

Extending the Eligibility for the Disability Tax Credit to Fight Poverty

A quantitative analysis

FULL REPORT



The Canadian
Tax Observatory

TABLE OF CONTENTS

Introduction.....	3
Section 1: Comparing Definitions of Disability Programs.....	4
The Disability Tax Credit.....	4
The Accessible Canada Act	5
Evaluating Inclusive Disability Definitions and Accessibility	6
Section 2: The Impact of Presumptive Eligibility Pathways . Error! Bookmark not defined.	
Methodology.....	16
Base Rates: Verification and Interpretation	17
Presumptive eligibility for CPP-D recipients	18
Presumptive eligibility for Provincial Disability Assistance recipients	21
Presumptive eligibility for CPP-D recipients and Provincial Disability Assistance Clients...	24
Section 3: Synthesizing the Evidence	Error! Bookmark not defined.
Access.	27
Fairness.	28
Targeting.	28
Administrative feasibility.	28
Recommendations.....	Error! Bookmark not defined.
1. Develop a new disability definition.....	29
2. Include whether a disability determination has been made on the T5007	30
3. If disability assistance recipients and/or CPP-D recipients are made presumptively eligible for the DTC, make it an alternate route, not the only route.....	30
Conclusion	Error! Bookmark not defined.
Technical Appendix.....	32
Calibrating Disability Assistance Recipients	32
References	35

Acknowledgements: The Canadian Tax Observatory thanks David Duff (professor and director of Tax LLM Program, Peter A. Allard School of Law, University of British Columbia) and Antoine Genest-Gregoire (assistant professor, department of taxation, University of Sherbrooke) for their thoughtful feedback on this paper.

We thank Inclusion Canada and Indigenous Disability Canada for their financial contributions and feedback.

Introduction

The DTC was originally designed as a tax credit. It recognizes that persons with severe and prolonged impairments bear non-discretionary costs that reduce their taxable capacity, and its strict functional test was calibrated to identify that population, not the broader population of people who are disabled in some meaningful sense. That design logic held so long as the DTC was only doing a tax job. It became more complicated when the DTC was made the eligibility gateway to the Canada Disability Benefit (CDB), an income support targeted at low-income working-age Canadians with disabilities. Once the DTC controlled access to an income-support program, whether it applies the right definition of disability is no longer only a question of tax design: it is a question of whether the right population is being reached by an anti-poverty program. This expansion in the role of the DTC is the focus of this report: it asks whether the DTC eligibility criteria are capturing the right population and, if not, how can it be expanded and what would that expansion look like.

This report is part of the second phase of the Broken Links project, prepared for the Canada Tax Observatory. It follows the first report which reviewed the existing evidence on the DTC and mapped the chain of access from eligibility to benefit receipt. Where the first phase documented how the current system works and where the links break down, this report turns to a forward-looking, quantitative question: what would change for access, cost, and poverty -- if eligibility for the DTC were extended to, or informed by, the disability determinations that other programs already make?

This report addresses two research questions:

- 1) How does the definition of disability used by the DTC differ from the Accessible Canada Act, the Canada Pension Plan Disability benefit (CPP-D) and provincial disability assistance benefits? Where do they align, diverge, and create gaps in access for low-income people?
- 2) How would access and targeting of the DTC change if eligibility were extended presumptively to people already receiving CPP-D/QPP-D and/or provincial disability assistance? What would these alternative pathways do to the incomes and poverty rates of low-income persons with disabilities, primarily through expanded access to the CDB?

The analysis for the second question is carried out using Statistics Canada's Social Policy Simulation Database and Model (SPSD/M), supplementing it with provincial disability assistance caseload data. We benchmark the size of the population reached against the estimate from Scott and Macdonald (2024) and measure the cost of the extension against the Department of Finance Canada (2025) projections for the Canada Disability Benefit under current rules. The SPSPD/M does not directly identify persons with disabilities: it identifies persons with a DTC certificate on file, and separately records receipt of CPP-D/QPP-D and provincial income assistance. We use CPP-D/QPP-D and provincial disability assistance receipt as observable proxies for the populations an extended DTC could reach, calibrating the estimates against external benchmarks.

A third question remains unanswered for now: how would access and targeting of the DTC change if the disability definition for the DTC changed to one related to severity, and thus incorporated episodic conditions? Answering this question requires additional confidential data and will be addressed in a future report. To carry out this analysis, we are pursuing confidential microdata—the 2022 Canadian Survey on Disability (CSD) linked to tax filer data (T1FF)—available only in secure Statistics Canada data

environments called Research Data Centres (RDCs), which would allow this and related questions to be modelled directly against income in future work.

The rest of this report proceeds in three sections. Section 1 compares the definitions of disability used by the DTC, the Accessible Canada Act, CPP-D, provincial disability assistance programs, and identifies where divergence between them creates gaps in access. Section 2 estimates how many additional people would gain DTC eligibility, and at what cost, under presumptive eligibility for CPP-D and provincial disability assistance recipients. It also estimates the effects of these pathways on the low-income rate and depth of low income among persons with disabilities. Section 3 synthesizes the findings and evaluates the trade-offs across four criteria: access, fairness, targeting, and administration. The final section concludes.

