

Understanding the Disability Tax Credit and Canada Disability Benefit - Webinar Q&A

Questions about the Canada Disability Benefit (CDB)	
Question	Answer
Do you have to qualify for all criteria?	Yes, you must meet all of the criteria.
If you've a child (under 18) who is on DTC, will they automatically qualify for CDB when they clock 18 years old or they've to apply for it?	They will still have to apply once they turn 18, at this point they do not automatically qualify
Temporary Resident means Refugee claimant, work permit holder and study permit?	A temporary resident under immigration law can apply for the Canada Disability Benefit (CDB). This means they must be on a visitor visa, a work visa as a foreign worker, or a study permit as an international student. They must have had temporary residence for at least 18 months to qualify for CDB and be here as a worker, visitor or student.
Can you please provide information on tax/income implications and filing for CDB? As a social assistance payment, is it on par with provincial payments (main income), or would it be considered exempt income (i.e. when determining income for subsidized housing, etc).	In Bill C-15, the Bill that plans to make Budget 2025 into law, the federal government has exempt any amount received by CDB from counting as income. This Bill has not yet become law, but when/if it does (in its current form), the CDB would be exempt from counting as income. Therefore, receipt of the CDB would not impact income calculations undertaken by other benefits that rely on the Income Tax Act to calculate income. The CDB is exempt from clawbacks for all provincial social assistance programs in Canada, with the exception of Alberta's program.
If someone is 18 years old, has never been employed, and has not filed a tax return, how do they apply?	You should file an income tax and benefit return even if you have little or no income. Filing is required to apply for and maintain eligibility for the Canada Disability Benefit. If you're under 18, you can apply after you turn 17.5. Your application won't be processed until your 18th birthday. This means that you won't get an eligibility decision or any payments until after you turn 18.
Do you anticipate the CDB may be increased yearly like CPP, OAS, & ODSP based on inflation?	Yes, the CDB will be indexed to inflation and increase each year based on the Consumer Price Index.

<p>Is there a special application for CDB?</p>	<p>There is a separate application through Service Canada for the Canada Disability Benefit: https://www.canada.ca/en/services/benefits/disability/canada-disability-benefit/apply.html.</p>
<p>Is the income threshold a reference to 'working income', not, for example, CPP, OAS?</p>	<p>The income threshold and working income exemption are two separate items. The income threshold is the amount if you have income under will allow you to receive the maximum CDB amount. If a portion of your income is considered working income, that can reduce your income for the purposes of the income threshold calculation. Working income does not include social assistance payments (e.g. CPP, OAS). So social assistance payments could count towards your income calculation in full. The working income calculation includes the following lines in a 2024 tax return:</p> <ul style="list-style-type: none">Employment income (line 10100)Other employment income (line 10400)Taxable scholarships, fellowships, bursaries and artists' project grants (line 13010)Business income (use 0 if the amount is negative) (line 13500)Professional income (use 0 if the amount is negative) (line 13700)Commission income (use 0 if the amount is negative) (line 13900)Farming income (use 0 if the amount is negative) (line 14100)Fishing income (use 0 if the amount is negative) (line 14300)

<p>Any idea when medical practitioners will be able to receive reimbursement from CRA for completing the DTC? Some doctors are charging clients up to \$300 for only filling a few pages of the DTC</p>	<p>Unfortunately, at this time, the government has not introduced legislation that follows their announcement that they would provide a \$150 supplemental payment to applicants who successfully are granted the CDB to offset the cost of the DTC application. The first payout of this coverage is expected to come at some point in the 2026-27 tax year. This \$150 payment is intended to cover the costs of medical practitioners filling out the T2201 (DTC Certificate). You may be able to advocate that charging \$300 is unreasonable if the maximum the government is willing to reimburse is \$150. For more information, see the following from the Parliamentary Budget Officer: https://www.pbo-dpb.ca/en/publications/LEG-2526-005-S--canada-disability-benefit-supplemental-payment-disability-tax-credit-certifications--paiement-supplementaire-prestation-canadienne-personnes-handicapees-certification-credit-impot-perso</p>
<p>An applicant was declined, she said no reason given. Is this possible or did she miss or not read the paperwork correctly?</p>	<p>The notice of determination should explain why the application was denied. The Canada Revenue Agency bases its decision on the information provided by the medical practitioner. We recommend asking if you can review the letter. If the applicant meets all the eligibility criteria for the Canada Disability Benefit but was denied, she should consider sending in another application.</p>
<p>Sorry I missed this, but how was the working exemption amount calculated?</p>	<p>The working income exemption calculation includes the following lines in a 2024 tax return:</p> <ul style="list-style-type: none"> Employment income (line 10100) Other employment income (line 10400) Taxable scholarships, fellowships, bursaries and artists' project grants (line 13010) Business income (use 0 if the amount is negative) (line 13500) Professional income (use 0 if the amount is negative) (line 13700) Commission income (use 0 if the amount is negative) (line 13900) Farming income (use 0 if the amount is negative) (line 14100) Fishing income (use 0 if the amount is negative) (line 14300)

