Issues Relating Social Affairs, Science and Technology Generally

to

The Standing Committee on Social Affairs, Science and Technology

Respectfully submitted by

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Disability Tax Credit and Registered Disability Savings Plan Eligibility for Canadians with Sight Loss

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Dear Chair, Senator Art Eggleton, and members of the Standing Committee on Social Affairs, Science and Technology. CNIB welcomes the opportunity to provide a submission for the committee's examination and report on issues relating to social affairs, science and technology.

Background

The Disability Tax Credit (DTC) originated during World War II as a $480 deduction from taxable income for persons who were totally blind and did not claim an amount for attendant care under the medical expense deduction. This provision was intended to recognize undocumented, non-discretionary costs that blind persons usually incur.

Today, the DTC has evolved to become a non-refundable, fixed credit against basic federal personal income tax that is available to a much larger population of persons with a full range of severe disabilities. It is intended to help offset their disability-related costs.

DTC Eligibility

Canadians experiencing vision loss are eligible to apply for DTC under the following criteria:

- “You are blind all or almost all of the time, even with the use of corrective lenses or medication, and the impairment is prolonged… This means visual acuity in both eyes with proper refractive lenses is 20/200 (6/60) or less with the Snellen Chart or an equivalent, or when the greatest diameter of the field of vision in both eyes is 20 degrees or less.”

As baby boomers age the numbers of Canadians who are blind or partially sighted will increase. For example, one in four people over the age of 75 will develop Age Related Macular degeneration (AMD). However, eye diseases such as AMD are progressive. Seniors with AMD may have a visual acuity of less than 20/70 but greater than 20/200 for an extended period, disqualifying them from accessing the DTC. However, with a visual acuity of 20/70 or less, a person is unable to drive, or read print without specific conditions of good lighting.

The DTC and the Registered Disability Savings Plan (RDSP)

Currently, if an RDSP beneficiary ceases to be eligible for the DTC, their RDSP must be terminated by the end of the year following the first calendar year throughout which the beneficiary has no severe and prolonged impairment.

There is a need for increased flexibility around the termination of an RDSP for people with episodic disabilities or changing eye conditions i.e. glaucoma and Diabetic Retinopathy which can fluctuate over time.

Recommendations

1. CNIB recommends including Canadians whose eyesight is impaired and visual acuity is 20/70 or less to be eligible for the DTC.

2. CNIB recommends that the DTC be a refundable tax credit. Many of CNIB’s clients live on fixed incomes and are currently ineligible to apply for the DTC. Canadians who are blind or partially sighted incur costs relating to their visual impairment i.e. cost of magnifiers to read or cost of travel.

3. Provide greater continuity for long-term saving by RDSP beneficiaries who cease to qualify for the DTC in certain circumstances by extending the period that their plans may remain open.