Section 1: Comparing Definitions of Disability Programs

This section compares the DTC's eligibility criteria against four others: the Accessible Canada Act (ACA), the Canada Pension Plan Disability benefit (CPP-D), and provincial and territorial disability assistance programs. The comparison is organized by the question: when Parliament made the DTC the eligibility gateway to the Canada Disability Benefit, how inclusive of a determination of disability did it apply, and how does it compare in inclusiveness to the CPP-D and provincial and territorial determinations of disability? The ACA provides the evaluative framework in answering this question. Enacted in 2019, it represents Parliament's answer to what inclusive disability means in Canada. Whether the DTC's criteria are consistent with that answer, in their definition and in their design, is the central question this section addresses. The comparisons that follow — with CPP-D and provincial disability assistance—trace where that inconsistency is sharpest and where it creates the most significant gaps in access for low-income Canadians with disabilities.

The Disability Tax Credit

The DTC is a tax instrument. Its purpose is "to provide for greater tax equity by allowing some relief for disability costs, since these are unavoidable additional expenses that other taxpayers do not face" (Eggleton, Petitclerc, and Seidman 2018, 4). It is designed to adjust tax liability to reflect a narrower measure of taxable capacity, for a specific, administratively defined population, not to determine who counts as disabled for any broader social or legal purpose.

With this purpose in mind, the DTC is available to an individual with one or more severe and prolonged impairments in physical or mental functions (Income Tax Act (ITA), RSC 1985, c 1 (5th Supp), s 118.3(1)). Two statutory tests operationalize this. First, an impairment is "prolonged" if it has lasted, or can reasonably be expected to last, for a continuous period of at least 12 months (ITA, s. 118.4(1)(a)). Second, the impairment must leave the individual "markedly restricted" in performing a basic activity of daily living: the individual must be blind, or unable, or must require an inordinate amount of time, to perform the activity, all or substantially all of the time, even with therapy, devices, and medication (ITA, s. 118.4(1)(b)). CRA guidance interprets "all or substantially all of the time" as a threshold of at least 90 percent (Income Tax Folio S1-F1-C2, para 2.6).

The Act enumerates a fixed list of basic activities of daily living: walking, feeding, dressing, hearing, speaking, eliminating bowel or bladder function, performing the mental functions necessary for everyday life, and undergoing life-sustaining therapy administered at least twice weekly for an average of not less than 14 hours a week (ITA, s. 118.4(1)(c) and (c.1)). The Act specifies that no other activity, including working, housekeeping, or a social or recreational activity, counts as a basic activity of daily living (s. 118.4(1)(d)), so employment and social participation are explicitly outside the test. An individual who is significantly, but not markedly, restricted in more than one of these activities can also qualify, if the combined effect of the restrictions is equivalent to a marked restriction in one activity (s. 118.4(1)(b.1)). Eligibility must be certified by a qualified medical practitioner on Form T2201, the Disability Tax Credit Certificate (s. 118.3(1)(a.2), (a.3)).

The DTC's eligibility criteria are, in short, a fixed, enumerated, medically certified functional test: it asks whether specific daily activities are impaired to a specific degree, for a specific minimum duration, as attested by a specific class of professional. That test was calibrated to identify the population whose taxable capacity is meaningfully reduced by the non-discretionary costs of disability. It was not designed to identify the broader population of people who are disabled.

This test was built to answer a tax question, but it has come to answer a much larger one. Beginning with the Registered Disability Savings Plan (RDSP) launched in 2008, DTC certification became a precondition for opening an RDSP and receiving its matching federal grants and bonds. Parliament subsequently attached the same eligibility requirement to other federal supports, including the Canada Caregiver Credit and the Canada Workers Benefit disability supplement, and, most recently, to the Canada Disability Benefit (CDB). In each case, the existing disability eligibility criteria for DTC certification was reused as the entry point for the new program rather than new eligibility criteria being set. This reuse is administratively convenient, but it is only good policy if the population the DTC's test identifies is also the population the new program is meant to reach. For the CDB, an income support benefit aimed at reducing poverty among working-age persons with disabilities, that assumption is where the tension is highest: a test calibrated to establish tax relief for costly, prolonged impairments is now also the test for who can access an anti-poverty benefit.

The Accessible Canada Act

In 2019 — four years before Parliament created the CDB and eleven years after DTC certification first became a federal gateway condition — Parliament enacted the ACA. The ACA is a rights and accessibility statute. Its stated purpose is to realize, by January 1, 2040, a Canada without barriers, principally by identifying and removing existing barriers to participation and preventing new ones from arising (ACA, SC 2019, c 10, s. 5). The ACA was not designed for tax purposes nor as a benefit-eligibility test. It states, authoritatively and without program-design constraints, what disability means in Canada.

Its definition of disability follows from that purpose. It includes any physical, mental, intellectual, cognitive, learning, communication, or sensory impairment, or a functional limitation, whether permanent, temporary, or episodic, and regardless of whether it is visible to others (ACA, s. 2). Where the DTC specifies a fixed list of restricted daily activities, the ACA's definition is relational: an impairment becomes a disability when, in interaction with a barrier, it "hinders a person's full and equal participation in society" (ACA, s. 2). No medical certification is required, no minimum duration applies, and episodic conditions are explicitly included rather than screened out.

