

Minister of Finance



Ministre des Finances

Ottawa, Canada K1A 0G5

JUL 11 2019

2019FIN485883

Mike Laliberte, Acting Executive Director
Tori Craig, BSW Student
Neighbourhood Legal Services (London & Middlesex)
910- 383 Richmond Street
London, ON N6A 3C4

Dear Mike Laliberte and Tori Craig:

Thank you for your correspondence of January 30, 2019, written on behalf of Neighbourhood Legal Services (London & Middlesex), which was referred by the Office of the Minister of National Revenue, the Honourable Diane Lebouthillier. Please excuse the delay in replying.

I know that living with a disability can have a significant impact on the lives of those affected and their loved ones. It is our Government's hope that by reducing the tax burden in these circumstances, the Disability Tax Credit (DTC) is playing a meaningful role in the day to day lives of Canadians.

We know that a significant number of individuals benefit from the tax relief available under the DTC. About 1.2 million individuals claimed the credit in 2015, and the DTC provides in excess of \$1.1 billion in tax relief annually. We are committed to making the DTC more accessible, and we recognize that more needs to be done.

To ensure more options for Canadians who want to apply for the DTC, we made a change in 2017 to recognize nurse practitioners as one of the medical practitioners who can certify the DTC application form. With over 4,500 nurse practitioners across Canada, this change is improving access to the DTC, and in particular, benefitting those who live in areas where nurse practitioners are the first point of contact with the medical system.

I am also pleased to share two important changes our Government is making through Budget 2019 to support Canadians with disabilities and their families. Budget 2019 proposes to eliminate the requirement to close a Registered Disability Savings Plan (RDSP) when an RDSP beneficiary no longer qualifies for the DTC. Doing so will allow grants and bonds otherwise required to be repaid to the Government of Canada to remain in the RDSP. Budget 2019 also moves to exempt RDSP assets from seizure in


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bankruptcy with the exception of contributions made in the 12 months prior to bankruptcy, similar to the treatment of Registered Retirement Savings Plans. Together these measures will better protect the long-term savings of persons with disabilities.

Our Government is engaging directly with Canadians with disabilities. In November 2017, our Government reinstated the Canada Revenue Agency's Disability Advisory Committee, which is providing advice on ways to improve the administration of the tax system to meet the needs of Canadians with disabilities. On May 24, 2019, the Committee released its first annual report, *Enabling access to disability tax measures*. As announced by Minister Lebouthillier, our Government is taking steps to implement the committee's recommendations around making the DTC easier to access, and will be collaborating with the Committee during the second year of its mandate to develop an approach to responding to more complex recommendations contained in the report.

Thank you for writing on behalf of Neighbourhood Legal Services.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Bill Morneau", followed by a period.

The Honourable Bill Morneau, P.C., M.P.