



Increasing Access to the Disability Tax Credit:

Establishing Alternative Pathways to Confirm Disability Tax Credit Eligibility

Summary

Many people living with a disability are missing out on vital benefits that could offer life-changing support and income. The Disability Tax Credit (DTC) is a federal income tax credit for people with disabilities which acts as a gateway to many federal benefits and is designed to offset the costs associated with living with a disability. **It is estimated that 75% of those eligible are not accessing the DTC.** Due to barriers in accessing the DTC, as well as a lack of coordination between levels of government on reciprocal acknowledgement of disability eligibility, those who need support most are frequently prevented from accessing the benefits and services designed for them, like the Registered Disability Savings Plan (RDSP) and Canada Disability Benefit. **Alternative pathways to confirm DTC eligibility could be made possible.**



Opportunity:

Establish an alternative pathway that grants automatic DTC eligibility to individuals already receiving disability benefits through provincial or territorial social assistance programs.

This paper brings together the barriers to applying for the DTC, what is at stake for those who are not accessing the DTC, why the DTC application process must change, lived experience testimonies from community members and focus group participants¹, and recommendations to establish an alternative pathway to improve access to the DTC.

¹ A disability benefits focus group was hosted at SEED Winnipeg in March of 2026, quotes gathered from this focus group are included throughout this paper.



Linda has a daughter with a disability. It took Linda advocating for her daughter, multiple appointments, follow up with physicians, and several months to receive the Disability Tax Credit. All of which she was doing on top of her regular everyday life which included supporting her daughter ensuring she got to all her appointments, working full-time, and taking care of her three other children.

Once her daughter was approved, Linda received \$9,000 in back pay through tax adjustments for the previous years her daughter had received a diagnosis. She shared:

“Receiving the DTC was like a shock to me. I was like oh wow the government is giving me money! My daughter could now attend a summer camp! We could pay-off [the equipment she needs for her disability] which was almost \$5,000 and wasn’t covered. We had to go to the hospital multiple times a week and pay for parking, [the money from the DTC] helped with this. It gave my family some space to breathe.”

The Problem

Uptake of the DTC is low across Canada. The DTC is designed to acknowledge and offset the higher costs persons with disabilities face, such as higher medical costs, home accommodations, and transportation, to name a few². More importantly, the DTC acts as a gateway to over a dozen other benefits, credits, programs, and supports.

The barriers applicants face while applying for the DTC are well known and include, among many others:

not being aware of the benefit

needing to complete multiple but similar applications for provincial and territorial disability benefits as well as the DTC

completing the cumbersome application that often requires multiple healthcare provider visits and contains language that is difficult to understand

difficult language outlining the eligibility criteria which is unclear to both people living with disabilities and their health providers³ leading some to believe, or be told, they are ineligible

not having a physician or medical professional to complete the form, sometimes resulting in visits to the emergency department to have the DTC application form completed

the unpredictable upfront cost to obtain a medical assessment which is not standardized, is expected to be covered by the applicant, and could be anywhere from \$150 to \$500

for lower-income applicants, the DTC on its own has little benefit as a non-refundable credit, but many are not aware of the associated benefits available such as the Canada Disability Benefit and Registered Disability Savings Plan that can provide additional income-boosting benefits for those living on a low income.

2 Dunn, S., & Zwicker, J. (2018) [Policy Brief – Why is Uptake of the Disability Tax Credit Low in Canada? Exploring Possible Barriers to Access](#). The School of Public Policy: SPP Briefing Paper 11(2)

3 Dunn, S., & Zwicker, J. (2018). [Policy Brief – Why is uptake of the Disability Tax Credit Low in Canada Exploring Possible Barriers to Access](#). SPP Briefing Paper 11(2).



The [DTC application] is so darn long whether you qualify or not. It takes so much work to go through it... it's why some of those benefits kind of deter me.

