

DISABILITY TAX CREDIT FOR CHILDREN WITH TYPE 1 DIABETES

Diabetes often adds a financial strain to families. With or without insurance, the added costs of medication and doctor visits can be overwhelming.

The Disability Tax Credit (DTC) is a non-refundable tax credit used to reduce income tax payable on the income tax and benefit return. A person with a severe and prolonged impairment (one that has lasted, or is expected to last, for a continuous period of at least 12 months) in physical or mental function may claim the disability amount once they are eligible for the DTC.

The purpose of the DTC is to provide for greater tax equity by allowing some relief for disability costs, since these are unavoidable additional expenses that other taxpayers don't have to face.

The [Canada Revenue Agency](#) has adopted the policy that the combination of the child and his or her caregiver's time spent on the specific activities necessary to administer insulin meets the 14-hour-per-week requirement for eligibility. Therefore, applicants **under the age of 18 years** with type 1 diabetes qualify for the DTC as long as the child's doctor or specialist certifies the Form T2201 *Disability Tax Credit Certificate* (see below).

My child is 18 years or older; is he/she eligible for the Disability Tax Credit (DTC)?

The [Canada Revenue Agency](#) recognizes insulin as a life-sustaining therapy. Anyone with diabetes using insulin whose doctor certifies they spend an average of at least 14 hours per week on activities related to determining and administering insulin may be eligible for the DTC.

Your physician may have to provide a document stating how much time is spent on the tasks required for life-sustaining therapy. It is recommended that you provide your physician with a written example of a typical week to assist in the completion of the application.

What activities count towards the 14-hours per week requirement for eligibility?

- monitoring blood glucose levels
- preparing and administering the insulin
- calibrating necessary equipment
- maintaining a logbook of blood glucose levels

What activities do not count towards the 14-hours per week?

- counting carbohydrates
- exercising

Disability Tax Credit for Children with Type 1 Diabetes (continued)

- recuperating from hypoglycemia or hyperglycemia
- meal preparation

How do I apply for the federal Disability Tax Credit (DTC)?

- Access the T2201 *Disability Tax Credit Certificate* here: www.cra-arc.gc.ca/E/pbg/tf/t2201/README.html
- Further information is available in the Guide RC4064 *Information Concerning People with Disabilities*: www.cra-arc.gc.ca/E/pub/tg/rc4064/rc4064-e.html.

Are there other tax credits or tax benefits available to families of people living with diabetes?

Being eligible for the DTC can open the door to other federal, provincial, or territorial programs such as:

- [Registered Disability Savings Plan](#)
- [Working Income Tax Benefit](#)
- [Child Disability Benefit](#): a child is eligible for the disability amount when a qualified practitioner certifies, on Form T2201, *Disability Tax Credit Certificate*, that the child has a severe and prolonged impairment in physical or mental functions, and the CRA approves the form. For more information, please visit: www.cra-arc.gc.ca/bnfts/dsblty-eng.html.
- [Family Caregiver Amount](#): If you have a dependant with an impairment in physical or mental functions, you could be eligible for an additional amount of \$2,000 in the calculation of certain non-refundable tax credits. For more information, please visit: www.cra-arc.gc.ca/E/pub/tg/rc4064/rc4064-e.html#family_caregiver.
- [Children's Fitness Amount](#): You can claim an amount for fees paid in 2012 relating to the cost of registration or membership for your or your spouse's or common-law partner's child in a prescribed program of physical activity. For more information, please visit: www.cra-arc.gc.ca/E/pub/tg/rc4064/rc4064-e.html#chldrnftnssmnt.
- [Canada Child Tax Benefit](#): for more information, please visit: www.cra-arc.gc.ca/E/pub/tg/t4114/README.html.

Please note that being eligible for the DTC by Revenue Canada does not mean you qualify for the same type of exemptions as a person with disabilities (PWD).

Please also visit:

- www.cra-arc.gc.ca/tx/ndvdl/sgmnts/dsblts/dtc/pply-eng.html
- www.diabetes.ca/diabetes-and-you/know-your-rights/tax-credits-your-rights
- <http://www.diabetesadvocacy.com/DTC.htm>

If you would like further information regarding finances and type 1 diabetes, please contact the BCCH Diabetes Program Social Worker at 604-875-2345, local 7091.

See also our handout [Finances and Type 1 Diabetes](#).