

Canada Disability Benefit: Update and FAQs

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After years of advocacy by disability communities, the federal government is now in the final stages of developing a new income supplement for people with disabilities, called the Canada Disability Benefit (CDB). The Canadian Mental Health Association (CMHA) has put together this fact sheet to inform our staff and people who use our services about this new benefit. While CMHA still has questions for the federal government about the benefit, and changes may still be coming, we hope this guide will help you prepare for its launch of the benefit. We will update this fact sheet when additional information becomes available.

The benefit is scheduled to be available starting in July 2025 to working-aged people who hold a Disability Tax Credit certificate. It will pay a maximum of \$2,400 a year or \$200 a month and be adjusted slightly in future years for inflation.

Here are some critical details to consider.

- 1. To apply for the benefit, you will need a valid Disability Tax Credit (DTC) certificate.** For more information about applying for the DTC, please visit Canada.ca. The government has committed to covering the cost of the medical forms needed for a Disability Tax Credit certificate, which people with disabilities currently need to pay for themselves, but details are not yet available.
- 2. ‘Claw backs’ are a possibility.** It’s possible that receiving the Canada Disability Benefit leads to people losing or getting less in benefits from their provincial/territorial governments or private insurance. We oppose “claw backs” like this and are pushing for governments to announce that they will not happen.
- 3. Difficulty accessing the Disability Tax Credit.** Some people with mental illnesses fail to qualify for the DTC. This includes some people whose illnesses are “episodic,” meaning that the person has periods of wellness alternating with periods of disability. CMHA continues to urge the federal government to make the Disability Tax Credit and the Canada Disability Benefit available to anyone with a mental health or substance use health disability.

If there’s a question we haven’t answered or you want to share your thoughts on government benefits for people with disabilities/mental health conditions, please reach out to us at policy@cmha.ca.

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Who will be eligible for the Canada Disability Benefit? Does it include people with mental illnesses/substance use disorders?

A valid Disability Tax Credit (DTC) certificate will be required for people to access the benefit. This means that only people with mental illnesses/substance use disorders who can qualify for the certificate will be able to receive this new benefit.

CMHA is advocating to make it easier for people with disabilities to get a Disability Tax Credit certificate, including those with mental health and substance use-related disabilities. (See more below about applying for the DTC).

To be eligible for the benefit, applicants will also have to be:

- Between the ages of 18 and 64
- A Canadian citizen, a permanent resident, a protected person under the Immigration and Refugee Protection Act, a temporary resident who has lived in Canada for the previous 18 months, or registered/entitled to be registered under the *Indian Act*
- A resident in Canada for income tax purposes
- Have filed a tax return for the previous year (starting with the 2024 tax year). If living with a spouse or common-law partner, that partner must also have filed their tax return

The amount of income reported for the previous tax year will also determine if you'll receive the benefit and how much you'll be given.

- For singles, the benefit amount drops to zero if annual income exceeds \$35,000 to \$45,000 (the exact threshold depends on how much income, if any, the person earns from employment)
- For couples where one person is eligible for the benefit, the benefit amount drops to zero if their combined income exceeds \$44,500 to \$58,500 (the exact threshold depends on how much, if any, of their combined income comes from employment)
- For couples where both are eligible for the benefit, the benefit amount drops to zero if their combined income exceeds \$56,500 to \$70,500 (the exact threshold depends on how much, if any, of their combined income comes from employment)

For more information about how the benefit amount will be calculated, [you can visit the federal government's website](#).

How much will the benefit pay?

- The benefit will pay recipients up to \$200 a month or \$2,400 for a full payment year. The exact amount of their benefit payment is based on a federal government formula that

considers individual income for single people and combined income for those who live with a spouse or common-law partner.

- An eligible single person would receive the maximum benefit amount if their previous year's income was less than \$23,000 to \$33,000, while an eligible person who lives with a spouse or common-law partner would receive the maximum benefit amount if their previous year's combined income was less than \$32,500 to \$46,500 (the exact income threshold to receive the maximum benefit amount depends on how much income, if any, was earned from employment)
- For people with higher incomes/combined incomes, the amount of the benefit would be reduced accordingly, up to a maximum level of income when no benefit would be paid.

The government has posted a [summary that you can read online](#), a [series of scenarios showing how the benefit would be calculated](#), as well as [the proposed regulations in detail](#).

How can I apply for the benefit and when will I start receiving it? Will I have to reapply each year?

