NATIONAL INSTITUTE ON AGEING

National Institute on Ageing
Ted Rogers School of Management
350 Victoria St. Toronto, ON, M5B 2K3

Submission to the Department of Finance Canada

RE: Amendments to the *Income Tax Act* and *Income Tax Regulations* to Streamline the Application Process for the Disability Tax Credit

Introduction

Founded in 2016, the National Institute of Ageing (NIA) is a research institute housed at Toronto Metropolitan University with a mission to improve the lives of older adults and the systems that support them. Over the past decade, the NIA has established itself as a leading voice on ageing policy. Our vision remains clear: a Canada where older adults feel valued, included, supported and better prepared to age with confidence.

Canada is rapidly ageing. Today, nearly one in five Canadians is aged 65 or older.[1] In 2023, 40.4% of Canadians in this age group had a disability.[2] As the population of older Canadians grows, so too will the number of Canadians living with disabilities.[3] Older adults are also disproportionately represented in lower-income brackets,[4] leaving many with fewer resources to absorb disability-related costs. Fair, accessible, and compassionate disability-support systems are more important than ever.

Yet the Disability Tax Credit (DTC)—a key federal tax measure for low-income Canadians with disabilities—remains severely underutilized despite its importance to Canada's ageing population: in 2024, people aged 55 or older accounted for more than half (54%) of DTC certificate holders.[5] Statistics Canada (2026) reports that only 14.6% of persons with disabilities, and only 34.8% of those with very severe

[1] Statistics Canada. (2025, January 28). *Population Projections for Canada, Provinces and Territories: Interactive Dashboard.* https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2022015-eng.htm
[2] McDiarmid, C., & Choi, R. (2026, March 17). *Technical report on disability measurement in Canada*. Statistics Canada. https://www150.statcan.gc.ca/n1/pub/89-654-x/89-654-x2026001-eng.htm
[3] Guay, M., Dubois, M. F., Corrada, M., Lapointe-Garant, M. P., & Kawas, C. (2014). Exponential increases in the prevalence of disability in the oldest old: a Canadian national survey. *Gerontology, 60*(5), 395–401. https://doi.org/10.1159/000358059
[4] Mattison, C. A., Gauvin, F.-P., & Wilson, M. G. (2018, March 30). *Rapid synthesis: Identifying tax benefits or incentives to reduce poverty among older adults*. McMaster Health Forum. https://macsphere.mcmaster.ca/bitstreams/729151e9-3e34-4fe7-b8ae-b891e8dcd7a0/download
[5] Canada Revenue Agency. (2026, January 12). *Disability Tax Credit Statistics – 2015 to 2024 Calendar Years.* Government of Canada. https://www.canada.ca/content/dam/cra-arc/prog-policy/stats/dtc-stats/dtc-2024-tbl4-en.pdf

disabilities, claim the credit.[6] Those with mental-health related disabilities were least likely to claim the DTC compared to other types of disability.[7] This low uptake is concerning because the DTC also serves as a gateway to 17 federal disability programs, including the Canada Disability Benefit, and simplifies access to provincial and territorial income assistance and tax credits.[8] For many older Canadians, barriers to the DTC application process directly threaten their financial well-being and security.

The NIA applauds recent federal efforts to streamline DTC applications and expand the list of certifying medical practitioners. To build on this progress and help Canada's growing population of older adults access the benefits they need and deserve, we recommend the following priority actions to further reduce administrative barriers:

1. Modernize the DTC's Definition and Determination of Disability

The DTC relies on one of the most restrictive definitions of disability in all of Canada's disability support programs.[9] Consequently, it excludes hundreds of thousands of people with disabilities who otherwise qualify for disability-related social assistance. Recent research estimates that only 40% of working-aged adults with a severe disability in Canada successfully meet the Canada Revenue Agency's (CRA) strict eligibility threshold.[10]

Beyond this overly restrictive definition, the CRA internally interprets the requirement that an impairment be present "all or substantially all of the time" to mean 90% of the time. This strict measuring stick is difficult for medical practitioners

