

A Guide to the Disability Tax Credit (DTC) for Youth



Disability Tax Credit and Registered Disability Savings Plan for Youth

It's never too early to start thinking about your financial future. Knowing about financial supports available for people with disabilities will help you grow significant savings that you can use in your later years. The Disability Tax Credit (DTC) and Registered Disability Savings Plan (RDSP) are two federal programs designed to promote greater financial security. The earlier you access these supports, the more money you can collect in your lifetime.



The Disability Tax Credit (DTC)

What is the Disability Tax Credit (DTC)?

If you are currently working, the government may be deducting tax from your monthly paycheck. Filing your taxes every year is important because it helps you get some of this money back and grants you access to benefits that give you extra money every year. One tax credit specifically designed for people with disabilities is the DTC.

The DTC is non-refundable, which means that if you are on PWD, you won't get any credit from the DTC because you're not contributing to that pool of money. However, the DTC is connected to other tax-related benefits. For example, benefits like the Canada Workers Benefit, Child Disability Benefit Disability Supports Deduction, and access to some student supports all come through the DTC.



The DTC also gives you permission to open a Registered Disability Savings Plan (RDSP) which is a long-term savings plan aimed at helping people build resources for the future. Our main goal in getting you the DTC is to make you eligible for the RDSP. Even if you aren't working, you want to file your taxes. The RDSP checks your income level to qualify you for different levels of funding.

To get the DTC, you need to prove that you have a disability (either physical or mental) that restricts your ability to perform basic activities in your everyday life, and that you have had these restrictions for at least one year.



The Registered Disability Savings Plan (RDSP)

What is the Registered Disability Savings Plan (RDSP)?

The RDSP is a long-term savings plan that helps you save for the future. It's important because the government will provide up to \$90,000 in contributions. Even if you cannot put money into the RDSP, the government will contribute \$1,000/year if your income is less than about \$36,000/year. The earlier you open an RDSP, the more time your money will have to grow from both contributions and interest.



