Chapter Six
Financial Assistance

6.1 Tax Credits & Deductions

Much of the financial assistance from the government for people with intellectual disabilities and their families is distributed through the tax system. Depending on your situation, when you file your income tax return, you may be eligible for some tax credits. The credits come in two forms: the most common is the *non-refundable tax credit* that can enable you, in some instances, to reduce the amount of tax you pay to $0; the other kind is the less common *refundable tax credit*, which can reduce your taxes below $0 and entitle you to a payment from the government.

Tip: It is possible to transfer unused, non-refundable tax credits from a child or a dependent adult. If you are married or have a common-law partner, typically the person with the lowest income claims these credits first, and the balance is transferred to a spouse on line 326 of your federal tax form.

Disability Tax Credit

The Disability Tax Credit (DTC) is a non-refundable tax credit that was created to reduce the amount of tax paid by adults with disabilities. The DTC is on line 316 of your Schedule 1 tax form. Because it is non-refundable, it does not help the many people who live in poverty and already do not pay taxes. If your child is eligible for this credit but their income is too low to use it, it could be transferred to you as a caregiver on line 318 of the tax form. When you have claimed an amount for a dependent adult or child on lines 305, 307, or 315, then your child can transfer their credit to you.

The DTC is a federal credit, but for those who qualify, Saskatchewan has the same credit available for provincial income tax. It is the same amount and it is on line 5844 of your Saskatchewan T1 general form. It can be transferred from your child to you on line 5848.

Eligibility: The person applying for the DTC qualifies if they have a prolonged "impairment," meaning that the impairment has lasted, or is expected to last for a continuous period of at least 12 months; and their impairment must be present at least 90% of the time. The person must also must meet one of the following criteria:

- Be blind.
- Be markedly restricted in at least one of the basic activities of daily living.
- Be significantly restricted in two or more basic activities of daily living (can include a vision impairment).
- Need life-sustaining therapy.

"Markedly restricted" means that you cannot do or it takes you a long time to see, walk, speak, perceive, think, remember, hear, eat, dress, eliminate waste (even with therapy, devices, and medication).

A person also qualifies for DTC if they dedicate at least 14 hours a week to "life-sustaining" therapy that is needed to support a vital function. Additional details about the applications and the eligibility criteria for the DTC can be found on the Canada Revenue Agency website.

How to Apply: To determine if a person is eligible for the DTC, you must fill out and submit Form T2201, also called the Disability Tax Credit Certificate. You can find it on the Canada Revenue Agency website. This certificate has very specific, narrow criteria for the definition of a disability. We recommend that you make sure you have a good family doctor who knows your child well and will fill out Form T2201 in your child's best interest. Family members can help doctors with applications by providing detail about the areas in which a person is experiencing significant impairments in the functions of daily living. Be sure to provide the form to the CRA yourself, so that you can review it and make sure that it truly reflects your child's experience of disability. Periodically, you may be asked to reapply for the DTC.

If your child is denied the DTC, you still have options:

- The first option is to reapply. You may get a different CRA adjudicator who will approve the application. In addition, disabilities change with time. If your child has lost certain functions of daily living over time, there may be a stronger case now for the Disability Tax Credit. You can also apply again with a different medical practitioner, who may be better able to supply a complete picture of your child's disability.
- You can call the CRA at1-800-959-8281 to ask questions or discuss the application that was denied.
- You can request a review of your application by contacting CRA in writing. Your request must include any relevant medical information that you have not already sent, such as new or updated medical reports, or a letter from a medical practitioner who is most familiar with your situation.
- Within 90 days, you can formally object to the decision of the CRA by filing an appeal. Once you file the appeal, the CRA will assign you an appeals officer. (It can take up to nine months for you to receive an officer.) This officer will review your file and make a decision about your case. In these situations, an Inclusion SK consultant can help.

It is a good idea to get the Form T2201 filled out before tax time and send it in. Canada Revenue Agency suggests this as a tax tip in order to get your claim processed faster. The certificate that a doctor or another qualified person fills out is the same form that you need to have filled out in order to receive the Child Disability Benefit or the Disability Supplement. Your local tax office has copies.

Medical Expense Tax Credit

The Medical Expense Tax Credit is a non-refundable tax credit you can claim for medical expenses you paid for on behalf of a child or a relative who is dependent on you for support. You can claim the full amount unless you have already been reimbursed by private insurance. You can calculate the expenses for any 12-month period that ends within that tax year. You must keep your receipts for all medical expenses that you plan to claim under this credit. On line 330 of your federal tax form (line 5868 on your Saskatchewan form), you will enter the total amount that you spent on medical expenses. You then calculate the amount you can claim on line 332 of your federal form by following their calculation formula. A full and detailed list of the medical expenses you are able to claim can be found on the Government of Canada's website.

