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POLICY BRIEF – WHY IS UPTAKE OF THE DISABILITY TAX CREDIT LOW IN CANADA? EXPLORING POSSIBLE BARRIERS TO ACCESS

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SUMMARY

Disability supports should be designed to provide benefit and not burdens to eligible recipients. Unfortunately, this is not a reality when it comes to one of the main benefits open to Canadians with disability: the federal Disability Tax Credit (DTC). Designed to recognize some of the higher costs faced by people with severe disabilities and their caregivers, the DTC appears to be more of a burden for many, with estimated utilisation unacceptably low at around 40 per cent of working-aged adults with qualifying disabilities.

Low uptake is a concern not only because people are missing out on the credit itself but also because eligibility to the DTC – which is not automatic – is a gateway to other important and more valuable benefits such as the Child Disability Benefit and Registered Disability Savings Plans (RDSP).

Why is take up low? Awareness and a burdensome application process are likely key contributing factors. There is also a lack of clarity around eligibility rules, which have been criticized for being open to interpretation, failing to accurately reflect the practicalities of living with a disability and requiring people with impairments in mental functions to meet a higher bar than for those with physical impairments.

The design of the DTC may also be limiting utilization of disability benefits such as RDSPs that require DTC eligibility as a prerequisite. As a non-refundable tax credit, the DTC is a tax-fairness measure that benefits those who pay taxes (provides no monetary value to those without taxable income). It is poor design to use eligibility to a benefit, that does not provide value to all individuals with qualifying disabilities, as a gateway to benefits with different policy objectives.

A policy overhaul of the DTC, and broader disability policy in Canada, is long overdue. This will require effort and the will to make the necessary changes to improve existing policies. Boosting awareness of the DTC, gaining a better understanding of the target population (particularly children with disabilities) and monitoring data

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on the DTC's usage and reach, would go a long way towards improving uptake. Creation of a clear and transparent review and appeals process to replace the current and often inconsistent one would further knock down barriers to access. Improving the disability assessment process for the DTC and for other key disability benefits is also essential.

More broadly, it is time for Canada to consider new coordinated policy measures that guarantee improved access, independence, portability and support for individuals with disability – particularly those living in low income.

INTRODUCTION

Persons with disabilities and their caregivers face higher costs than those without disabilities, including higher medical costs, as well as higher hidden costs like more expensive transportation. The economic and social barriers faced by individuals with disabilities include a greater likelihood of unemployment or absence from the labour force and lower income compared to those without disabilities. Policy supports like the Disability Tax Credit (DTC) exist to address some of these barriers.

The DTC is one of the principal federal supports for individuals in Canada with severe and prolonged impairments. Administered by the Canada Revenue Agency (CRA), it is designed to provide tax relief for non-itemizable (or hidden) disability- or therapy-related costs. The credit can be claimed by the individual with the disability and can also be transferred to an eligible caregiver such as a parent, grandparent or sibling to claim on their tax return. Eligibility to the credit provides access to other important benefits such as the Child Disability Benefit and Registered Disability Savings Plans (RDSP).

Yet, the DTC is under-utilized in Canada. This brief provides an overview of the DTC, an update on what available information tells us about its utilization across Canada (estimated to be only around 40 per cent among eligible working-age adults), and a discussion of contributing factors to this low uptake. We conclude with some practical policy solutions, including a call for more information and a decoupling of the DTC from other key benefits.

BACKGROUND

Persons with disabilities face higher costs of living and additional barriers

More than 1.8 million people live with a severe disability in Canada (Arim, 2015). These individuals and their caregivers face more barriers in economic, educational and social spheres than those living without disability (Prince, 2016). Canadians with severe mental and physical disabilities are more likely to be living in low income and face some of the highest levels of unemployment, underpinned by low levels of educational attainment and barriers to participating in the labour force (Till, Leonard, Yeung and Nicholls, 2015; Wall, 2017). For example, three in four adults with a developmental disability were not working in 2012, and only half had completed high school (Zwicker, Zaresani and Emery, 2017). These individuals also face higher costs associated with disability. This includes higher medical expenses, as well as higher hidden costs like more expensive utility and transportation costs (Mitra, Palmer, Kim, Mont and Groce, 2017).