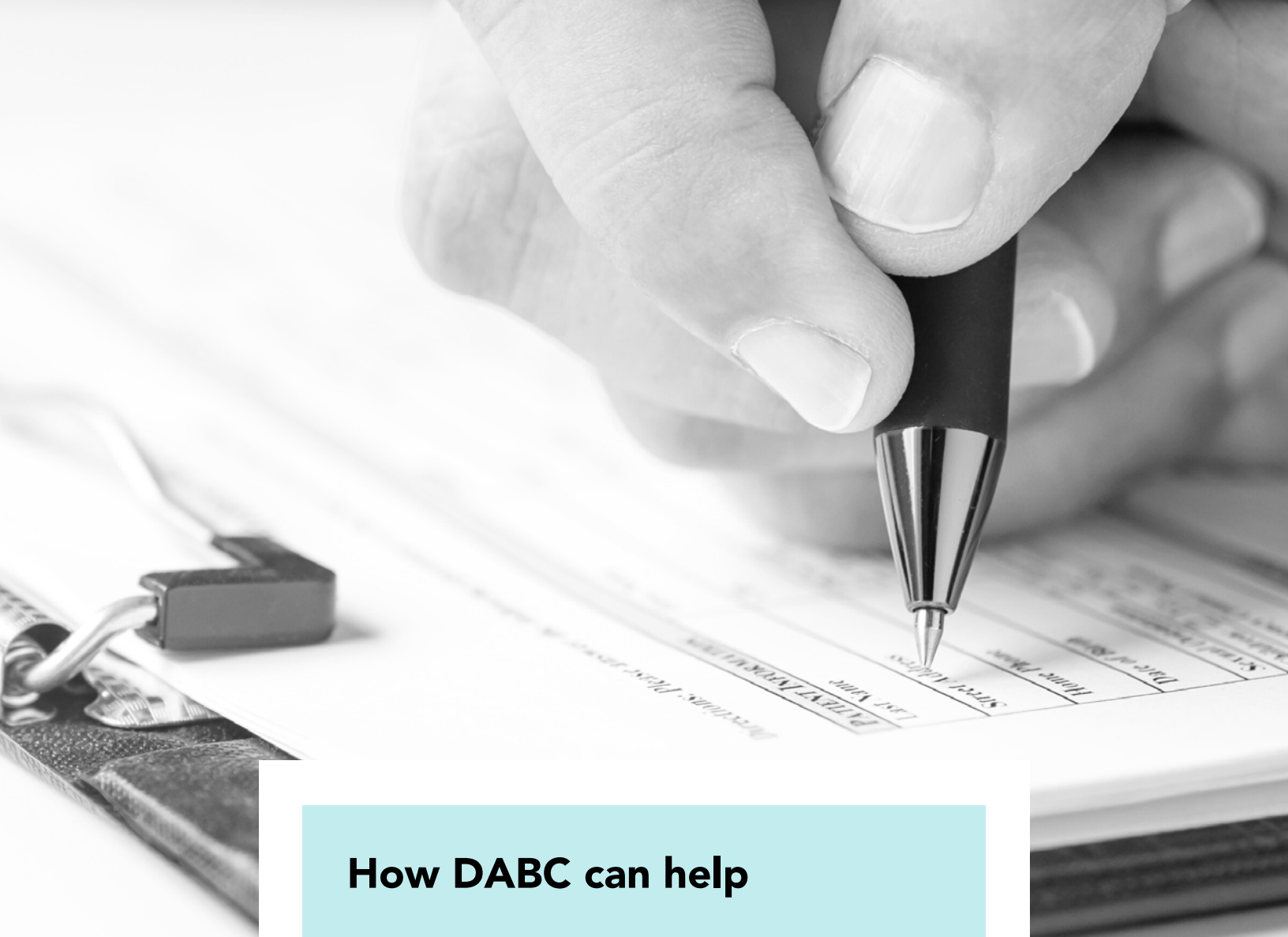


Understand what it means to apply as a minor

Unused credit amounts of the DTC can be transferred to a caregiver that provides financial support with food, shelter, and clothing costs. This means that your parents or legal guardians may be able to claim unused credit amounts if they put this amount on their taxes. If you are not supported by a parent/caregiver and do not want any credit amounts to be transferred, you can indicate this on your application, so the CRA knows not to make a transfer.

Make sure that you:

1. have your own SIN number, and
2. update your address to ensure that CRA correspondence goes directly to you.



How DABC can help

Our goal is to get you equipped with the Disability Tax Credit and prepared to open a Registered Disability Savings Plan. For many of you, we will pursue the DTC immediately. However, because children and youth need a legal guardian/parent to hold an RDSP for them, you may need to wait until you turn 19 to open the RDSP. We will be there to help you when the time comes!

Other Information and Resources

Here's some other information you might need to know:

➤ **How to Apply for a SIN**

Your Social Insurance Number allows you to work in Canada and access government programs. It is illegal for anyone else to use it, and you are responsible for keeping it private. If you do not have a SIN, your parent/guardian may be notified if you apply for the Disability Tax Credit. You can apply for a SIN online.

<https://sin-nas.canada.ca/en/Sin/>

➤ **Updating Your Address with the CRA**

To make sure that your personal tax information is sent to you and not your guardian/caregiver, make sure that your address is up to date with Canada Revenue Agency. You can change it online through your [MyCRA](#) account or by phoning 1-800-959-8281.

➤ **Public Guardian and Trustee**

If you have difficulty managing your money and are interested in public guardianship and support from a trust officer and social worker to help set goals and plan for your financial future, you can contact the Public Guardian and Trustee (PGT). PGT offers services for youths even after you turn 19.

<https://www.trustee.bc.ca/children-youth>

Other Information and Resources

➤ **Child and Youth Legal Centre**

Your rights are important. If you want to know your rights as a youth, contact the Child and Youth Legal Centre (CYCL) for advice and legal support regarding any problems relating to family law, child protection, and other breaches of your human rights. CYCL offers support for those under 19, but if you are 19 and over, and your issue pertained to something that happened before you turned 19, they might still be able to offer support.

<https://scyofbc.org/child-youth-legal-centre/>

➤ **Representation Agreements**

In British Columbia, there is something called a Representation Agreement (RA). RAs are a legal document under the BC RA Act. The RA Act came into effect on February 28th, 2000. You must be an adult (19 years or older) to make a RA, which authorizes a representative to assist the adult with decision making (sometimes called supported decision making) or to act on the adult's behalf (sometimes called substitute decision making). It is also encouraged to name an alternate representative. A RA is the only legal document in BC that covers health care and personal care. RAs may also include routine finances.

To learn more about representation agreements and how they may apply to you, we encourage you to review the resources available on Nidus Personal Planning Resource Centre's website

<https://nidus.ca/resource/representation-agreements/>

Other Information and Resources

► **Tax AID Partnership**

Since 2015, Disability Alliance BC and partners Together Against Poverty Society, Active Support Against Poverty Society, and the Ki-Low-Na Friendship Society have worked together to file taxes for people with disabilities across BC.

<https://www.tapsbc.ca/>

► **Together Against Poverty Society**

For local free tax help, contact Together Against Poverty Society.

250-361-3521

► **Access RDSP**

For free DTC, RDSP, and other disability planning support across B.C., contact the Disability Planning Helpline.

1-844-311-7526 / info@rdsp.com

