year, the DTC provided a non-refundable tax credit of \$8,416. An additional \$4,909 was available for eligible children younger than 18 years of age, for a total of \$13,325.
- The DTC credit may be transferred to a qualified support person such as a family member or spouse.
- The DTC offers access to other benefits including the Canada Workers Benefit, Child Disability Benefit, Caregiver Credit and more.
- The DTC allows individuals to open a Registered Disability Savings Plan (RDSP). Patients under the age of 50 may qualify for up to \$90,000 in government grants and bonds.

WHO IS ELIGIBLE?

If your patient requires insulin therapy...

Your patient would be eligible for the DTC if they spend at least 14 hours per week, at least 3 times a week, on therapy supporting a vital function. Examples of life sustaining therapy include kidney dialysis or insulin therapy.

If your patient has other significant restrictions...

If your patient does not require life-sustaining therapy but due to co-morbidities experiences significant restrictions in two or more of the following categories: vision, speaking, hearing, walking, dressing, eating or preparing meals, eliminating, or mental functioning, they may still qualify for the disability tax credit under this section.

A significant restriction moderately restricts functionality. For example, your patient can prepare food, but must take time to recuperate afterward due to pain or inflammation. Or, your patient is able to carry out some mental functions but struggles to initiate or respond appropriately in social interactions due to anxiety and depression.

GENERAL APPLICATION TIPS

While you should use your best judgement when helping your patient, it is ultimately the CRA that determines DTC eligibility.

Eligibility is not based on diagnosis. Take time to describe how restrictions can impact functionality.

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

Only complete the sections about your patient's disability. If your patient does not have a speech restriction, for example, it is not necessary to complete that section.

SECTION-SPECIFIC TIPS

Life Sustaining Therapy

To qualify, your patient must spend 14 hours a week, at least three times a week on specific activities that takes time away from normal, everyday activities.

Activities related to administering insulin:

- Monitoring blood sugar
- Preparing and administering insulin
- Calibrating/preparing necessary equipment
- Activities to help adjust the dosage of insulin
- Treating hypoglycemia or hyperglycemia

Activities that are considered irrelevant:

- Counting carbohydrates
- Exercising
- Recovering from hypoglycemia or hyperglycemia
- Meal preparation
- The time the insulin pump takes to deliver insulin
- Attending medical appointments
- Shopping for medication

Effects of impairment | *EXAMPLE TEXT*

Consult with your patient to determine how long it takes to perform specific activities. When writing the effects of impairment, be as specific as possible. Consider including a table of activities as a supplement to your patient's application.

| | |
|--|---------------------|
| Test blood sugar (avg. 8 x per day @ 6 mins per) | 48 mins |
| Dose insulin (avg. 5 x per day @ 8 mins per) | 40 mins |
| Treat high or low blood sugars (avg. 3 x per day @ 5 mins per) | 15 mins |
| Test ketones (avg. 1 x per day) | 5 mins |
| Log blood sugar readings (daily) | 15 mins |
| Analyze trends in readings and adjust dosing (daily) | 15 mins |
| TOTAL | 138 mins/day |

Note: The table above shows examples taken from an average patient using insulin therapy. Times and activities can vary depending on severity of symptoms. Other allowable activities include changing glucose monitors, calibration of glucose meters etc.

Cumulative effects

Clients with two or more significant restrictions may qualify under this section. A significant restriction moderately restricts functionality.

Effects of impairment | *EXAMPLE TEXT*

“Cumulative effect of significant restrictions - Walking and Mental Functioning (Concentration): Patient can walk 100 meters, but then must take time to recuperate. Patient can carry out the mental functions necessary for everyday life, but cannot concentrate on any topic for longer than 2 minutes. The cumulative effect of these two significant restrictions is equal to being markedly restricted.”

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.

QUESTIONNAIRE

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

In this questionnaire, the CRA may ask you to provide examples from your patient’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 patient 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.

CAN I CHARGE A FEE FOR FILLING OUT THE FORM?

Medical practitioners are able to charge a fee for supporting their patients with the DTC application. Some patients may be able to claim this fee as a medical expense. Consider your patient's need for financial support. Charging a fee may create an added barrier for low-income families to access the DTC.

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 healthcare providers and their clients, including:

Disability Tax Credit Support:

- For one-on-one support with the DTC,
email: rdsp@disabilityalliancebc.org | 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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