Among the ACA's seven priority areas, one is particularly important to this report: the design and delivery of programs and services (ACA, s. 5(e)). The ACA's guiding principles require that programs offer persons with disabilities equal opportunity to participate and equal opportunity to benefit, and that persons with disabilities be involved in the design of programs that affect them (ACA, s. 6).

Parliament passed the ACA in 2019 and made the DTC the gateway to the CDB in 2023. There are two dimensions whereby the DTC is at odds with the ACA. The first is definitional. The population the ACA recognizes as disabled is substantially broader than the population the DTC will certify. The second is procedural. The DTC's complex certification process is the structural barrier the ACA's program and services provisions contemplate addressing, questions such as: does the CDB through the DTC gateway offer equal opportunity and equal benefit to the population it is meant to serve? The Disability Advisory Committee (2024) found that only about one quarter of persons who are likely eligible for the DTC submit a completed application. This is a design and delivery problem — evidence that the process itself likely excludes eligible people independently of how the underlying definition is drawn.

Evaluating Inclusive Disability Definitions and Accessibility

The DTC is not the only program that makes disability determinations. CPP-D, and provincial and territorial disability assistance programs each apply their own definition, using their own criteria and processes, to certify their own eligible populations. Many of the people these programs recognize as disabled will not hold a DTC certificate, either because the DTC's definition excludes them or because its process does. Table 1 maps those definitions and their accessibility conditions against the ACA standard, across both dimensions.

Table 1 uses the approach developed in Oliveira and White (2026): light blue marks the more inclusive or accessible criteria and orange the less inclusive or less accessible, relative to the range across programs. The ACA row appears first as the evaluative benchmark. The table extends Oliveira and White's three definitional dimensions — severity, duration, and impact — by adding three accessibility/process columns to capture both dimensions of the argument developed in the preceding section.

Examining Table 1, CPP-D, measured against the ACA, is among the most restrictive programs reviewed. Its severity threshold demands total incapacity for any substantially gainful occupation. Its duration requirement — long continued and of indefinite duration, or likely to result in death — places it among the most restrictive on that dimension alongside disability-related social assistance in New Brunswick, Manitoba and Saskatchewan. Its scope is the narrowest of any program in the table: CPP-D certifies only those whose disability prevents work, leaving out those whose disability affects daily living, community participation, or other dimensions of the full and equal participation in society the ACA enumerates. Its contribution requirement — generally four of the last six years of CPP contributions — compounds this: it excludes people with lifetime or early-onset disabilities who have never entered the paid labour force, regardless of the severity of their condition.

Comparing the CPP-D to the DTC, the CPP-D definition of disability covers a different functional domain: where the DTC assesses restriction in specific daily activities, CPP-D assesses incapacity for work — a category the DTC expressly excludes from its impact test. The two programs identify overlapping but

non-nested populations, which is why extending DTC eligibility to CPP-D recipients represents an expansion of coverage.

Moving to compare the provincial and territorial disability assistance programs to the ACA, no program reviewed matches the ACA across all dimensions, though several approach it on one. On severity, the lowest thresholds are found in NT and NU: the Northwest Territories' list — physical, mental, intellectual, cognitive, learning, communication or sensory impairment — reproduces the ACA's own enumeration almost exactly. NB's "major impairment" and the bare "severe" standards used in BC and Yukon are the most restrictive, while Alberta's AISH and ADAP, which since July 2026 share a single "substantial impairment" test, sit in the middle with Ontario, PEI, Saskatchewan, Quebec and Manitoba Supports. On duration, the most restrictive are the open-ended tests: NB's "likely to continue indefinitely" and the permanence requirements in Manitoba Supports and Saskatchewan. Next come the two-year horizons in BC and in Alberta's two programs. The one-year tests in NT, Nova Scotia, Quebec, Ontario, PEI and Yukon sit closer, and NU's six months closest of all to the ACA, which imposes no minimum at all. On impact, MB-MSPD's reference to "significant barriers to activities of daily living or full participation in society" comes closest to the ACA's relational language; the most restrictive are the tests that turn wholly on employment — AISH's permanent prevention of employment, Nova Scotia's and Quebec's prevention of participation in employment, and Yukon's exclusion from the labour force — together with NB's "severely limited activities" and NL's mirroring of the DTC. Overall, across all three definitional dimensions, New Brunswick sits at the least inclusive end as does Newfoundland and Labrador, which ties its disability benefit directly to DTC certification and inherits its full restrictiveness. The overall picture is of programs well below the ACA's standard, differing in degree and domain but not in their fundamental distance from what Parliament defined as disability in 2019.¹

Compared to the DTC, most provincial and territorial disability assistance programs are more inclusive on at least one definitional dimension. On severity, most apply a lower threshold than the DTC's marked restriction requirement: Alberta's two programs, Ontario, PEI, Saskatchewan, Quebec and Manitoba Supports use "substantial" or "significant" impairment standards. Four jurisdictions impose no severity modifier at all: NT and NU require only an unmodified impairment, Manitoba's medical-barriers category asks for "physical or mental ill health, incapacity or disorder," and Nova Scotia's supplement turns on having "a disability" or a chronic medical condition. Only BC, Yukon and NB set a comparable or higher bar, and Newfoundland applies the DTC's own.