The federal government is still figuring out the application process but has said that it will be managed by Service Canada and will offer multiple ways to apply (including online and in-person). The benefit will start being paid to approved applicants in July 2025.

If someone's monthly benefit payment is \$20 or less for the year, they would get a lump sum for the year.

Unless someone loses their eligibility for the benefit, they should not have to reapply for future years.

Will there be a process to appeal if an application is denied?

Yes. If an applicant doesn't agree with a decision about whether they qualify for the benefit or how much they're going to receive, they can request a review of the decision. They will have 180 days to submit a written request for this review but may be allowed more time under certain conditions. There is no cost to request a review. Further appeal processes can also be pursued.

Will recipients be able to work while collecting the benefit?

You may be able to work while collecting the benefit, depending on how much income you earn. You must stay below the maximum income threshold.

For more detailed information about earning exemptions and the proposed formula for calculating the benefit, visit Canada.ca.

My disability is episodic, so sometimes I need income support and other times, I can work. Will that impact my access to the benefit?

Potentially. Right now, the only way the government will allow access to the benefit (once it opens to applications) is through a valid Disability Tax Credit (DTC) certificate. When someone applies for the Disability Tax Credit, they will receive a decision granting them eligibility or not, either temporarily or permanently. (If it's temporary, you would have to reapply in future years, if you still need the DTC).

As an organization serving people who have mental illnesses and substance use disorders, CMHA will continue advocating for government supports that are easy to access for people whose disabilities—and how they impact daily life and the ability to work – fluctuate over time.

Will receiving the CDB mean I lose or collect less in other government or private insurance benefits?

Right now, we can't say for sure. Disability advocates and organizations, including CMHA, have argued strongly that there should be no claw backs of other income benefits, just because someone starts receiving the new Canada Disability Benefit.

According to media reporting, the governments of [Newfoundland and Labrador](#), [Nova Scotia](#), [Manitoba](#), and [Nunavut](#) have confirmed they have no plans to claw back their own benefits from those who receive the Canada Disability Benefit.

CMHA will continue to push to prevent claw backs in every province and territory as well as by private insurance companies.

What steps can people with disabilities take to get ready to apply for the Canada Disability Benefit?

Make sure that you file your taxes with the Canada Revenue Agency for the 2024 tax year (which you can do starting in February 2025), as this will be required to access the benefit when it launches. If you live with your spouse or common-law partner, make sure your partner has also filed their tax return.

Some Canadians will have access to auto tax-filing through targeted federal programs [but will only be able to file their taxes this way if they receive an invitation to do so](#). CMHA will continue to advocate for increased access to auto-filing for people who face financial or other barriers to completing a tax return.

For people who want to apply for the Canada Disability Benefit but do not currently have the required Disability Tax Credit certificate, the DTC is also a federal program so the Government of Canada provides detailed information about how to apply for it. For more information, [visit their website](#) or call [1-800-959-8281](tel:1-800-959-8281).

How can I apply for a Disability Tax Credit certificate, and how much will it cost?

[You can apply for a DTC certificate at any time](#). The federal government aims to process DTC applications within eight weeks of receiving them.

The government has also promised funding to cover the fees that medical practitioners charge to complete forms required for a Disability Tax Credit application (which typically cost around \$125). We are still waiting to find out when that funding will be available, and are pushing for it to happen as soon as possible, as DTC applicants may currently need to cover those costs themselves.

DTC applicants can choose from a variety of medical practitioners to complete these forms, depending on the condition(s) they have, including a medical doctor, nurse practitioner,

optometrist, audiologist, occupational therapist, physiotherapist, psychologist or speech-language pathologist.

Holding a DTC certificate can also provide access to other federal supports and tax measures, besides the new Canada Disability Benefit, such as the Registered Disability Savings Plan and the Disability Supports Deduction.

I want to see changes to the proposed Canada Disability Benefit. How can I get involved?

If you want to strengthen and support our advocacy efforts at the Canadian Mental Health Association, you can share your thoughts by emailing us at policy@cmha.ca. We are working to make the Canada Disability Benefit, Disability Tax Credit, and other government programs as helpful as possible for the people we serve.

About CMHA

The Canadian Mental Health Association (CMHA) is the most established, most extensive community mental health federation in Canada, with a presence in more than 330 communities across every province and the Yukon. CMHA provides advocacy, programs and resources that help to prevent mental health problems and illnesses, support recovery and resilience, and enable all Canadians to flourish and thrive.