The Disability Tax Credit is a key disability policy instrument that is under-utilized

Despite being one of the principal federal supports for individuals in Canada with severe and prolonged impairments, the DTC as presently designed does not meet the needs of many people with disabilities. Furthermore, it exists within a patchwork of federal and provincial measures that aim to address barriers faced by those living with a disability in Canada and their caregivers.

A key design issue is the DTC's non-refundable nature, which emerged as a policy response at a particular moment in time. Introduced in 1944 as a deduction for blind persons, the DTC was subsequently extended to individuals with severe disabilities. It was then converted to a non-refundable tax credit along with other disability- and health-related tax benefits such as the Medical Expenses Tax Credit, as part of a broader tax reform in the late 1980s.

The non-refundable tax credit design aims to promote horizontal equity by recognizing that the higher costs faced by people with disabilities are not true economic consumption and should be deducted from the income tax base (Smart and Stabile, 2006). This means that the DTC is not a subsidy for individuals with disabilities (like social assistance, for example); rather, it is a tax fairness measure that recognizes that disability costs are unavoidable additional expenses not faced by other taxpayers (Tjorman et al., 2004).

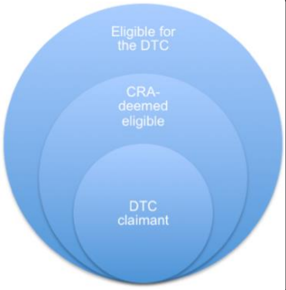
Utilization of the DTC is low

While the DTC is one of the main federal disability policy instruments, its utilization remains low.[1] Box 1 outlines terminology around eligibility.

Box 1: Terminology

The following terms are used to describe eligibility for persons with disabilities:

- A person deemed "eligible" for the DTC is a person in Canada with a severe and prolonged impairment in mental or physical function who meets the CRA's eligibility criteria, whether or not they have successfully submitted a DTC application to the CRA. Estimating eligibility is difficult as we do not have population-level data that use the same criteria as CRA eligibility criteria.
- A person "CRA-deemed eligible" for the DTC has successfully submitted a DTC application to the CRA, but may or may not file a tax return to claim the credit. This person is also eligible to claim other benefits (like the Child Disability Benefit and RDSP) that require CRA-deemed eligibility to the DTC.
- A DTC claimant is CRA-deemed eligible for the DTC *and* has filed a tax return claiming none, some or all of the credit for themselves.



Our estimates suggest that only 40 per cent of working-aged adult individuals with a severe disability in Canada are CRA-deemed eligible for the DTC (Figure 1).[2] Utilization varies across provinces and appears to be higher among younger adults than older adults (see Appendix 1). The latter may reflect the increasing prevalence of disability as people age and how people perceive disability (whether they consider their impairments to be a disability or just a natural part of aging, with the latter resulting in fewer older individuals applying for the DTC). Yet without better data and additional information it is difficult to know what is driving the variations in uptake across provinces and age.[3]

The DTC's non-refundable design is likely one key contributing factor to lower utilization. Non-refundable tax credits reduce a person's tax liability by the value of the credit, but cannot reduce the liability below zero. In the case of the DTC, the amount of the federal credit multiplied by the lowest tax rate yields a non-refundable amount. In the 2016 tax year, the calculation would have been: \$8,001 x 15 per cent, or \$1,200. For a person with no tax liability (for example, an individual who is not employed and receiving provincial social assistance), non-refundable credits like the