Disability Benefit focus group participant



Why Accessing the DTC is Important

Access to the DTC, in addition to providing financial support, acts as a gateway to a number of other programs. In the table below, we outline some of the federal-level supports persons with disabilities are able to access, highlighting those that are linked to DTC access to demonstrate the importance of this benefit. Not included here are the many programs provided by provinces and territories for persons with disabilities, such as educational and employment supports, non-profit and community organization programming, and free bank accounts⁴, among others. In Canada, 8 million people aged 15 years and older live with a disability⁵, among these 1.6 million live in poverty, access to the DTC is crucial for those who are eligible.






I know it will be beneficial for me to receive the disability tax credit, and all those things. But at \$250 an hour to pay for a private psychologist for that diagnosis, to do a proper assessment was going to be like \$5,500...it's more than half of what I [earn annually]. It was really inaccessible and I didn't have any other resources to fall back on at that time and that's why I'm not diagnosed.

Disability Benefit focus group participant



4 For more information see: Government of Canada News Release – [Canadians can now access free and low-cost bank accounts featuring more monthly transactions.](#)
 5 Government of Canada (2023). [Canadian Survey on Disability, 2017 to 2022.](#)

List of federal benefits for Persons with Disabilities linked to DTC receipt⁶

Legend	 Additional disability application required	 DTC application	 Requires approved DTC
Benefit	Description	Application requirements	Amount available per DTC recipient
Disability Tax Credit	Reduces tax payable by the eligible individual or their supporting claimant	Personal Information Medical Practitioners Assessment	\$10,138 non-refundable tax credit per year*
Disability Tax Credit Supplement for persons under 18	An additional amount for those who qualify for the disability amount who are under 18.	Approved DTC Up-to-date taxes	\$5,914 non-refundable tax credit per year*
Canada Disability Benefit	Monthly benefit for persons with disabilities living in poverty	Approved DTC Up-to-date taxes	Up to \$200 per month and \$2,400 per year
Registered Disabilities Savings Plan	Long-term savings plan for persons with disabilities allowing for access to grants and bonds from the Government of Canada	Approved DTC Up-to-date taxes (to access grants & bonds)	Up to \$90,000 in lifetime grants and bonds
Child Disability Benefit	Supplement to the Canada Child Benefit for parents with children approved for the DTC	Approved DTC Up-to-date taxes Eligible for the Canada Child Benefit	Up to \$3,411 per year plus up to 10 years in backpay
Child Care Expenses Deduction	A tax credit for childcare expenses paid by a child's caregiver	Approved DTC for increased amount for children between 6-16, or continued benefit for children over 16 with a DTC	Up to \$11,000 deduction per year
Home buyers' amount	Credit for a person living with a disability to purchase a new or more accessible home	Approved DTC	Up to \$1,500 per home purchase
Home Accessibility Tax Credit	A tax credit to help homeowners cover the costs of renovations that make their home more accessible	Approved DTC or over 65 years of age	Up to \$3,000 refundable tax credit per year
Canada Workers Benefit – Disability Supplement	Supplement to the Canada Workers Benefit to support low-income workers	Approved DTC	Up to \$843 per year
Tuition amount	Part-time students with DTC are considered full-time for the purposes of claiming this credit	Approved DTC	Non-refundable tax credit for the tuition fees paid per year, may be carried forward to future years*
Canada Student Grant for Students with Disabilities	Provincial financial aid. Except for students in Northwest Territories, Quebec, and Nunavut	Provincial application requiring completed medical form by an approved medical practitioner	Up to \$2,800 grant per year
Canada Student Grant for Services and Equipment	Grant to help students living with disabilities cover exceptional education-related costs.	Provincial application requiring completed medical form by an approved medical practitioner	Up to \$20,000 grant per year
Canada Pension Plan – Disability	Monthly payment for individuals under 65 who have made enough CPP contributions and have a disability that prevents work	Application and Medical Practitioners Assessment	Up to \$20,894.40 per year

*Lowest marginal federal tax rate is 14.5% in 2025

Other programs that provide additional monetary benefits to those with an approved DTC include the [Medical Expense Tax Credit](#), [Home Buyer's Plan](#), [Refundable Medical Expense Supplement](#), [Multigenerational Home Renovation Tax Credit](#), [Qualified Disability Trust](#), [Disability Supports Deduction](#), [Disability Related Employment Benefits](#), [Federal Excise Tax Refund](#), [Student Loan Repayment Assistance Plan for Borrowers with Disabilities](#).