Duration is the exception. The DTC's continuous 12-month minimum sits at the inclusive end of the range rather than the restrictive one. Nova Scotia imposes no duration requirement at all on its primary route: the supplement is available to a person who has "a disability," with the twelve-month test attaching only to the alternative chronic-condition route. Nunavut sets the shortest stated horizon, at six months. Several jurisdictions match the DTC's one year including the Northwest Territories, Quebec, Yukon, and Manitoba. Ontario and PEI match it and go further, admitting conditions that are recurrent rather than continuous, which the DTC's test screens out. The rest are stricter. British Columbia requires

¹ The programs reviewed in this section serve distinct purposes that predate and differ from the ACA's rights-based mandate. CPP-D is a contributory income replacement program; provincial and territorial disability assistance programs definitions of disability reflect income-support objectives rather than a comprehensive conception of what disability means. The comparison with the ACA is not a suggestion that these programs should adopt the ACA's definition. The ACA is used here solely as a normative benchmark.

two years. Alberta's AISH and ADAP work from the same two-year horizon but add a further condition: all relevant treatment that could lessen the impairment must have been completed, with no improvement expected. Saskatchewan, New Brunswick and Manitoba Supports require permanence or an indefinite duration.

The sharpest divergence is on impact. The DTC assesses a fixed list of daily activities and expressly excludes work, housekeeping and social participation from its test. British Columbia also works from an enumerated list, but BC's activities include performing housework, managing personal finances, shopping for personal needs, and, for mental impairment, relating to, communicating or interacting with others, all of which the DTC's test either omits or rules out (BC Reg 265/2002, s. 2(1)). Nova Scotia goes further still, imposing no functional test at all on its primary route: the supplement is available to a person who has "a disability," a term neither the regulations nor the policy manual defines. Every other provincial and territorial program reviewed, apart from Newfoundland's, assesses work capacity, daily living activities, or both. This means provincial programs certify a population the DTC does not: people whose disability affects employment or community participation rather than the DTC's specific daily activity list. Thus, extending the DTC to provincial disability assistance recipients represents an expansion of the DTC-eligible population except for Newfoundland, whose benefit mirrors the DTC directly and adds no new coverage.

Despite the variation across programs in definitions of disability, nearly all require a formal, medically-grounded determination, except for the ACA. They differ in what that determination shows: the DTC assesses restriction in specific daily activities, CPP-D assesses work incapacity, and provincial programs assess some combination of daily living and employment functioning. Among those that require it, the determinations do not differ in kind. Three programs depart from the pattern. Yukon's regulation imposes no certification requirement at all, providing only that the director may require a medical certificate where he considers it necessary. PEI's regulations provide that the Director "may request" documentation and assessments rather than requiring them; and Nova Scotia accepts existing medical documentation, dispensing with it altogether for a person already holding the DTC, CPP-D, workers' compensation or employer disability benefits, or the Canada Workers Benefit disability supplement. Manitoba Supports likewise waives its medical assessment on proof of CPP-D. Relative to the ACA's relational, non-certification-based definition, these programs sit at the restrictive end of the spectrum.

Table 1: Comparison of Programs

Jurisdiction and program	Definition			Accessibility / Process		
	Severity	Duration	Impact	Medical Certification	Cost Coverage	Other Potential Barriers to Access
Federal - ACA	Any physical, mental, intellectual, cognitive, learning, communication, or sensory impairment, or functional limitation	Permanent, temporary, or episodic	Hinders full and equal participation in society — assessed relationally, in interaction with a barrier	Not required	NA	NA
Federal - DTC	Severe: marked restriction (blind, or unable, or requires an inordinate amount of time to perform an activity, ≥90% of the time)	Prolonged: 12+ continuous months	Markedly restricted in performing a specific enumerated list of basic activities of daily living; work, housekeeping, and social or recreational activity explicitly excluded	Mandatory. Form T2201 completed by a qualified medical practitioner.	\$150 given by Service Canada to successful CDB recipient (via CDB delivery route).	Must file a Canadian tax return; non-refundable credit provides limited benefit to low-income filers outside of the CDB.
Federal - CPP Disability^a	Severe	Long term and of indefinite duration, or likely to result in death	Incapable regularly of pursuing any substantially gainful occupation (2026 threshold: earning more than \$20,971.45/year at any job, not just your last job)	Mandatory. Completed by a doctor or nurse practitioner.	Up to \$85 paid by Service Canada directly to doctor/nurse practitioner.	Must have made sufficient CPP contributions (generally worked 4 of the last 6 years).
AB – AISH^b	Substantial impairment of mental or physical functioning	Permanent or likely to continue for at least 2 years, with all relevant treatment completed and no improvement expected	Permanently prevents employment	Mandatory. Disability Assistance Medical Report (completed by a qualified health professional)	None — applicant bears the fee.	Strict means test (non-exempt assets ≤ \$100,000; monthly income test); must first apply for CPP-D, EI, WCB and apply for the DTC and Canada Disability Benefit; citizen/PR + AB resident; excluded if in a correctional facility or a facility designated under the Mental Health Act; ineligible once OAS-eligible (65+).
AB – ADAP^c	Substantial impairment of mental or physical functioning	Permanent or likely to continue for at least 2 years, with all relevant treatment completed and no improvement expected	Significantly impedes/restricts but does not permanently prevent employment	Mandatory. Disability Assistance Medical Report completed by a qualified health professional	Not generally covered — applicant bears the fee, except for July 2026 ADAP transfers seeking AISH assessment	Same means test and cross-application requirements as AISH (CPP-D, EI, WCB, DTC, CDB); same residency, facility, and OAS-age exclusions. Notably, ADAP's test explicitly admits episodic disability.

