

5 tax-filing tips – **DISABILITY NEEDS**

2018 tax year (Individual filing due Tue Apr 30, 2019)

Having a disability can present obstacles that others in our society do not face. This is true in the daily life of a person with a disability, and in many unavoidable costs the person and family may have to incur to manage their condition and participate in the community. A wide variety of tax measures are in place to ease these financial challenges.



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1. Disability tax credit (DTC)

The DTC gives tax relief to someone with a severe and prolonged impairment. To qualify for the DTC, you must have a medical practitioner complete [Form T2201](#) and submit it to the CRA. For 2018, you may receive up to \$1,658 from the Federal and Ontario governments combined, plus as much as \$968 when claimed by or on behalf of someone under the age of 18.

2. Child disability benefit

The child disability benefit (CDB) is a tax-free payment for families with a child under age 18. If the child qualifies for the DTC, it is paid as part of the Canada child benefit (CCB). The annual maximum is \$2,771 (paid \$231 monthly), with the benefit reduced once adjusted family net income exceeds \$65,975.

3. Caregiver credits

If you provide caregiving to someone with a physical or mental impairment, you may be able to claim tax credits worth \$600 or more. The person you care for may be your spouse or common-law partner, a child or grandchild, a parent, a sibling or certain close relatives.

4. Disability supports deduction

If you have a physical or mental impairment and had to incur expenses to allow you to work, go to school or do research under a grant, you may be entitled to a deduction for that. This is not transferrable, so only the person with the disability may claim it.

5. RDSP – Registered disability saving plan

RDSP contributions aren't deductible, but there are annual grants up to \$3,500, at a matching rate as high as 300%. Matching rates reduce once family net income exceeds \$93,208. The beneficiary must qualify for the DTC. Income is tax-sheltered/deferred, being eventually taxed to the beneficiary when withdrawn.

For more, click [here](#) or search "[Tax credits and deductions for persons with disabilities](#)" on [canada.ca](#).

For more tax tips, speak to a Meridian Wealth professional or search at [meridiancu.ca-good-sense](#):

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| <input type="checkbox"/> Seniors/retirees | <input checked="" type="checkbox"/> Disability needs | <input type="checkbox"/> Self-employed | <input type="checkbox"/> Investors | <input type="checkbox"/> Estates |