

Disability tax credits

Don't forget about the disability tax credit...it could save you or a loved one thousands of dollars!

For most of my life I have been a healthy guy and can thank God for recovery when not so healthy things happen. For sure, as we age, we are more likely to get sick and possibly disabled as a result. One of the things you should keep in mind is the disability tax credit in filing our tax returns.

Recently I was referred to someone who's husband had died. In conversation, I discovered that her husband had been seriously ill with a heart condition since 2008. I asked if he had ever applied for the disability tax credit. To her knowledge, he hadn't. In Canada if a person has a severe and prolonged physical or mental disability they may qualify for tax relief on their income tax return. Part "A" of Form T2201 is completed by the person with the disability or their representative. Part "B" is completed by the doctor or now a nurse practitioner (as of the 2017 budget). The document is then sent to Canada Revenue Agency for approval. Once approved there is a tax credit available. The significance of this in this particular case is that the tax credit can be filed for an adjustment for returns filed previously for up to ten years! This can be a significant amount of money in refunds. We had reviewed a client's situation and recommended they get qualified for the disability tax credit and file for an adjustment. The client received over \$20,000 in a refund.

If you are or know someone who has or needs Kidney dialysis, has difficulty bathing, breathing, dressing, walking, has cancer, is taking insulin, is blind, has had an amputation or someone with dementia, they or their personal representative should complete and apply for the disability tax credit.

If you don't complete the credit form and file it, you or the caregiver won't get the tax relief. Getting approved will potentially qualify an individual for the Registered Disability Savings Program. Caregivers may get benefits as well. Talk to your tax professional or go online to the CRA's web site: www.cra-arc.gc.ca/disability.



This article is provided by: Brian A. McMillan CFP, CLU, CH.F.C, EPC, is a Life Transition Financial Advisor/ Principal with Team Approach Planning in Collingwood. For a no cost consultation please contact: Brian@TAPadvantage.ca