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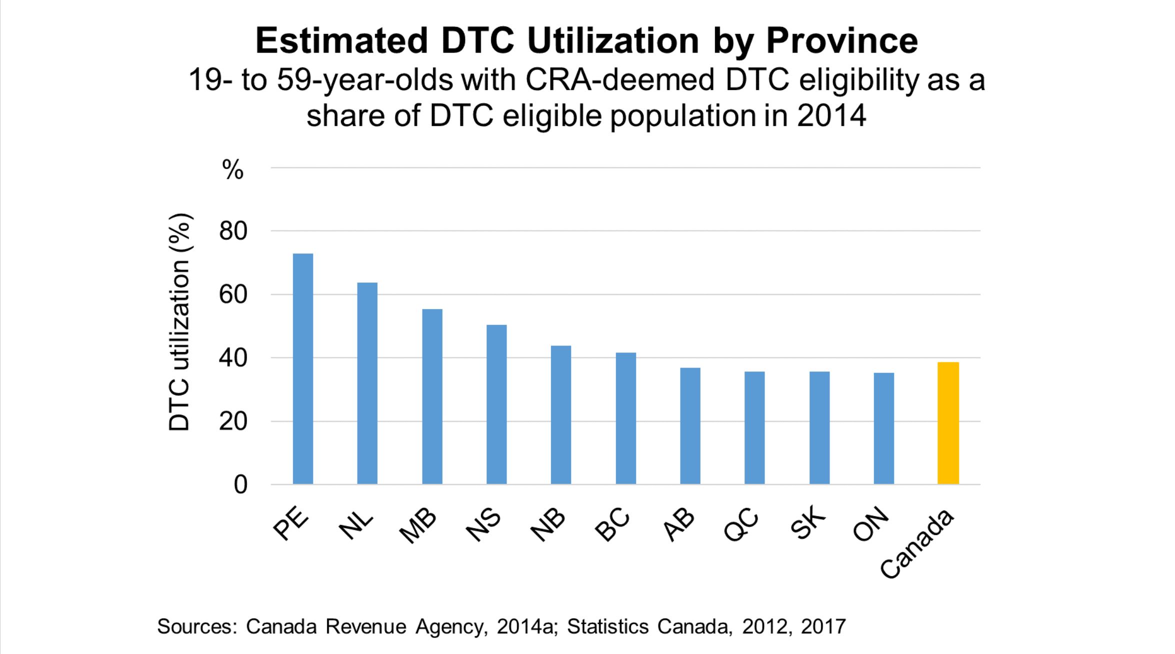
1 Less than complete utilization of the DTC (and by extension benefits that require DTC eligibility such as the RDSP) is well acknowledged in Canada, including by the Canada Revenue Agency (Canada Revenue Agency, 2014b; Mendelson, 2015; Woolley, 2015).

2 Note that limitations in available data make accurate assessments of utilization of the DTC difficult and all estimates included in this section should be considered with this in mind. To estimate utilization, we need an estimate of the overall percentage of the population with disabilities that is eligible for the DTC whether they have applied or not. An absence of timely national population data for children (the last survey was in 2006) means that it is not possible to assess recent utilization for this group. Estimates in Figure 1 are based on Statistics Canada's Canadian Survey on Disability (CSD) in 2012 which provides the best estimate of the qualifying population 15 years and above with severe and prolonged disabilities in Canada. It is important to note that this survey defines both impairments in mental and physical function and the severity and nature of a prolonged disability differently to the DTC criteria. The CSD also excludes people living in community dwellings and on reserve from their sample. More details on underlying calculations are included in Appendix 1.

3 This analysis considers individuals that have successfully submitted a DTC application to the CRA (CRA-deemed eligible) – fewer people actually claim the credit on their tax return each year (DTC claimant). This likely reflects the fact that the DTC is not directly valuable to some CRA-deemed eligible individuals earning no or low taxable income – these individuals may be using their eligibility to access other benefits that require DTC eligibility.

DTC are of no direct value (see Figure 2).[4,5] There have been a number of recommendations to convert the DTC into a refundable tax credit in recent decades (Mendelson, 2015; Philipps, 2001; Simpson and Stevens, 2016; Woolley, 2015). This would mean that even individuals without taxable income would receive direct benefit from the credit, which could lead to increased utilization. Yet given that the DTC can be transferred to a caregiver to claim and that eligibility for the DTC already is a prerequisite for access to additional (and more valuable) benefits for individuals without taxable income, the credit's non-refundable design cannot be the sole contributing factor to the current low utilization.

FIGURE 1



Take-up of the DTC is low in Canada but varies noticeably across provinces. Only one in three individuals with qualifying disabilities is estimated to have CRA-deemed eligibility to the DTC in Alberta, Ontario, Quebec and Saskatchewan.