Jurisdiction and program	Definition			Accessibility / Process		
	Severity	Duration	Impact	Medical Certification	Cost Coverage	Other Potential Barriers to Access
BC (PWD)^d	Severe mental or physical impairment	Likely to continue for at least 2 years	Significantly restricts ability to perform specific, enumerated daily living activities (continuously or periodically for extended periods) such that the person requires help to perform them. "requires help" means: an assistive device, "the significant help or supervision of another person," or the services of an assistance animal.	Mandatory. PWD designation application (3 parts): applicant self-report; medical report by a medical practitioner/nurse practitioner; assessor report by a prescribed professional	Covered — medical practitioners/NPs paid through the Medical Services Plan; other prescribed professionals paid by Health Assistance via submitted invoice.	Must be 18+; PWD designation is a separate step; income- and asset-tested disability assistance. Alternative grounds for PWD designation: people enrolled in Plan P (palliative care), people eligible for At Home Program payments, people determined eligible by Community Living BC, people with a PWD designation from Indigenous Services Canada and people considered disabled under section 42(2) of the Canada Pension Plan
MB (MBFE)^e	Physical or mental ill health, incapacity or disorder	Likely to continue more than one year	Unable to earn an income sufficient to meet basic necessities, or unable to care for oneself	EIA Disability Assessment Report completed by a physician, nurse practitioner, or psychologist.	EIA pays up to \$45 (on top of the MB insured rate) to the physician, nurse practitioner or psychologist.	Means-tested EIA (income/asset test); category provides a slightly higher basic benefit than the "employable" category.
MB (MSPD)^f	Significant impairment or condition of the body or mind	Prolonged = permanent or likely to be permanent	Significant barriers to activities of daily living or full participation in society	Disability Impact Assessment = applicant self-assessment + medical assessment completed by a physician or other medical professional. Medical assessment waived on proof of CPP-D, CLDS or personal care home residence	Not specified	Must be 18+; Means-tested; must meet regulatory eligibility criteria plus the disability assessment.
NB (EBP)^g	Major physiological, anatomical or psychological impairment	Likely to continue indefinitely without substantial improvement	Severely limited in activities pertaining to normal living (from the manual: "totally and permanently disabled")	The Disability Category Medical Report may be completed by a medical practitioner; certified by the provincial Medical Advisory Board (physicians); certification is permanent once granted.	Partial — cost of the Disability Category Medical Report may be paid as a special benefit to a maximum of \$50.	Must be 18+; Means-tested; Must first qualify for/receive social assistance, then apply through a case manager for Medical Advisory Board certification (two-step).

Jurisdiction and program	Definition			Accessibility / Process		
	Severity	Duration	Impact	Medical Certification	Cost Coverage	Other Potential Barriers to Access
NL (NLDB)^h	No separate provincial definition — mirrors the federal DTC	Mirrors the DTC (severe and prolonged)	Eligibility = a “DTC-eligible individual” (s. 146.4 of the federal Income Tax Act)	Inherits the DTC — requires a valid DTC certificate (Form T2201 completed by a qualified medical practitioner). Delivered outside social assistance; no separate application.	Inherits the DTC route (\$150 via CDB); no separate NL coverage.	Must file income tax and hold a valid DTC certificate; income-tested; inherits all DTC access barriers.
NT (IASPD)ⁱ	Physical, mental, intellectual, cognitive, learning, communication or sensory impairment	Permanent, persistent or prolonged (a continuous period of 12 months or more)	Significantly restricts ability to perform daily-living activities and meet basic financial needs	Disability Assessment completed by a medical practitioner or nurse practitioner.	Not specified in program materials.	Must be 18 - 59; annual program — must reapply and provide all documents each year; means-tested (financial need).
NS (ESIA Disability Supplement)^j	Disability or chronic medical condition	If a chronic medical condition: prevents participation in employment for 1+ years. No stated duration for disability.	If a chronic medical condition: prevents participation in employment No stated impact for disability.	ESIA Medical Assessment form completed by a health care professional, or existing medical documentation on file; medical documentation may not be required to confirm a disability or chronic medical condition in situations where an applicant or recipient is in receipt of and/or eligible for: CPP-D, Long-Term Disability Benefits from an employer, the DTC, Workers' Compensation Disability Benefits; and/or Canada Workers Benefit Disability Supplement.	Not specified in program materials.	Means-tested ESIA; supplement paid on top of income assistance; supplement ends when the chronic medical condition no longer prevents employment based on the medical documentation or an applicant, recipient, or dependent child (18 or older) is employed.
NU (Disabled Incidental Allowance)^k	Physical or mental impairments	Permanently, or temporarily for at least six months	Significantly restrict ability to perform daily living activities; require assistance with those activities; and medical treatment would not heal	Certificate of Disability completed by a physician (or a Registered Nurse in communities without a physician).	Not specified in program materials.	Certificate of Disability must be renewed every year (recurring burden); means-tested Income Assistance.
ON (ODSP)^l	Substantial physical or mental impairment	Continuous or recurrent and expected to last one year or more	Substantial restriction in the ability to attend to personal care, function in the community, or function in a workplace (one or more of these activities of daily living)	Disability Determination Package: applicant Self-Report + Health Status Report (HSR) + Activities of Daily Living Index (ADL). HSR and ADL completed by medical professional	Covered — physicians bill OHIP; other approved health professionals invoice the ministry.	Financial eligibility is assessed first (often via Ontario Works); means-tested; 90-day deadline to return the application package; CPP-D and QPP disability recipients