Canada Caregiver Credit

The Canada Caregiver Credit (CCC) helps caregivers with expenses involved in caring for a family member who has a physical or mental impairment. An individual is considered to be dependent on you for support if they regularly rely on you to provide them with some or all of the necessities of life such as food, shelter and clothing. You can claim the CCC on different lines of your tax return depending for whom you are claiming an amount. The amount you can claim will also depend on your relationship to the person for whom you are claiming the CCC, your circumstances, the person's net income, and whether you claim other credits for that person. CRA may ask for a signed statement from a medical practitioner showing when the impairment began and what the duration of the impairment is expected to be.

Refundable Medical Expense Supplement

The Medical Expense Supplement is a refundable tax credit that is for working people with low incomes and high medical expenses. You can claim all amounts paid, even if they were not paid in Canada. This supplement is only federal, so there is no provincial refund. You can only claim this supplement if you have not claimed the medical expenses anywhere else.

Disability Support Deduction

If your adult child paid for personal care support, they can deduct that amount from their taxes if they hired the support so that they could work or go to school. The person claiming this deduction must fill out the federal Form T929 to figure out the deduction, and then enter that amount on line 215 of their federal tax form.

Canada Child Benefit

The Canada Child Benefit (CCB) is a tax-free monthly payment made to eligible families to help with the cost of raising children under 18 years of age. Benefits are paid over a 12-month period from July of one year until June of the following year. Your benefit payment will be recalculated every July based on information from you and, if applicable, your spouse's, income tax and benefit returns from the previous year. The CRA uses information from your income tax and benefit return to calculate how much your CCB payments will be. To get the CCB, you have to file your return every year, even if you did not have income in the year.

Child Disability Benefit

The Child Disability Benefit is a tax-free monthly payment made to families who care for a child under the age of 18 with a severe and prolonged impairment in physical or mental function. In order to be eligible for the child disability benefit, you must be eligible for the Canada Child Benefit and your child must qualify for the Disability Tax Credit. If you are already receiving the Canada Child Benefit for your child who is eligible for the disability tax credit, you do not need to apply for the Child Disability Benefit, as you will receive it automatically.

Children's Special Allowance

The Children's Special Allowance (CSA) is a tax-free monthly payment for a child who is maintained by a government department and living in a group or foster home. Foster parents can receive this benefit, along with the CCTB cheque. If you are fostering a child with a disability, it is important to know that you are entitled to receive these benefits. Child and Family Services can redirect the Children's Special Allowance cheque to the foster parent with Form RC64, which can be found on the Government of Canada's website.

6.2 Income Support & Financial Programs

Saskatchewan Assured Income for Disability (SAID)

The Saskatchewan Assured Income for Disability is an income support program intended to provide long-term income support to Saskatchewan residents, 18 years of age or older, who:

- Have disabilities that are significant and enduring, irrespective of whether the disabilities are physical, psychiatric, cognitive, or intellectual in nature.
- Have insufficient income from employment or other sources to permit self-sufficiency.
- Are not expected to attain long-term financial self-sufficiency through employment or self-employment given available treatments or supports.

SAID benefits include three main components:

1. **The Living Income:** individuals will receive a fixed amount of monthly income which allows them opportunity to make decisions to have more control over how the person is spending their income.
2. **The Disability Income:** income that is designed to help with costs related to the impact of disability.
3. **The Exceptional Need Income:** income that helps individuals with a number of special circumstances. For example, additional income is available for clothing recommended by a health professional, special food items, food and grooming costs associated with service animals, and homecare.

Individualized Funding for Home Care

The Saskatchewan Health Authority provides individualized funding in cases where people need acute, palliative, and supportive care in order to stay independent at home, based on the assessed need. If you are eligible and choose the individualized funding option, you are responsible for arranging, managing, and accounting for your child's support services. To learn more and to apply, contact the Saskatchewan Health Authority in your community. They will assess your child's level of care and determine eligibility.

Autism Spectrum Disorder Individualized Funding

The Saskatchewan Government has introduced individualized funding for parents of a child diagnosed with Autism Spectrum Disorder (ASD) who is under the age of twelve. Parents can use the funding to pay for services that best suit the needs of the child. This provides parents with the flexibility and freedom to choose from a range of therapeutic interventions and supports that will most benefit their child.