LOW UTILIZATION OF THE DTC HAS BROADER IMPLICATIONS BEYOND THE VALUE OF CREDIT

The low utilization of the DTC is a problem not only because many eligible individuals are not benefiting from the credit itself, but also because they are missing out on other important supports that use DTC eligibility as a prerequisite. Qualifying for the DTC – which is not automatic – provides access to a number of other federal and provincial benefits, such as the Child Disability Benefit and provincial DTC supplements. DTC eligibility also enables individuals to establish a RDSP and qualify for up to $20,000 and $70,000 in government bonds and grants, respectively, over the lifetime of the plan and up until they turn 50 years of age, depending on contributions and family income (outlined in more detail in Table 1 and Figure 2 below).[6]

4 The DTC can be transferred to an eligible caregiver to claim. Our analysis does not analyze the data on transfers because in the data available it is not possible to connect a caregiver to a specific individual with DTC eligibility.

5 We suspect that a large share of transferred DTC claims are from children with DTC eligibility to parents; however, owing to the way in which the CRA currently collects data on this it is not possible to connect a caregiver to a specific individual with DTC eligibility.

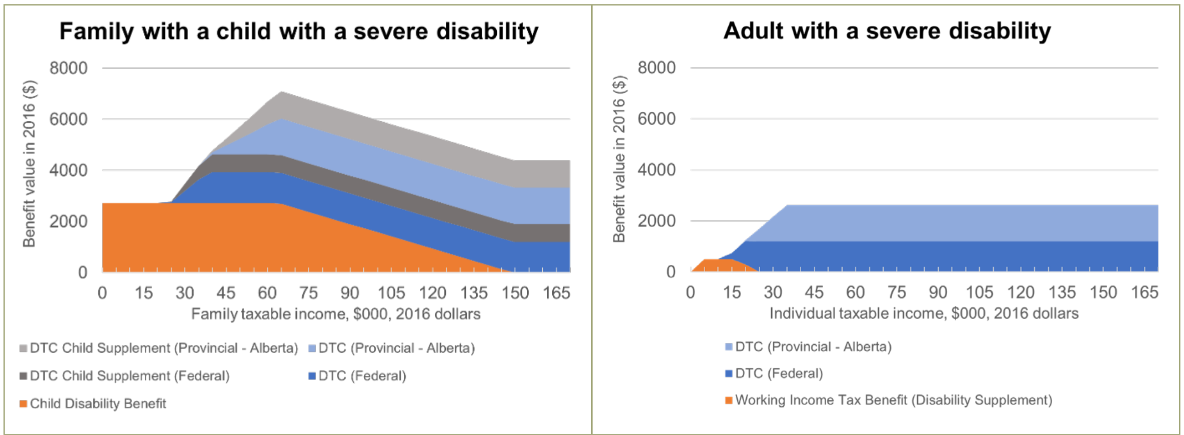
6 The RDSP is jointly administered by Employment and Social Development Canada (which governs the administration of the grant and bond, outreach and awareness, and reporting on program expenditures) and the CRA (which provides the legislative framework for the RDSPs and administers the DTC).

TABLE 1 DISABILITY SUPPORTS REQUIRING DTC ELIGIBILITY IN 2017

	Family with a child with a severe & prolonged disability under 18 years of age	Adult with a severe & prolonged disability
DTC eligibility required for access	Disability Tax Credit (federal and provincial)[1] DTC Child Supplement (federal and provincial)[1] Child Disability Benefit Home Accessibility Credit Home Buyers' Plan Registered Disability Savings Plan Qualified Disability Trust	Disability Tax Credit (federal and provincial)[1] Home Accessibility Credit Disability-related Employment Benefits Registered Disability Savings Plan Home Buyers' Plan Qualified Disability Trust
DTC eligibility provides additional benefits	Medical Expenses Tax Credit Child Care Expenses Deduction Tuition, Education and Textbook Amount Home Buyers' Amount Registered Education Savings Plan	Medical Expenses Tax Credit Working Income Tax Benefit Tuition, Education and Textbook Amount Home Buyers' Amount Registered Education Savings Plan

[1] For all provinces except Quebec

FIGURE 2 VALUE OF THE DTC AND SELECTED TAX BENEFITS THAT REQUIRE DTC ELIGIBILITY AS A PREREQUISITE FOR DIFFERENT FAMILY STRUCTURES AND ACROSS TAXABLE INCOME IN 2016[1]