Jurisdiction and program	Definition			Accessibility / Process		
	Severity	Duration	Impact	Medical Certification	Cost Coverage	Other Potential Barriers to Access
				(though the list for them differs).		(among other prescribed classes) are granted ODSP on financial eligibility alone, with no disability adjudication.
PEI (AccessAbility Supports)^m	Substantial physical, intellectual, sensory, neurological or mental impairment	Continuous or recurrent; expected to last at least one year	Direct and cumulative effect resulting in a substantial restriction in the ability to function at home, in the community, or at a workplace	Disability Medical Assessment Form completed by a health professional (very broad list) <i>may</i> be requested; mandatory capability assessment of the person's impairment and the effect it has on the person's ability to function	Not specified in program materials.	Under the age of 65; needs-based assessment; means-tested for financial supports; reassessment every 5 years for adults at levels 1–10 and every 10 years at level 11, plus annual review
QC (Social Solidarity / Basic Income)ⁿ	Significantly deficient or impaired	Minimum of 1 year	Severe health constraints preventing the person from achieving economic self-sufficiency through employment, having regard to socio-professional characteristics	Medical or psychosocial assessment by a physician, specialised nurse practitioner, psychologist, social worker or marriage and family therapist; Minister may exempt	Not specified in program materials.	Basic Income requires a 66-of-72-month qualifying history; means-tested.
SK (SAID)^o	Significant disability	Permanent	Periodically or continuously; Substantial impact on daily living activities; causes the individual to require support (assistive device, another person, service animal, modified environment or other accommodation)	Medical confirmation of an enduring disability plus a Disability Assessment (conducted with an assessor).	Not specified in program materials.	Must be 18+; Verification of financial eligibility; means-tested; online, phone or in-person application.
YT (YSA)^p	Severe or prolonged disability	1+ years (reasonably expected to prevent working for the next 12 months)	Excluded from the labour force	a medical certificate setting out the condition of the recipient's health where the director considers it necessary.	Not specified in program materials.	Must be 19+; Only a \$250/month supplement on top of Social Assistance; means-tested

Table notes:

The colour scheme follows Maytree's method (Oliveira and White 2026, Table 1): **light blue** marks the more inclusive / more accessible criteria and **orange** the less inclusive / less accessible criterion, judged relative to the range across programs. Maytree applied this only to the three definition components (severity, duration, impact); here it is extended to the accessibility/process columns. Unshaded cells are “not applicable” — the Accessible Canada Act row is shown as the maximal-inclusion benchmark.

Severity: light blue where the threshold is “an impairment” or a “significant/substantial” impairment; orange where it is “severe” or “major.”

Duration: light blue for a finite minimum (6 months to 2 years) or the inclusion of temporary/episodic conditions; orange for a permanence or indefinite requirement, or where a finite minimum is coupled with a requirement that all available treatment be exhausted and no further improvement be expected.

Impact: light blue for a restriction on activities of daily living or a partial restriction on employment; orange for total incapacity for work, exclusion from the labour force, a “severe” or “permanent”, “markedly restricted”, or “total prevention” limitation, or a test confined to a narrow enumerated list of activities that excludes work, housekeeping and social participation.

Medical certification: light blue where none is required or existing documentation / a self-report / a worker determination is accepted; orange for mandatory third-party certification (a physician form, panel, board, or multi-part package).

Cost coverage: light blue where a public payer covers or offsets the medical-form fee; orange where the applicant bears the cost.

Other barriers: light blue for a standard means test alone; orange where additional barriers apply (contribution history, a tax-filing/DTC gate, annual re-application, two-step certification, or a long qualifying period).

Shading involves judgement at the margins and reflects the author's reading of the statutory language and program materials.

Source of scheme: Tania Oliveira and Alexi White, *Social Assistance Summaries, 2025 — National spotlight: Definitions of disability* (Toronto: Maytree, March 2026).

Table sources:

a Canadian Pension Plan, R.S.C. 1985, c. C-8, s. 42(2) & s. 44(1)(b)(i) & s. 44(2)(a); Government of Canada (2026); Canada Pension Plan Regulations, CRC c 385, s. 68.1,

b Assured Income for the Severely Handicapped Act, SA 2006 c A-45.1 (as amended by SA 2025 c 20, office consolidation current as of July 2, 2026); AISH General Regulation, Alta Reg 96/2026 (as amended, in force July 2, 2026); <https://www.alberta.ca/aish-eligibility>; <https://open.alberta.ca/dataset/05e07999-8214-47b9-a1dd-e924e7aae4cf/resource/59595112-6c16-457f-a25f-db5f385171d0/download/alss-your-guide-to-disability-income-assistance-2026-07.pdf>

c Government of Alberta (2026) Alberta Disability Assistance Program fact sheet; AISH General Regulation, Alta Reg 96/2026 (as amended, in force July 2, 2026); <https://www.alberta.ca/adap-eligibility>; <https://open.alberta.ca/dataset/05e07999-8214-47b9-a1dd-e924e7aae4cf/resource/59595112-6c16-457f-a25f-db5f385171d0/download/alss-your-guide-to-disability-income-assistance-2026-07.pdf>

