

The Disability Tax Credit (DTC): A Great Way for Healthcare Practitioners to Support Patients with Disabilities

Starting July 2025, individuals will be able to apply for the Canada Disability Benefit (CDB). Currently, the only way to access the CDB is through having an active Disability Tax Credit.

What is the Disability Tax Credit?

The Disability Tax Credit (DTC) is a non-refundable tax credit designed to assist with the added costs associated with a disability. The DTC is not a monthly payment. The purpose of the DTC is to reduce the amount of income tax Canadians with disabilities, their families, and their supporters, pay annually.

The DTC is particularly important because it serves as the gateway to other income and tax benefits.

Who Qualifies for the DTC?

To qualify for the DTC, a person's disability must be:

Prolonged: The disability must last, or be expected to last at least 12 months, **and Severe:** The patient is unable or takes an inordinate amount of time to perform the activity, even with appropriate therapy and devices. This restriction must occur all or substantially all the time.

Even if you are not markedly restricted in one of these categories you can still qualify if you:

Have cumulative significant restrictions in two or more of the daily restriction categories, such that you have a marked restriction overall, or require life-sustaining therapy at least two times per week, for an average of 14 hours per week.

A person of any age, including children and seniors, can qualify for the DTC. Applicants **do not** have to be Canadian citizens to claim the DTC, meaning permanent residents, refugee claimants, and refugees may qualify so long as they have significant residential ties with Canada and a Social Insurance Number.

Your Role as a Healthcare Practitioner in Helping to Secure Your Patient's Disability-Related Benefits:

If one of your clients is applying for the DTC, as a healthcare practitioner you are responsible for filling out **Part B: Medical practitioner's section** of the application, also known as the "[T2201 DTC Certificate](#)". There are various supportive guides for filling out this section, including [this Practitioners Guide to the DTC](#) and this [CRA Webinar made specifically for medical practitioners](#).

About this info sheet:

This info sheet was created by staff at the [Income Security Advocacy Centre \(ISAC\)](#) in March 2025.

The information is designed to aid physicians in supporting their clients, and is not legal advice. Each person applying for the Disability Tax Credit may have different circumstances. If your client has detailed legal questions, seek legal advice from your local [community legal clinic](#).

New Disability Tax Credit Tool Available! When applying for the DTC, the patient will ask their healthcare provider to fill out the Disability Tax Credit Certificate (form T2201). [This new Disability Tax Credit tool](#) is designed to give you the information needed to fill out Form T2201 as a medical practitioner.

What are the benefits of the DTC to your patient?

1. Offsets Medical Expenses

The DTC reduces the amount of income tax that Canadians with disabilities, their families, and their supporters pay annually, offsetting additional medical expenses associated with disabilities. It may also result in a portion of income tax already paid being refunded. Once approved for the DTC, the government may reimburse your patient with retroactive tax credits for up to 10 years, as well as an annual refund going forward.

2. Gateway to Other Benefits

The DTC serves as the gateway to other benefits. If your patient is approved for the DTC, they can obtain access to other federal programs, such as the [registered disability savings plan](#), the [Canada workers benefit disability supplement](#), and the [child disability benefit](#). Starting July 2025, individuals may be able to apply for the [Canada Disability Benefit \(CDB\)](#).

3. Saving for the Future

Having the DTC is the only requirement to open a Registered Disability Savings Plan (RDSP) so long as your patient is under 59. This long-term savings plan allows a person with a disability to receive up to \$90,000 in grants and bonds over their lifetime (must be under 49 to receive Government matching contributions) and save up to \$200,000 in the account.

4. Supporting Families

The DTC is a transferable credit: any unused portion can be transferred to a supporting spouse or common-law partner, parent, grandparent, child, grandchild, brother, sister, uncle, aunt, niece, or nephew of the person with the disability. DTC is a gateway to child benefits:

- [Child Disability Benefit](#) is a tax-free monthly payment made to families who care for a child under age 18 with a severe and prolonged impairment in physical or mental functions. In Child Disability Tax Credit cases, your patient doesn't need to pay federal taxes. If a child is found eligible for the DTC, the parent/guardian will have their Canada Child Benefits increased for those years.
- [Canada Caregiver Credit](#) is a non-refundable tax credit for individuals who financially support a family member with a physical or mental impairment. If the person they are supporting is approved for the DTC, they do not need to provide any medical documents to receive the credit.

5. Patients without taxable income can access other benefits

Your patient should apply even if they do not have taxable income. The DTC is a federal program and does not affect or alter your patient's Ontario Student Assistance Program (student loans) or Ontario Disability Support Program, but it does open the door to some long-term retirement savings and other benefits.