---

[6] McDairmid, C. & Choi, R. (2026). *Technical report on disability measurement in Canada*. Statistics Canada. https://www150.statcan.gc.ca/n1/pub/89-654-x/89-654-x2026001-eng.htm at Table 4.5.
[7] McDairmid, C. & Choi, R. (2026). *Technical report on disability measurement in Canada*. Statistics Canada. https://www150.statcan.gc.ca/n1/pub/89-654-x/89-654-x2026001-eng.htm at Table 4.5.
[8] Canadian Centre for Caregiving Excellence. (2025). *A national caregiving strategy for Canada*. https://canadiancaregiving.org/wp-content/uploads/2025/02/National-Care-Giving-Strategy-FINAL-WEB.pdf
[9] Oliveira, T. & White, A. (March 2026). *"Definitions of Disability" (within Social Assistance Summaries, 2024).* Maytree. https://maytree.com/wp-content/uploads/Spotlight_Social_Assistance_Summaries_2025.pdf
[10] Dunn, S., & Zwicker, J. D. (2018). Why is uptake of the Disability Tax Credit low in Canada? Exploring possible barriers to access. *The School of Public Policy Publications, 11*(2). https://journalhosting.ucalgary.ca/index.php/sppp/article/view/43187/30949?utm

to apply and ignores the dynamic nature of many disabilities.[11] The challenge is even more acute for episodic disabilities, whose effects fluctuate unpredictably between periods of good and ill health, and for disabilities affecting mental functions.[12] A single appointment may not capture how these disabilities restrict a person's daily activities, making it difficult for a practitioner to describe those restrictions accurately.

Canadian medical practitioners have also questioned whether the 90% policy provides meaningful practical guidance. During a 2020 CRA focus group held by the Disability Advisory Committee (DAC), most of the participating medical professionals said that the 90% threshold was difficult, if not impossible, to observe and that they therefore paid little attention to it.[13] Several psychologists added that a fixed percentage is especially ill-suited to assessing mental functions such as memory, judgment and control.[14]

The CRA should discontinue its 90% policy and eliminate all references to "90% of the time" from the DTC application form. This change would align with guidance from Canadian courts, which emphasize that DTC provisions in the ITA must be interpreted "liberally, humanely and compassionately and not narrowly and technically," with any doubt resolved in favour of the taxpayer.[15] It would also follow the unanimous recommendation of medical professionals who participated in the 2020 CRA focus group.[16]

---

[11] Finlay, B., Roth, C., Chipeur, S., Fyie, K., Maldonado Leon, N., & Zwicker, J. (2024). *2024 fifth annual report of the Disability Advisory Committee*. Canada Revenue Agency. https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/disability-advisory-committee/2024-full-report.html

[12] Finlay, B., Roth, C., Chipeur, S., Fyie, K., Maldonado Leon, N., & Zwicker, J. (2024). *2024 fifth annual report of the Disability Advisory Committee*. Canada Revenue Agency. https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/disability-advisory-committee/2024-full-report.html; Gewurtz, R., Dixon, A., Richards, A., & Tompa, E. (2024). *The Disability Tax Credit program: A review of the literature and key informant interviews*. Inclusive Design for Employment Access (IDEA). https://www.vraie-idea.ca/sites/default/files/2024-10/The%20DTC%20Program_Report.pdf

[13] Leger. (2020). *Disability Tax Credit focus groups with medical practitioners: Final report*. Canada Revenue Agency. https://publications.gc.ca/collections/collection_2021/arc-cra/Rv4-147-1-2021-eng.pdf at p 7.

[14] Leger. (2020). *Disability Tax Credit focus groups with medical practitioners: Final report*. Canada Revenue Agency. https://publications.gc.ca/collections/collection_2021/arc-cra/Rv4-147-1-2021-eng.pdf at p 7.