Families will receive their first benefit once their application has been approved and future benefits will be paid to them each year in the month of the original application date, until your child is over the age of twelve. You can find more information about this benefit and the application process on the Government of Saskatchewan's website.

Self-Directed Funding

Self-Directed Funding (SDF) is a funding option where funding is provided directly to adults who have intellectual disabilities. This gives them choice and control over their supports and services so they can live an inclusive life in their community and achieve their own personal goals. In order to be eligible for SDF, the individual must qualify for Community Living Service Delivery (CLSD) support. With SDF, a person-centered plan is developed for the individual, reflecting the individual's needs and goals. If the individual's plan is approved, the funding is given directly to the individual to implement the plan. The individual and their chosen representatives then manage the funding by selecting the supports that best suit their needs. SDF funding can only be used to hire staff that provide residential support and/or community inclusion/day programming.

If you chose a self-directed option, you need to understand that it is a lot of work. You will need to learn about being an employer and administering the funds for the services. Some families choose to take on the responsibility and manage the funds themselves. Other families decide to hire a third party, such as an accountant, to do the administration and provisions of the services.

Process: When a family is interested in SDF, the first step is to get into contact with us at Inclusion Saskatchewan so that we can set up an orientation meeting. If you decide to pursue SDF, one of our Inclusion Consultants will guide you through the application process (note: Inclusion Consultants do not make decisions about whether or not you are approved for funding). Once you have completed you application and submitted it to your CLSD worker, the next step is to wait until CLSD contacts you to say whether you have been prioritized for funding.

Funding: The funding amount is based on CLSD's funding guidelines. You will not receive any more funding than if you were accessing funding through a traditional service, such as a group home or a day program. The amount of funding you could receive is based on assessment scores. One assessment is called the Daily Living Skills Assessment (DSLA), which is for residential, and the other is called Day Program Skills Assessment (DPSA). The more support you need, the more funding you will need.

6.3 Saving For The Future

Registered Disability Savings Plan

A Registered Disability Savings Plan (RDSP) is a savings plan intended to help individuals save for their long-term financial security. You must be eligible for the Disability Tax Credit (DTC) in order to open and benefit from an RDSP. The RDSP is a registered saving plan for people with disabilities where the government can match your dollars, depending on income.

The Holder of the RSDP (the person who manages the plan and makes decisions around investments and payment options) can be the same person who benefits from the RDSP if he or she can enter into contracts. A parent, spouse, common-law partner or other legal representative can also help by becoming the Holder of the RDSP. Anyone can contribute to an RDSP (family members, friends, individuals themselves) up to a maximum of $200,000 total in a lifetime. For every $1 put in an RDSP, the federal government could match up to $3 depending on income. The Holder can invest the money in any way an individual or Holder chooses. Having a RDSP does not impact SAID benefits.

Saskatchewan Pension Plan

The SPP has been designed as a pension plan for individuals who do not have a way of contributing to other pension plans because they are self-employed, unemployed, living on social assistance, etc. Membership in SPP is open to anyone between 18 and 71 years of age. It doesn't matter where you live in Saskatchewan, what your income is, or whether or not you have a job.

Contributing to the plan is on your terms. You can contribute what you want when you want. When you have extra money you can contribute to the SPP or you can contribute a few dollars every month. If an SPP member is receiving social assistance or benefits from the Saskatchewan Assured Income for Disability program, the money in the plan is not considered an asset until they reach 65. According to the Saskatchewan Assistance Plan Policy Manual:

> *The SPP is not considered a financial resource to clients until age 65. Clients are required to explore other early retirement options (e.g. CPP, early retirement benefits). Adult clients may contribute up to $50 per month to a maximum of $600 per year of nonexempt wages or other earned income to the SPP. In two adult families, the maximum contribution is $100 per month ($1,200 per year) even if only one adult has earnings. Funds withdrawn from the SPP are exempt as long as they are retained for retirement purposes (e.g. placed in another long-term investment).*

For more information about SPP, go to the Saskatchewan Pension Plan website.

6.4 Road Map To The Future

If you are looking for more in depth information on any of the topics in this chapter, please refer to INSK's financial planning guide, *Road Map to the Future*. This guide puts complex situations and terms into easy–to-grasp language, providing background information for those who must plan for individuals with a disability. Now in its second edition, this guide includes what to consider when preparing a will, how to choose executors and trustees, how to make the most of RDSPs and the SAID income program, and information about guardianship and co-decision making. Road Map to the Future is available for download via www.inclusionsk.com/resources.