For families earning low/no taxable income:
Eligibility to the DTC provides:
- Up to $2,730 through access to the Child Disability Benefit
- $1,000 from an unmatched bond paid into the child's RDSP (not included in graph)[2]

For families earning median income (around $70,000):
Eligibility to the DTC could provide:
- Close to $4,500 in federal tax benefits (including the Child Disability Benefit, the DTC and the DTC child supplement)
- Between $600 and $2,500 in provincial disability tax credit supplements, depending on the province of residence
- Up to $3,500 in matched grants paid into the child's RDSP (not included in graph)
- Access to between $750 and $1,500 in federal housing tax credits (not included in graph)

For individuals earning low/no taxable income:
Eligibility to the DTC is less valuable but provides:
- Access to a disability supplement attached to the Working Income Tax Benefit of up to $508 for low-income earners (although this can be clawed back in provinces with more generous social assistance programs like Alberta)
- $1,000 from an unmatched bond paid into the adult's RDSP (not on graph)

For families or individuals earning sufficient taxable income (around $45,000):
- DTC eligibility provided to up to $2,600 in 2016 depending on the individual's province of residence (including federal and provincial DTCs)
- Up to $3,500 in matched grants paid into the adult's RDSP (not included in graph)
- Access to between $750 and $1,500 in federal housing tax credits (not included in graph)

[1] Calculations were generated using the Canadian Tax and Credit Simulator (CTaCS) and authors' calculations using benefit information from Canada Revenue Agency. Calculations for families assume they are made up of a single-earner couple with a child who qualifies for the DTC. Alberta is used in the graphs above as it provides the most generous provincial DTC supplement – modelled total benefits in other provinces would be lower.
[2] The government of Canada contributes up to $1,000 in bonds annually to the RDSPs of beneficiaries with incomes below $45,282 (these do not require any contributions from the individual) and up to $3,500 in grants to the RDSPs of beneficiaries (the size of the grant depends on the size of the individual's contribution and their income).

The implications of DTC eligibility are significant, particularly for families with children with disabilities and to a lesser extent for lower-income adults with disabilities. Given this, why is uptake of the DTC so low?

BARRIERS TO DTC UTILIZATION – POSSIBLE FACTORS DRIVING LOWER UPTAKE

Below, we consider possible key barriers to accessing the DTC. It is important to note that gaps in available information make it difficult to pinpoint which factors are most influential.

1. Cost versus (perceived) benefit considerations

The non-refundable design of the DTC may be discouraging lower-income earners from applying because the perceptions of high application costs are outweighed by perceptions of low benefit from the credit itself. Recall, the non-refundable credit was worth a maximum of $1,200 in 2016 if the applicant had sufficient taxable income and nothing if the applicant had no taxable income. A recent study showed that around half of DTC claimants received little or no value from the credit itself because their taxable income was too low (Simpson and Stevens, 2016). Yet as outlined above, eligibility for the DTC provides additional benefits beyond simply the value of the credit itself, which suggests that there are other factors at play.

2. Awareness of the DTC

Low awareness of the DTC (or the ability to transfer the credit to a caregiver) and of the benefits to which it is a prerequisite, is likely reducing uptake. There are no timely data on awareness of the DTC among individuals with qualifying disabilities, with the most recent nationwide survey conducted more than 15 years ago. At that time, around one in three adult respondents who did not claim the DTC stated that they were not aware of the credit (Statistics Canada, 2004). More recently, only moderate awareness of the RDSP (which requires DTC eligibility) was found in a 2014 evaluation (Employment and Social Development Canada, 2015). The RDSP has even lower utilization than the DTC – only one in four individuals with CRA-deemed DTC eligibility had established a RDSP in 2015 (Employment and Social Development Canada, 2017).

3. Complexity of the application process

The application form and process are not applicant-friendly, according to submissions to the CRA's public consultations in 2014 (Canada Revenue Agency, 2014). This finding is also supported by the proliferation of third-party companies offering to help people, for a fee, to apply for the DTC. This industry's activities have prompted laws limiting the fees applicants may be charged for the service, although the CRA has yet to implement regulations for these fees.[7] Members of Parliament have also noted that budget cuts to the CRA in recent years have reduced access to help and information, and this is consistent with recent Auditor General of Canada findings showing that two in three calls to the CRA's call centres are unanswered ("Bill C-462 (Historical). *Disability Tax Credit Promoters Restrictions Act*. House Debate," 2013; Office of the Auditor General of Canada, 2017). This likely creates more of a barrier to accessing the DTC for those with fewer resources to seek paid professional advice.