d Employment and Assistance for Persons with Disabilities Act, SBC 2002 c 41, s. 2; Employment and Assistance for Persons with Disabilities Regulation, BC Reg 265/2002, ss. 2, 2.1; PWD Designation and Application — BCEA Policy and Procedure Manual (<https://www2.gov.bc.ca/gov/content/governments/policies-for-government/bcea-policy-and-procedure-manual/pwd-designation-and-application/designation-application>);

e The Manitoba Assistance Act, CCSM c A150; EIA Administrative Manual, s. 7 — Persons with Disabilities (https://www.manitoba.ca/fs/eia_manual/print.7.html);

f Disability Support Regulation, MR 164/2022 (<https://web2.gov.mb.ca/laws/regs/current/164-2022.php?lang=en>); The Disability Support Act, CCSM c D76 (<https://web2.gov.mb.ca/laws/statutes/ccsm/d076.php>); EIA Administrative Manual, s. 7 — Persons with Disabilities (https://www.gov.mb.ca/fs/eia_manual/7.html)

g General Regulation, NB Reg 95-61 (CanLII)— ss. 2(1), 3(1.1), 4(12)–(13), 8(2), Schedule A; Policy Manual, Terms (https://www2.gnb.ca/content/gnb/en/departments/social_development/policy_manual/terms.html); Policy Manual 1.2 — Blind, Deaf or Disabled (https://www2.gnb.ca/content/gnb/en/departments/social_development/policy_manual/applicant_and_clienttypes/content/blind_deaf_disabled.html); Policy Manual - Terms (https://www2.gnb.ca/content/gnb/en/departments/social_development/policy_manual/terms.html) .

h Disability Benefit Regulations, NLR 102/24 (House of Assembly) (<https://www.assembly.nl.ca/legislation/sr/annualregs/2024/nr240102.htm>); Newfoundland and Labrador Disability Benefit — Social Supports and Well-Being (<https://www.gov.nl.ca/sswb/newfoundland-and-labrador-disability-benefit/>).

i Income Assistance for Seniors and Persons with Disabilities Regulations, R-037-2024 (NWT Justice, consolidated) (<https://www.justice.gov.nt.ca/en/files/legislation/social-assistance/social-assistance-r5.pdf>); Income Assistance for Seniors and Persons with Disabilities — ECE (<https://www.ece.gov.nt.ca/en/services/income-security-programs/income-assistance-seniors-and-persons-disabilities>); IASPD Program Policy Manual (https://www.ece.gov.nt.ca/sites/ece/files/resources/income_assistance_for_seniors_and_persons_with_disabilities_program_policy_manual.pdf)

j Employment Support and Income Assistance Regulations, NS Reg 195/2019, s. 55A (<https://novascotia.ca/just/regulations/regs/esiaregs.htm>); ESIA Program Policy Manual (https://novascotia.ca/coms/employment/income_assistance/ESIAManual.html); ESIA Program Policy Manual, Policy 8.2.6, pp. 108–109 (version: May 2026).

k Income Assistance Regulations, consolidation (Nunavut Legislation) (<https://www.nunavutlegislation.ca/en/consolidated-law/income-assistance-regulations-consolidation>) — s. 1, Schedule B item 3; Incidental Allowances — Government of Nunavut, Family Services (<https://gov.nu.ca/family-services/information/incidental-allowances>)

l ODSP Policy Directive 1.2 — Disability (<https://www.ontario.ca/document/ontario-disability-support-program-policy-directives-income-support/12-disability>); ODSP Act, 1997, SO 1997 c 25 Sch B (<https://www.ontario.ca/laws/statute/97o25b>); O Reg 222/98 (<https://www.ontario.ca/laws/regulation/980222>); ODSP Disability Determination Package (<https://www.ontario.ca/page/ontario-disability-support-program-disability-determination-package>)

m PEI Supports for Persons with Disabilities Act ss. 1(e), 5(2), 6, 8, 16, and General Regulations ss. 1(1)(c), 2, 3, 12, 13–18, 24, Schedules B and D (<https://www.princeedwardisland.ca/en/legislation/supports-for-persons-with-disabilities-act/supports-for-persons-with-disabilities-act>); AccessAbility Supports Handbook (<https://www.princeedwardisland.ca/sites/default/files/publications/aasbooklet.pdf>); Policy 1.4 (https://www.princeedwardisland.ca/sites/default/files/publications/1.4_capability_assessment.pdf)

n Loi sur l'aide aux personnes et aux familles, RLRQ c A-13.1.1, à jour au 1er avril 2026 s. 70, 31, 83.15, 83.17 (<https://www.legisquebec.gouv.qc.ca/fr/pdf/cs/A-13.1.1.pdf>) ; Amending instruments: 2024, c. 34 and 2025, c. 28, a. 77; Règlement sur l'aide aux personnes et aux familles, RLRQ c A-13.1.1, r. 1, à jour au 1er avril 2026 s. 30, 177.43, 177.44-45 (<https://www.legisquebec.gouv.qc.ca/fr/pdf/cr/A-13.1.1.%20R.%201.pdf>) ; Amending instruments: D. 1140-2022, a. 45; D. 269-2026; Programme de revenu de base, Québec.ca