[15] *Craven v. The Queen*, [1995] T.C.J. No. 239; *Radage v. R.* (1996), 96 D.T.C. 1615; *Johnston v. R.* [1998] 2 C.T.C. 262

[16] Leger. (2020). *Disability Tax Credit focus groups with medical practitioners: Final report*. Canada Revenue Agency. https://publications.gc.ca/collections/collection_2021/arc-cra/Rv4-147-1-2021-eng.pdf

To ensure that DTC's framework protects and accurately reflects disability in later life, we recommend:

> **Recommendation 1:** Adopt a broader, less restrictive definition of disability to replace the current definition in the *Income Tax Act*. Ensure that this definition aligns with modern frameworks and definitions used in legislation such as the *Accessible Canada Ac*t.
>
> **Recommendation 2:** Cease interpreting "all or substantially all of the time" as 90% of the time. This interpretation is impractical and conflicts with Canadian jurisprudence. Moving forward, interpret the phrase "all or substantially all of the time" flexibly to provide meaningful practical guidance to medical professionals and properly reflect the dynamic nature of many disabilities.[17]

2. Reduce DTC Application Complexity to Protect Older Applicants

Administrative burdens actively prevent older adults from accessing the DTC. Qualifying for the DTC requires gathering and completing tax forms, medical certificates, supporting records, and, for some applicants, regular requalifications. This complexity places a particular burden on older adults with disabilities, who may also be managing cognitive decline, limited mobility, or shrinking social networks. Removing these barriers is essential to protect their financial security.

Financial and Geographical Barriers

Up-front, out-of-pocket certification fees deter older adults with low incomes from applying. The DTC requires certification by an authorized medical practitioner, who generally charges a fee to review and complete their portion of the form. The federal government estimates that medical practitioners charge an average of $125, while frontline organizations report significantly higher fees, particularly in complex cases. Previous federal budgets promised a partial reimbursement system, but this leaves out too many applicants. The federal government should establish a direct federal reimbursement system so that applicants do not bear this cost.[18]

---

[17] Finlay, B., Roth, C., Chipeur, S., Fyie, K., Maldonado Leon, N., & Zwicker, J. (2024). *2024 fifth annual report of the Disability Advisory Committee*. Canada Revenue Agency. https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/disability-advisory-committee/2024-full-report.html

[18] Government of Canada. (2026). *Information for health care professionals*. https://www.canada.ca/en/services/benefits/publicpensions/cpp-disability-benefit/medical-professionals.html

Recommendation 3: Directly reimburse medical practitioners for certifying DTC applications, as already occurs with Canada Pension Plan disability benefit applications.

The Spring Economic Update 2026 takes the welcome step of expanding the list of practitioners authorized to certify certain impairments.[19] We urge the federal government to continue expanding this list. Limited access to authorized practitioners creates a significant barrier for older adults with disabilities, especially those living in rural, remote, and northern communities. This is critical - although approximately 18% of Canadians live in rural communities, only 7% of physicians practice there.[20] Rural residents are also more likely to be older, experience more chronic conditions and have fewer healthcare options than their urban counterparts.[21]

Recommendation 4: Continue to expand the list of medical practitioners authorized to fully certify disability for the DTC.

Taking a broader systemic perspective, the entire DTC application process must be reoriented to centre the applicant and their lived experiences. The current application process gives medical physicians primary responsibility for describing applicants' functional limitations. Yet a clinical appointment frequently fails to account for the diverse, day-to-day realities of ageing with a disability. Older adults themselves are best placed to explain how their conditions affect self-care and daily activities. Applicants should therefore complete the functional assessment, with practitioners confirming or supplementing its accuracy rather than writing the account for them. Applicant-completed assessments would align with the principles of the United Nations Convention on the Rights of Persons with Disabilities and the principle of "Nothing About Us Without Us."[22]

This applicant-centred approach would also reduce administrative strain on our healthcare system. A physician takes an average of 36 minutes to complete their

[19] Government of Canada. (2026). *Canada Strong for All: Spring Economic Update 2026.* https://budget.canada.ca/update-miseajour/2026/report-rapport/pdf/update-miseajour2026-eng.pdf

[20] Canadian Institute for Health Information. (2025, October 30). *A profile of physicians in Canada*. https://www.cihi.ca/en/a-profile-of-physicians-in-canada

[21] Rush, K. L., Seaton, C. L., Burton, L., Smith, M. A., & Li, E. P. H. (2025). The healthcare experiences of rural-living Canadians with and without a primary care provider: a qualitative analysis of open-ended cross-sectional survey responses. *Primary health care research & development, 26*, e1. https://doi.org/10.1017/S1463423624000677

[22] Finlay, B., Roth, C., Chipeur, S., Fyie, K., Maldonado Leon, N., & Zwicker, J. (2024). *2024 fifth annual report of the Disability Advisory Committee*. Canada Revenue Agency. https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/disability-advisory-committee/2024-full-report.html

portion of the initial DTC application, and complex cases involving multiple disabilities or specialists may take several hours.[23]

> **Recommendation 5:** Create a new, plain-language DTC application form, designed in collaboration with older adults, caregiver organizations, and medical practitioners. The form should empower applicants to complete the functional assessment themselves, asking practitioners only to certify accuracy.

