

# The Disability Tax Credit and the Canada Disability Benefit

(updated January 2026)

## What is the Disability Tax Credit (DTC)?

People who are significantly disabled may be eligible for the DTC (one must apply for it).

The DTC helps reduce the income taxes paid by people with disabilities.

or

If the disabled person does not pay income taxes (for eg if they are on ODSP), they can pass the tax credit onto their caregiver (if they have one), who can use the DTC to save on their own income taxes.

## Other advantages of the DTC

If you have been approved for the DTC, and are under the age of 60, you can open up at your bank a Registered Disability Savings Plan (RDSP), which is a savings vehicle for your retirement years:

- The government may contribute money into your RDSP yearly, up until the year you turn 49
- Warning: you cannot take money out of your RDSP before the age of 60, without facing penalties

If a child qualifies for the DTC, their parents may receive the Child Disability Benefit – up to \$284 per month.

Being approved for the DTC may qualify you for the new Canada Disability Benefit

## **How to Apply for the Disability Tax Credit**

You can apply online if you have a My Canada Revenue Agency (CRA) account.

There is also a paper application, which is available on the website below, or you can call CRA at the number below and request they send it to you.

Most of the application is filled out by your doctor.

More information, including how to apply, can be found here:

<https://www.canada.ca/en/revenue-agency/services/tax/individuals/segments/tax-credits-deductions-persons-disabilities/disability-tax-credit.html>

Or by calling the CRA at 1 800 959 8281

## **What is the Canada Disability Benefit (CDB)?**

The CDB is a Federal benefit introduced in July 2025.

It provides up to \$200 per month for some Canadian residents who are disabled.

## Financial Eligibility criteria

The amount received from the CDB is based on income – the lower your income, the more you will receive.

To get the full \$200 per month, your income as a single person has to be \$23,000 per year or less (or \$32,000 a year or less for a couple).

If you work, the first \$10,000 per year you make as single person or \$14,000 as a couple, will not count as part of your income.

## Other Eligibility Criteria

You must be a Canadian citizen, permanent resident, protected person, or a temporary resident who has been in Canada for at least the past 18 months.

**You must have been approved for the Disability Tax Credit.**

You must be between the ages of 18 and 64.

You must have filed your income taxes for the previous year.

## Canada Disability Benefit and ODSP

Some people on ODSP will qualify for the Canada Disability Benefit.

If an ODSP recipient qualifies for the Canada Disability Benefit, ODSP will NOT claw it back.

## **How to Apply for the Canada Disability Benefit**

Apply online, by phone, through the mail, or at any Service Canada Office.

More information, including how to apply, can be found here:

<https://www.canada.ca/en/services/benefits/disability/canada-disability-benefit.html>

Or by calling: 1 833 486 3007