<p>Will the CRA automatically consider working income exemption when calculating a person's net income?</p>	<p>Yes, the CRA will calculate the CDB applicant or recipient's working income exemption based on the individual's filed tax return.</p>
<p>What about a couple with a spouse on ODSP that is over the threshold? no employment</p>	<p>Spousal income is included in the income threshold calculation for CDB. A couple can still receive an amount from CDB if their income is above the income threshold but remains below the phase-out threshold - they just do not receive the full amount. A couple that meets the eligibility criteria for CDB should still apply regardless of the amount of income they receive, as their CDB is calculated each year and current income thresholds and phase out thresholds will rise with inflation in future years and a couple's income total may change from year to year.</p>
<p>What if the credit is for a child? Would it be the child's income or the parents' that would determine the calculation?</p>	<p>The CDB is only provided for those aged 18-64 and is not received on behalf of a child. The calculation is done entirely based on the applicant's income, and, if applicable, their spouse or common law partner's income.</p>
<p>If a client files their taxes through a CVITP volunteer, does the tax software automatically check and apply for their CDB eligibility if they have a DTC and meet all other criteria?</p>	<p>No. A person must apply separately for the Canada Disability Benefit: https://www.canada.ca/en/services/benefits/disability/canada-disability-benefit/apply.html.</p>
<p>Is there any downside to applying for CDB, if you currently make enough money to not receive any benefits yet?</p>	<p>No, if you meet all the eligibility criteria, you should apply for the CDB. An applicant's income is not an eligibility criteria but is used to calculate the CDB amount received in a given year. The CDB thresholds will change in the future with inflation and a recipient's income level may change year-to-year, so they may start to receive CDB income in a future qualifying year if they continue to meet the CDB's eligibility criteria.</p>
<p>What happens after a client who is on CDB clocks 65 years? Do they stop receiving it?</p>	<p>Yes, the CDB recipient receives their final monthly CDB cheque in the month that they turn 65. The month after, they no longer meet the eligibility criteria and no longer receive an amount under the CDB. For example, if a client turned 65 on April 27, 2026, they would receive CDB in April 2026 and would no longer receive CDB from May 2026 onwards.</p>
<p>DTC - I was under the impression that this reduces the amount of chargeable income. How would this benefit a person on social assistance who has had all benefits covered?</p>	<p>You can only apply for the Canada Disability Benefit if you have a Disability Tax Credit Certificate.</p>

Does meeting eligibility for DTC and CDB have any impact on a disability decision for ODSP? Essentially, does being found disabled at the federal level fast-track anything for the applicant in terms of their ODSP decision?	It might strengthen their ODSP application and reduce the likelihood of having to appeal a denial to the Social Benefits Tribunal. However, being found disabled under CDB or DTC does not automatically make that person eligible for ODSP under the ODSP definition of disability.
If you've a child (under 18) who is on DTC, will she automatically qualify for CDB when they clock 18 years old or her parents have to apply for the CDB for her?	The Canada Disability Benefit requires a separate application that must be completed by the adult child or their parents if they are legally authorized to do so. If you're under 18, you can apply after you turn 17.5. Your application won't be processed until your 18th birthday.
Would it be a POA for finances or PC to have someone apply on behalf of another person?	It would be a springing or continuing power of attorney for property.
Can an authorized person apply for the CDB for a client with the client and an interpreter present? (in the situation where there is a language barrier)	An authorized person cannot apply for a client, only a legal representative can. However, a trusted person can assist a client with their application.
Can people on WSIB apply for CDB and the DTC?	Yes.
How long does the process and decision of DTC application take?	You can check the current processing time here: https://www.canada.ca/en/revenue-agency/corporate/contact-information/check-cra-processing-times.html
Do all designated prescribed classes regarding ODSP automatically qualify for both DTC and CDB?	No. A person who receives ODSP benefits as a member of a prescribed class does not automatically qualify for both the DTC and CDB. They must apply for each separately.
I can apply to DTC if I receive WSIB and CPPD?	You can apply for the Disability Tax Credit and Canada Disability Benefit if you receive WSIB and CPPD.
Is there a way for a client who does not know English or French to apply for CDB without legal representation?	An authorized person cannot apply on behalf of a client; only a legal representative can do so. However, a trusted person may assist someone with a language barrier while they complete their application, and in such cases, an interpreter will likely be needed.
Where is the link to contact Immigration for an opinion on residency?	https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/nr74.html .
Since people on WSIB are already approved as having disability, for DTC do they still need to get report from their doctor?	Yes, their doctor is still required to complete the Disability Tax Credit application.

