



# H&R BLOCK

## ADVICE FOR CLAIMING THE DISABILITY TAX CREDIT

Many qualifying taxpayers miss claiming the Disability Tax Credit because they don't think it applies to their situation. Here is some advice for Canadians who may qualify for the Disability Tax Credit:

- **Review your situation:** The Disability Tax Credit has criteria you must meet in order for you to qualify. In particular, your disability must make it extremely difficult or time-consuming to carry out basic activities of daily living even if you are undergoing therapy and using appropriate devices and medications.
- **Duration of disability:** The impairment must last or be expected to last 12 months and severely restrict your ability to see, walk, speak, hear or perform personal care activities or seriously affect your mental capacity to manage your personal affairs.
- **Multiple impairments:** The disability definition has been expanded to allow for the cumulative effect of multiple impairments that individually would not be severe enough to qualify. For example, a taxpayer with multiple sclerosis who constantly experiences fatigue, depression and balance problems may qualify.
- **Complete paperwork before you file:** You need to be approved by the Canada Revenue Agency before you can claim the Disability Tax Credit on your tax return. Your doctor needs to complete a T2201 (Disability Tax Credit certificate) and mail it to the CRA. Once you are approved by the CRA, you can claim the non-refundable amount on your tax return. You cannot claim the credit without CRA approval.
- **Non-refundable credit:** The Disability Tax Credit cannot generate a refund on its own. It can only be used to reduce your tax payable. The 2011 federal credit is \$7,341 and works out to \$1,101 in tax savings.
- **Transfer to spouse:** If you cannot use all of your Disability Tax Credit on your return, you may be able to transfer the unused amount to a spouse or adult child.
- **Retroactive claims:** If you did not realize you were eligible for the credit when you filed your return, you can request adjustments for up to 10 years under the CRA's Taxpayer Relief Provisions. You will need to file a T1 Adjustment form for each year you need to amend.

- **Paying a percentage of your refund:** Claiming the Disability Tax Credit is a straightforward process and all the paperwork is available online or through the Canada Revenue Agency. You should have your own physician complete the T2201 since they know your condition best. You do not need to pay a percentage of your refund to take advantage of this program.