The Registered Disability Savings Plan (RDSP) for example, is just one of the benefits a person with disabilities misses out on when they do not access the DTC. The RDSP is a long-term savings plan to help DTC-approved individuals save for the future with government contributions amounting to \$90,000 over the lifetime of the plan. Low uptake of the DTC prevents people from accessing downstream benefits like the RDSP. Uptake of the RDSP is 34%⁷.



Rose lives with a mental illness and has been receiving Alberta Income for the Severely Handicapped (AISH) for over 20 years. **After applying for the DTC multiple times over 10 years and being rejected, she was finally approved in 2019** thanks to help she received from a social worker and her psychiatrist. Quickly after receiving the DTC, Rose opened an RDSP. She has always been really good with her money but until accessing the RDSP she didn't have a great way to save her money – one that worked well for her. Just a couple months after opening her RDSP Rose deposited \$3,500 of her savings so she could access the matching grants and bonds available from the Government. Since then, Rose has saved and contributed around \$20,000 to her RDSP, received \$58,000 in government grants and bonds, and gained nearly \$18,000 from interest alone! **Today, Rose is 50 years old and has over \$96,000 saved in her RDSP for her retirement.**

Recently, Rose took a matched savings program at Momentum and was able to save an additional \$2,500 for her RDSP, these matched savings allowed for her to not only have enough for her RDSP to max out the government grants and bonds, but to also have a bit of extra money to go on a “trip of a lifetime” to sing at Carnegie Hall in New York City!

Despite saving money and having a healthy RDSP, **Rose wishes she would have been able to access the DTC and RDSP sooner** – just think of how much more money she would have for her retirement. Rose hopes that those who are on AISH or other provincial disability income supports will be automatically approved for the DTC and be able open an RDSP easily so they can start saving sooner. She also hopes that more supports will be available to inform people about the DTC, like in hospitals or other front-line services.

⁷ Employment and Social Development Canada (2026). [Canada Disability Savings Program: 2024 Annual Report](#).

Additionally, the Canada Disability Benefit is an income-tested supplemental benefit that provides monthly payments up to \$200 to address the high cost of living with a disability. However, even after an approved DTC, it requires an additional application to another federal program to access the benefit. The federal government projects that 610,000 people will receive the Canada Disability Benefit by 2028-29, which is below the 750,411 people currently receiving a provincial or territorial disability benefit⁸. **Establishing alternative pathways to approve DTC eligibility could increase uptake of the DTC, while also helping to connect persons with disabilities to vital national benefits that are designed to support them.**

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I was reassessed for the [Canada Disability Benefit], \$97 a month, that pays for my guide dog's food.

Disability Benefit focus group participant

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When I first got sick, I didn't know anything. My mom bought my first wheelchair, and we paid \$7,600 for it. People think a wheelchair is not a big deal, that it's cheap. They're not cheap...So the DTC was huge for me, it helps with the costs of all the things I have to get.

Disability Benefit focus group participant

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The DTC Application Requires Reform



The DTC has very strict eligibility criteria which has been criticized for not being reflective of the disability experience more broadly, limiting who is considered eligible⁹. For example, the DTC's definition of disability is not compatible with provincial and territorial definitions used for disability benefits; greater alignment or reciprocal acknowledgement would improve access and equity¹⁰. Currently, people living with a disability must navigate a complex network of applications and eligibility criteria to access disability benefits. For example, separate medical assessments must be completed to apply for both the DTC and provincial or territorial programs. These processes can be triggering and demoralizing; with each application, applicants have to relive and articulate the history and severity of their disability. **Disability applications are also deficit-based, greatly impacting an individual's sense of self-worth.** Working towards reducing the number of applications someone must complete would provide more dignity to applicants while still ensuring they are accessing all the benefits they are eligible for.