As background, an applicant is required to find (and pay) a physician or a specified allied health professional to complete their application form (T2201 Disability Tax Credit Certificate). This certifies that they are markedly restricted in performing a basic activity of daily living all or substantially all of the time, or that the cumulative effect of restrictions across several activities

[7] In 2014, Bill C-462, the *DTC Promoter's Restrictions Act*, was introduced to limit the amount that third-party companies could charge to help people with disabilities lodge DTC applications. A submission from the Canadian Medical Association to the government noted that it was "concerned that one of the reasons individuals may be engaging the services of third-party companies is a lack of awareness of the purpose and benefits of the Disability Tax Credit. Additional efforts are required to ensure that the Disability Tax Credit form be more informative and user-friendly for patients." ("Bill C-462 (Historical). *Disability Tax Credit Promoters Restrictions Act*. House Debate," 2013).

is equal to being markedly restricted in one basic activity of daily living. The basic activities of daily living include: walking, vision, hearing, speaking, dressing, feeding, eliminating and mental functions for everyday life. Those on life-sustaining therapy for 14 hours or more a week also qualify for the DTC (note that there are restrictions as to what counts as life-sustaining therapy; controversially of late, time allocated to diet management and the time that a device such as a portable insulin pump takes to deliver therapy do not qualify for people with diabetes (JDRF, 2017)).

Examples of barriers in the application process include:

- **Finding a health professional aware of the DTC and willing to complete the application form.** This can involve an out-of-pocket fee for the applicant – which can vary between different health professionals – and may create a barrier to access. Media reports suggest that some professionals are refusing to complete the form, particularly for patients with mental illnesses, owing to the poorly defined criteria and legal risks of making false statements (Goffin, 2017; Ross, 2016).
- **Administrative interpretation of eligibility criteria that do not have statutory basis.** The CRA's position that being "markedly restricted" is defined as an impairment in function being present "at least 90% of the time" is an administrative position not reflected in the *Income Tax Act*. This remains on the application form to this day even though a body of case law has recognized this is not an appropriate measure of the effects of an impairment ("Watts vs. The Queen, 2004 TCC 535 (CanLII)," 2004). A similar criticism has been raised about the CRA's use of the phrase "life sustaining" in relation to therapy. As a result of administrative interpretation, some individuals may be denied eligibility.
- **A lack of clarity in eligibility criteria.** This results in criteria being interpreted inconsistently by health professionals completing the form, and may see some individuals wrongly denied eligibility (Goffin, 2017; "Mullings vs. The Queen, 2017 TCC 133 (CanLII)," 2017; Ross, 2016). For example, the current eligibility criteria require health professionals to determine whether a patient is markedly restricted in one basic activity of daily living because of their impairment "all or substantially all of the time (at least 90% of the time)", or whether the cumulative effects of a patient's multiple impairments are equivalent to being markedly restricted in one basic activity of daily living. These criteria can be confusing to interpret, with little additional clarity provided by the CRA's definition of "all or substantially all of the time" as being "at least 90% of the time". These criteria are also not aligned with current International Classification of Function criteria (international standard to describe and measure health and disability).
- **Health professionals may struggle to describe how the applicant's disability impacts activities of daily living.** This has led to recommendations for the CRA to formally recognize supporting information from family members and other people familiar with the applicant (Canada Revenue Agency, 2015).
- **Requirements to re-apply for the DTC create additional burden on individuals with severe and lifelong impairments in mental and physical functions**. Some individuals, including all children, are only granted temporary eligibility and required to re-apply at a later date, even those with severe lifelong disabilities. This has prompted calls for a simplified renewal process (Canada Revenue Agency, 2015).
- **Confusing follow-up requests from the CRA to medical practitioners for additional information may see some individuals wrongly denied eligibility.** For example, this issue was raised in a recent appeals case, which found that the CRA's follow-up request for information to the health professional completing the application was unclear and not a legal test for eligibility ("McDermid vs. The Queen, 2014 TCC 264 (CanLII)," 2014).
- **Lack of consistency and transparency in CRA processes.** This includes concerns about inconsistencies in how applications are reviewed, whether those reviewing applications are

qualified to do so, opaque internal review, reconsideration and appeals processes, and the withholding of documentary evidence by the CRA during appeals processes (Weissman & Buchanan, 2016).