> **Recommendation 6:** Increase funding for the Disability Benefit Navigation program, which supports community-based organizations in helping people access the DTC, the Canada Disability Benefit, and provincial and territorial disability benefits. Services should be free, culturally and linguistically appropriate, and available through in-person methods.

> **Recommendation 7:** Allow supported decision-making in DTC applications and administration. Permit older adults to receive help from trusted supporters while preserving their autonomy, privacy, and legal capacity, with safeguards against conflicts of interest and financial abuse.

Eliminate Redundant Reassessments

As of 2027, a qualified medical practitioner would only need to confirm the diagnosis of DTC applicants with a listed long-lasting medical condition, rather than certify that the impairment is severe and prolonged, or explain how it affects the applicant's daily life.[24] While this measure would reduce the burden of a DTC application, it does not address the CRA's unnecessary use of temporary DTC certificates or establish a simplified renewal process.

Older adults with permanent, progressive, or irreversible disabilities should not have to repeatedly prove their impairments. In 2022, approximately one-third of DTC certificates were temporary, and evidence suggests that some were issued for permanent, progressive, or irreversible lifelong disabilities.[25] Unnecessary reapplication imposes costs, stress, and uncertainty for applicants and strains an already burdened health-care system. As one advocate put it: "many people with

---

[23] Disability Without Poverty. (2026). *Fix the Disability Tax Credit (DTC): Urgent Reform Needed to Support Canadians.* https://www.disabilitywithoutpoverty.ca/en/dwp-media/fix-disability-tax-credit-dtc-urgent-reform-needed-support-canadians

[24] Government of Canada. (2026). *Canada Strong for All: Spring Economic Update 2026.* https://budget.canada.ca/update-miseajour/2026/report-rapport/pdf/update-miseajour2026-eng.pdf

[25] Disability Advisory Committee. (2024). *Fifth Annual Report of the Disability Advisory Committee.* https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/disability-advisory-committee/2024-full-report.html

disabilities are really tired of verifying that they didn't grow out of their Down's Syndrome."[26]

The Spring Economic Update 2026 leaves another gap: older adults may still have to prove their disability separately for federal, provincial, and territorial programs. Because regional disability support systems already rely on rigorous evaluations, recognizing them for Disability Tax Credit (DTC) qualification would eliminate duplication and accelerate access to federal support. Implementing a consistent definition of disability supported by a cross-jurisdictional data-sharing framework would ensure that older adults receiving provincial or territorial benefits are automatically granted DTC eligibility.

> **Recommendation 8**: Recognize provincial disability program eligibility and automatically extend federal disability certification to people already receiving disability benefits through provincial or territorial social assistance programs.

> **Recommendation 9**: Reduce the unnecessary use of temporary DTC certificates, along with a commitment to establish simplified renewal processes nationwide, building on the recent Manitoba pilot.[27]

To honour its human rights commitments under the UN Convention on the Rights of Persons with Disabilities, Canada must design all reforms in partnership with people with disabilities. This aligns with the treaty's core principle of "nothing about us without us," which affirms that people with disabilities must be meaningfully involved in decisions that affect them.

Thank you for considering these recommendations to support Canada's ageing population. For more information, please contact:

Rizwan Khan, J.D.
Legal Researcher & Analyst
National Institute on Ageing
rizwan.khan@torontomu.ca

[26] Gewurtz, R., Dixon, A., Richards, A., & Tompa, E. (2024). *The Disability Tax Credit program: A review of the literature and key informant interviews*. Inclusive Design for Employment Access (IDEA). https://www.vraie-idea.ca/sites/default/files/2024-10/The%20DTC%20Program_Report.pdf
[27] Doctors Manitoba. (2025). *Manitoba Pilots Shorter DTC Renewal Form.* http://doctorsmanitoba.ca/news/mb-pilots-shorter-dtc-form