8 Maytree (2026) [Social Assistance Summaries, 2025, National Spotlight: Definitions of Disability.](#)

9 Dunn, S. & Zwicker, J. (2018). [Policy Brief – Why is uptake of the Disability Tax Credit Low in Canada Exploring Possible Barriers to Access.](#) SPP Briefing Paper 11(2).

10 Maytree (2026) [Social Assistance Summaries, 2025, National Spotlight: Definitions of Disability.](#)



When you're living with chronic illness, they're like, OK, on a scale of 1 to 10, how bad is it? How hard is it to XYZ? Well, I don't know. I've been doing it for 15 years, maybe like 6. And like, if you don't say that your life is really, really hard all the time, you're not going to qualify. And so, it's sort of the emotional bit of being like "my life is so hard"...It's a very emotional process...it's disorienting.

Disability Benefit focus group participant



Furthermore, **DTC applications often require an out-of-pocket fee to be completed by medical professionals, representing a significant burden for low-income applicants.** Current federal initiatives to address this challenge fall short: a promised one-time \$150 reimbursement for Canada Disability Benefit recipients does not align with real out-of-pocket costs. Many living in poverty simply cannot afford this fee and the reality is they may not apply. The process for reimbursement is incompatible with the realities of living in poverty. Additionally, the reimbursement is only for those who go on to receive the Canada Disability Benefit, meaning applicants take a risk paying out of pocket at the time of application, and will not receive a reimbursement if they are not approved for the Canada Disability Benefit. For other DTC applicants who may not be applying for the Canada Disability Benefit and instead are trying to access a different benefit, such as an RDSP, they will not receive the one-time reimbursement. Furthermore, the amount health providers charge to complete disability paperwork is unregulated and some charge well over \$150 to complete these forms. **Regulations are needed to cap these fees or to compensate health providers directly to avoid costs being incurred by applicants.**



Lina is accessing a Housing Emergency Fund grant through SEED Winnipeg after getting behind on utility bills due to health complications, which is putting her at risk of eviction and utility disconnection. She is currently receiving provincial disability social assistance, and hoping to apply for federal disability benefits to boost her income. However, her doctor's office is charging \$450 and \$350 respectively to complete CPP-D and the DTC paperwork which has created a huge barrier to access these income boosting benefits that would help her pay for her monthly housing costs. She is currently working on establishing a payment plan for the CPP-D application, and advocacy is happening for a fee waiver for the DTC paperwork.

Many DTC applicants seek support when applying for the DTC from accountants, lawyers or DTC "promoters" – all of which come at excessive costs for the applicant¹¹. DTC applicants are often preyed upon by unregulated high-cost services provided by DTC "promoters" which claim to be necessary. Addressing barriers to accessing the DTC would negate the need for applicants to seek support navigating and completing an application.

11 Government of Canada (2024) [Canada Gazette, Part I, Volume 158, Number 26: Canada Disability Benefit Regulations](#).

Having a thriving industry of “promoters” who work to address the challenges and barriers to applying for the DTC is a sign for much needed improvements. For those who might need support applying for the DTC, demand for help from free community supports exceeds capacity. Some applicants will turn to high-cost “promoters”. The resources for community organizations to offer supports must be extended and other interventions must be sought out to reduce demands on community organizations who already have limited resources.