4. Failure of current eligibility criteria to accurately represent limitations in activities

Some existing eligibility provisions may not be accurately assessing whether a person has a severe and prolonged impairment that impacts their basic activities of daily living. This may be contributing to lower take-up. Examples include:

- **Strict criteria related to life-sustaining therapy restrict many people with relevant impairments.** In some cases, the time threshold in therapy is too long and/or required treatments fall outside of those deemed eligible. This includes the CRA's most recent action in repealing DTC eligibility for many people with diabetes on the basis that the time that a device such as a portable insulin pump takes to deliver therapy does not qualify as life-sustaining therapy (JDRF, 2017). This and related criteria – including that time allocated to calculating carbohydrates is not currently allowed despite being an essential and inseparable function to calculating insulin dosage – have been criticized as being arbitrary and lacking evidence (Williams and Prowten, 2017).
- **Strict criteria for mental illnesses.** For example, it is required that problem solving, goal setting and judgment all be present for an applicant to be deemed eligible for the DTC. It has been argued that this is a stricter requirement than for an applicant with a physical impairment (Cohen, 2017).
- **The required duration of an impairment (90 per cent of the time) for mental illnesses is incongruent with the nature of these disabilities.** Some disabilities are temporary, episodic and change in nature and severity over the course of the person's life (Schizophrenia Society of Ontario, 2014). This has also been addressed in case law, which has recognized both the constant vulnerability of relapse for a person with a mental illness even if the illness is not present most of the time, and that a mathematical formula is not an appropriate measure of the effects of an impairment ("Buchanan vs. The Queen, 2001 CanLII 763 (TCC)," 2001; "Watts vs. The Queen, 2004 TCC 535 (CanLII)," 2004).

SUGGESTED POLICY ACTIONS TO REDUCE BARRIERS TO UPTAKE OF THE DTC AND RELATED BENEFITS

It is clear that more information and reforms to administrative processes are needed to reduce barriers to utilization of the DTC. More broadly, there is a need to pursue and develop policy that addresses social policy objectives and improves supports for low-income Canadians with disabilities. Given that different policy objectives will likely require different policy instruments, these supports should be considered separately from the DTC, which is designed to address horizontal equity in the tax system. It is in this context we recommend actions to both improve uptake of the DTC and related benefits.

1. **Better information is needed.** Monitoring and evaluation of any program require accurate data to determine whether the program is meeting its stated goals. The lack of linked disability population data and benefit utilization data make it difficult for anyone – including the federal government – to assess how effective the DTC is in reaching its target population and where efforts should be taken to improve awareness and access. This is particularly important given the DTC's role as a prerequisite to other benefits (with more of a social policy objective). The absence of any timely national data for children with disabilities is also a concern. We currently

cannot evaluate the impact of disability benefits like the DTC or the Child Disability Benefit for children with disabilities, including those on eligible therapies.

