

David Tilson ? Disability Tax Credit is a benefit that can be claimed retroactively

If you or a family member has a disability, you already know the profound impact it can have on your quality of life and your finances.

Family support is often essential for those with disabilities. However, there are programs and organizations that can provide additional help and support.

The Disability Tax Credit (DTC) is one of these programs and this refundable income tax credit reduces annual income tax payable. Its refunds and reductions can be claimed retroactively, up to as much as 10 years. This means that those who have missed claiming it in the past have the chance to seek adjustments and reclaim those missed opportunities. The truth is that this tax relief can be significant and ongoing, but many people don't even know they qualify for DTC.

DTC can help relieve the financial burden for people living with disabilities all across Canada. Recently brought to my attention was a case involving two senior citizens, a husband and wife, who finally recognized their need for support. The husband had undergone two hip replacements and was having difficulties tending to his wife who had Alzheimer's. The couple received financial assistance and the husband was able to move his wife into respite care. A significant number of cases have also been noted for families who are living with children who qualify.

In order to qualify, you must complete Canadian Revenue Agency (CRA) form T2201. A doctor must certify that you suffer from an illness that significantly impairs your daily functioning. Once approved, you may claim the disability amount on your income tax return. If all or part of the disability amount is not claimed by the taxpayer with the disability, it can be transferred to a spouse or common-law partner or another supporting taxpayer, who may also be able to claim the Caregiver Amount Tax Credit. This allows those with disabilities who have little or no income to still benefit from this tax break by transferring it to their care giver. DTC can also be a qualifier for obtaining other tax breaks, such as claiming certain medical expenses.

The Disability Tax Credit is not the Canadian Pension Plan Disability Benefits (CPP-D) or the Ontario Disability Support Program. The fact that you are eligible for CPP-D, WSIB (Workplace Safety and Insurance Board) or another disability insurance benefit is no guarantee that you are eligible for this tax credit. I also want to caution you from using private companies when considering applying for this tax break. Many private companies charge up to 30 per cent in administration fees, which only takes substantial amounts of money out of the pockets of the people who actually need it.

Our government has put policies and programs like this together for a reason. I encourage those who feel they may qualify to apply and start taking advantage of the benefits they are entitled to receive.