In addition to the challenges applicants face applying for the DTC, medical professionals are impacted too; it is estimated that doctors in Canada spend 20 million hours each year on administrative tasks¹². Medical professionals must complete part B of the DTC application which outlines the severity of an applicant’s impairment and how it impacts their life. Part B plays an important role in the determination of eligibility. The administrative burden faced by physicians could be lessened by allowing applicants to complete functional assessments sections themselves, with practitioners certifying accuracy, and by including additional professionals, for example, rehabilitation therapists, mental health professionals, and social workers, who could complete and certify part B of the DTC application form for applicants with certain conditions. **An alternative pathway to access and reciprocal acknowledgement of disability eligibility could remove administrative burden placed on the applicant (and government) and free up caseworkers, doctors, and other medical professionals’ time supporting applicants and completing lengthy repetitive paperwork¹³.**

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I had to deal with the CRA to clarify some things and self-advocate...they were telling me ‘this isn’t clearly defined’ or asking me ‘how do we know you’re not lying about this?’. [The CRA] was asking me direct invasive questions about psychiatric disabilities. Even when I was trying to qualify for my cancer diagnosis it felt invasive.

Disability Benefit focus group participant

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A friend of mine told me about that Disability Tax Credit. He said, “you know, you’re eligible for that. You’ve been on [provincial] disability for 15 years”. So, he actually helped me through it. I thought it was a scam!

Disability Benefit focus group participant

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¹² For more information see: [Losing Doctors to Desk Work](#)

¹³ For more information see: [Red Tape Steals a Month of Manitoba Doctors’ Time Every Year](#)

An Alternative Pathway:

Connecting provincial and territorial disability social assistance recipients to the Disability Tax Credit

For many, the DTC is yet another disability application to complete, on top of applications for disability programs at the provincial and territorial levels. Provincial or territorial programs provide more significant income support and many who are living on a lower income will first access these benefits before the DTC. **Approval of provincial and territorial disability programs could provide one alternate pathway to confirm eligibility for the DTC, removing many of the significant barriers.** For example, two pathways could be made possible:

1

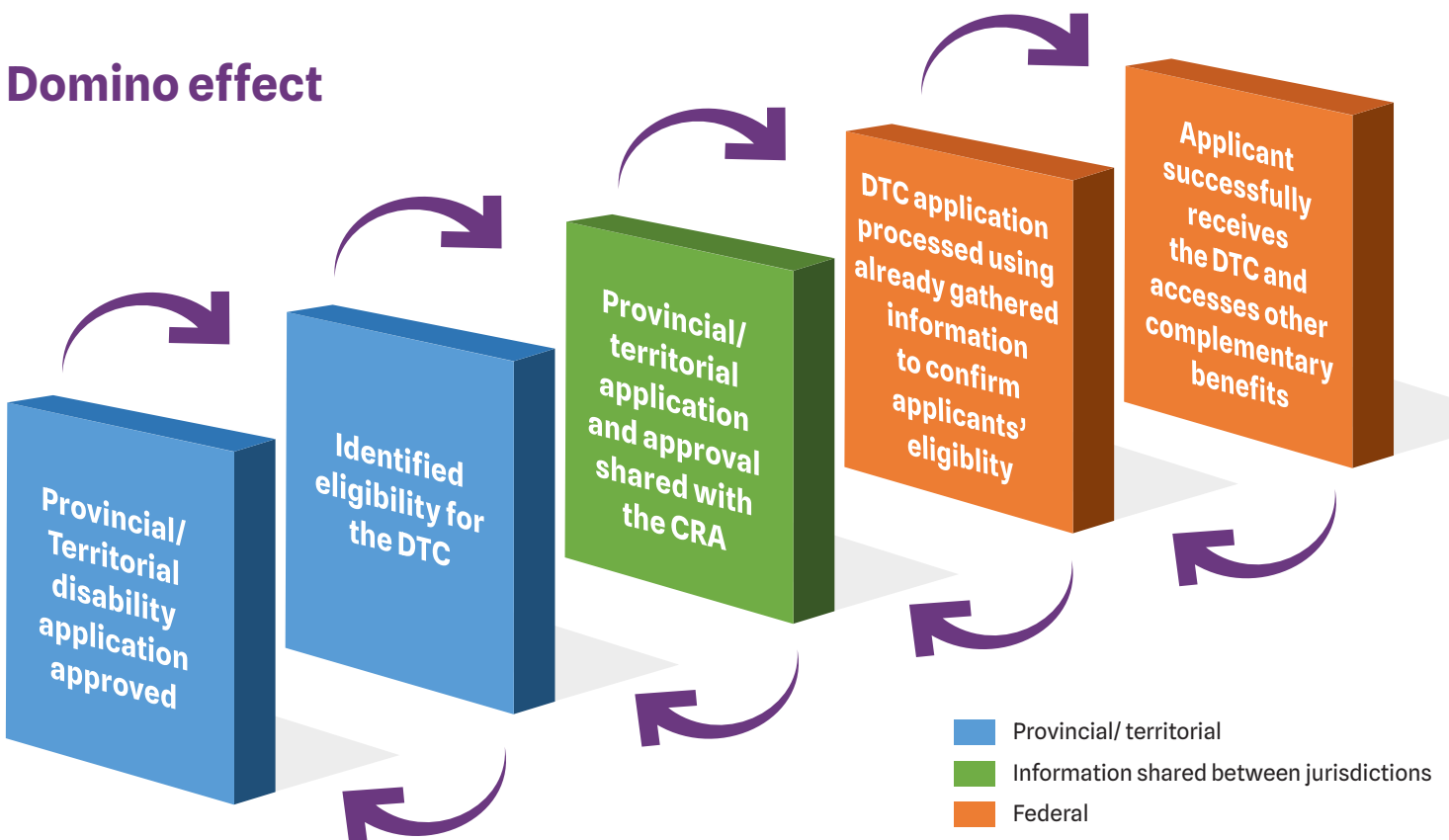
Someone receiving a provincial or territorial disability support, such as Alberta Income for the Severely Handicapped, should automatically receive the DTC.