2. **Improve administration of the DTC.** The recent announcement of the reinstatement of the Disability Advisory Committee (DAC) in 2018 is a promising step towards improving access to the DTC. The DAC's mandate is to review the existing administrative practices and provide advice to the CRA on improving awareness, utilization and the CRA's administration and interpretation of laws and programs relating to disability tax measures (Canada Revenue Agency, 2017). We hope the DAC will address the barriers outlined and suggest some specific recommendations to this effect.
    - **Introduce a clear and transparent review and appeals process for the DTC.** This involves ensuring appropriately trained staff are assessing DTC application forms, internal eligibility decisions are made in a reliable and consistent manner, and that a clear and transparent appeals process is established for those denied eligibility.
    - **Consider a new disability assessment process for disability benefits, decoupling eligibility for other important benefits from the DTC.** By design, the DTC is not a universal benefit – it is a tax-fairness measure that benefits those who pay taxes. Using eligibility to a benefit that does not provide value to all individuals with qualifying disabilities as a gateway to benefits with other policy objectives, is poor design. This could be resolved by separating the eligibility determination from the DTC. One solution, which warrants more investigation, could be the development of a single new assessment process, where different components could be used to determine access to different benefits, including the DTC, the RDSP and the Child Disability Benefit. This would provide an opportunity to address concerns around existing eligibility provisions, better align different eligibility requirements to programs with different aims and enshrine criteria clearly in legislation. This would also provide an opportunity to develop more appropriate criteria based on internationally recognized criteria such as the WHO's International Classification of Functioning, Disability and Health (ICF).[8] Given that our main population survey by Statistics Canada is designed based on these criteria, this would also improve our ability to assess utilization of benefits. If used only to determine eligibility for federal tax measures, this assessment process could continue to be administered by the CRA, although it may be better located within another institution such as the ESDC (which currently undertakes disability assessments for the Canada Pension Plan Disability program and also jointly administers the RDSP).
3. **Improve support for individuals with disability living in low income.** The focus on the design and barriers to the DTC does not address a more fundamental social policy issue: existing supports for people with disabilities and their caregivers – particularly those living in low income – are not adequately meeting their needs. Adults without employment history and children with disabilities, living in low income, rely predominantly on provincial supports that are not portable, vary significantly in value and design between provinces and can be difficult to navigate. Broader consideration and co-ordination of policy measures that guarantee improved access, independence, portability and support for low-income individuals with disability are needed.

[8] The ICF is a classification of health and health-related domains based on body, individual and societal perspectives. It provides a universal framework for defining disability and conceptualizes health and disability in a comprehensive manner, highlighting interactions among impairment, function and disability. In contrast, the DTC certification process has been criticized as being too restrictive in how disability is defined, neglecting important concepts critical for disability assessments such as interactions between individuals and their physical and social environment (Conti-Becker et al., 2007).

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APPENDIX 1: ESTIMATED UPTAKE OF THE DTC BY AGE AND BY PROVINCE IN 2014

	Individuals with DTC eligibility[1] (1)	Prevalence of severe disability[2] (%) (2)	Population with severe disability[3] (3)	Estimated take-up of the DTC[4] (%) (1 ÷ 3)
Age[5]				
0-18[6]	189,653	n/a	n/a	n/a
19-34	121,146	1.8 – 2.8	138,868 – 217,887	87.2 – 55.6
35-49	113,114	2.8 – 8.5	200,151 – 614,362	56.5 – 18.4
50-59	153,169	8.5	453,772	33.8
Province (19-59 year olds)				
Alberta	36,632	4.0	99,577	36.8
British Columbia	55,437	5.0	133,218	41.6
Manitoba	20,089	5.1	36,341	55.3
New Brunswick	12,089	6.6	27,613	43.8
Newfoundland & Labrador	10,567	5.6	16,565	63.8
Nova Scotia	17,246	6.5	34,283	50.3
Ontario	163,554	5.9	464,275	35.2
Prince Edward Island	2,774	4.8	3,806	72.9
Quebec	57,953	3.5	162,944	35.6
Saskatchewan	10,255	4.6	28,778	35.6
Total	**386,596**	**5.0**	**1,007,452**	**38.4**

1 Excludes those claiming the DTC living outside of Canada. Data provided by the CRA upon request.

2 For age groups, this includes upper and lower severe disability prevalence given that age bands in the CSD do not correspond to those from the CRA data. Age groups in the CSD are as follows: 15-24, 25-44, 45-64 and 65+.

For provinces, this prevalence refers to a broader age band (15 to 64 years) than for the DTC data from the CRA, that is 19- to 59-year-olds. Prevalence rates are calculated from Statistics Canada Canadian Survey on Disability 2012.

3 Prevalence rates in previous columns applied to population data from Statistics Canada.

4 This is only a rough estimate given the discrepancies between the two data sources from the CRA and from Statistics Canada described in footnote 2. Nevertheless, given available information this is the best estimate possible.

5 Data in this section include both provinces and territories.

6 There are no timely data on the prevalence of severe disability among children in Canada.

Sources: (Canada Revenue Agency, 2014a; Statistics Canada, 2012, 2017)

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