2

If someone has applied for a provincial or territorial disability income support, their information could be shared with the CRA to process a DTC application and reduce the need to collect the same information multiple times.

Those receiving provincial or territorial income supports could significantly benefit from additional benefits made available through the DTC but are most likely to face disproportionate barriers when applying. Alternative pathways could reduce barriers and ensure everyone who is receiving provincial or territorial disability income supports or benefits is also accessing the DTC and the associated benefits.

Domino effect





If you're filling out [disability] forms, there needs to be like a one-stop-shop.

Disability Benefit focus group participant



Why is it that the burden of proof should be coming from us, considering we're the ones who are already disabled? [I have to] go through different agencies [just to finish the DTC application].

Disability Benefit focus group participant



Persons with disabilities need to complete many separate, but similar, applications to receive the supports they need, encountering barriers that can be difficult to overcome, all of which disproportionately impact lower income and marginalized applicants. **Establishing an alternative pathway to the DTC could reduce the number of applications required and ensure those who need it most are accessing the benefits they are eligible for.**

Recommendations

Grant automatic DTC eligibility to individuals already receiving disability benefits through provincial or territorial social assistance programs.

- Establish information sharing (with applicant consent and privacy) between provinces and territories and the Canada Revenue Agency to facilitate automatic qualification for federal disability benefits.

Improve supports for completing a DTC application for those who are not receiving provincial or territorial disability benefits:

- Ensuring the definition of disability used for the DTC is broad enough to encompass provincial and territorial disability definitions creating greater equity and alignment in access to disability benefits and supports
- Empowering patients to self-attest and broadening the range of professionals authorized to complete and certify part B of the DTC application form
- Covering health professional costs associated with applying for the DTC at the time of application for all DTC applicants
- Implementing the Disability Tax Credit Promoters Restrictions Act
- Extending funding for non-profit and community supports to help applicants navigate and apply for disability income supports and benefits including the DTC

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