(<https://www.quebec.ca/en/family-and-support-for-individuals/social-assistance-social-solidarity/basic-income-program>); Programme d'aide sociale et Programme de solidarité sociale (<https://www.quebec.ca/en/family-and-support-for-individuals/social-assistance-social-solidarity>).

o The Saskatchewan Assured Income for Disability Regulations, 2012, RRS c S-8 Reg 11, as amended to SR 1/2026 — <https://www.canlii.org/en/sk/laws/regu/rrs-c-s-8-reg-11/latest/rrs-c-s-8-reg-11.html> — ss. 2(t), 6, 8, 9; SAID program page, Government of Saskatchewan (<https://www.saskatchewan.ca/residents/family-and-social-support/people-with-disabilities/income-support-for-people-with-disabilities>);

p Social Assistance Regulation, YOIC 2012/083, ss. 1(2), 14, 15, 19, Schedule A s. 8 — [yoic-2012-83.pdf](#); Social Assistance Act, RSY 2002 c 205 — [rsy-2002-c-205.pdf](#),

Some advocacy organisations have urged the federal government to make recipients of provincial and territorial disability assistance presumptively eligible for the DTC (Disability without Poverty 2026; White 2026). However, the comparison in Table 1 suggests such a pathway would not operate evenly across the country. Most provincial and territorial tests are less restrictive than the DTC's on at least one dimension, so most would bring in people the DTC's own test excludes. But they are not less restrictive to the same degree, or in the same way. The largest definitional gains would come from the jurisdictions whose tests are broadest: Nova Scotia, whose supplement turns on an undefined "disability" carrying no duration or functional test on its primary route; the Northwest Territories and Nunavut, which require only an unmodified impairment; and Ontario and PEI, which reach personal care, community functioning and the workplace alike and admit conditions that are recurrent rather than continuous. The smallest gains would come from British Columbia, Yukon and New Brunswick, whose severity thresholds sit at or above the DTC's, and whose duration requirements — two years in British Columbia, indefinite continuation in New Brunswick — mean their recipients are more likely to satisfy the DTC's twelve-month test already. Newfoundland and Labrador would see no gain at all: its disability benefit is defined by DTC eligibility, so every recipient holds a certificate by construction. How many people each pathway would actually add depends on caseload as well as definition, which the next section quantifies. But the reach of a presumptive pathway would be set less by the federal definition it bypasses than by the fifteen provincial and territorial definitions it would adopt in its place.

Section 2: The Impact of Presumptive Eligibility Pathways

The previous section compared definitions and found three things: most provincial and territorial disability tests are broader than the DTC's, they differ widely from one another, and one — Newfoundland and Labrador's — is the DTC's own. Making recipients of disability assistance or CPP-D/QPP-D presumptively eligible for the DTC, and thus the CDB, would therefore be governed less by the federal test it bypasses than by the tests it would adopt in its place. This section turns from definitions to consequences. If the federal government treated a disability determination already made by another program as sufficient for the DTC, how many additional people would gain DTC eligibility, what would it cost, and what would it do to low income?²

I model two presumptive-eligibility pathways and then their union: one that deems recipients of the Canada or Quebec Pension Plan Disability benefit (CPP-D/QPP-D) eligible for the DTC, and one that does the same for recipients of provincial disability assistance. For each I estimate the number of people newly brought into DTC eligibility, the cost of the DTC itself, the cost of the CDB that DTC eligibility unlocks, and the effect on low-income rates and depth. Two limits should be noted at the outset. The SPSPD/M does not cover the territories or persons living on reserve, so three of the thirteen jurisdictions compared in Table 1 fall outside the modelling. And the model estimates what follows from extending the DTC's existing test to new populations; it does not estimate what follows from changing that test.

² In examining outcomes, this report only looks at outcomes related to changes to taxes and transfers administered through the personal income tax system. However, these are not the only programs affected by extending DTC eligibility. As outlined in Petit (2026), there are at least 14 programs that depend on a disability determination via the DTC for eligibility and access. In particular, the impact on RDSP grant and bond programs are not examined.

Methodology

The estimates are produced with Statistics Canada's Social Policy Simulation Database and Model (SPSD/M), version 34.0, run for the 2026 reference year.³ The model does not observe disability directly; it records whether an individual has a DTC certificate on file (imputed from 2022 tax data) and, separately, whether they receive CPP-D/QPP-D or provincial income assistance. I use those program-receipt markers to identify the populations each pathway would reach. For each pathway I run the model twice — once under current rules (the base) and once under presumptive eligibility (the treatment), in which everyone in the target population is assigned a DTC certificate⁴ and the model recomputes the DTC, CDB, and all other taxes and transfers. Because presumptive eligibility is, by design, automatic, the results assume full take-up among the target population. The model is static and captures no behavioural response. The SPSPD/M does not cover the territories or persons living on reserve.

Three conventions govern how the results are reported. First, I report only the DTC's fiscal cost. The DTC is a non-refundable credit, so it reduces tax only for people who owe tax; the reported cost is the actual reduction in federal and provincial income tax, not the nominal value of the credit.⁵ Second, low income is measured using the Market Basket Measure (MBM), Canada's official poverty line (Government of Canada 2019). Third, because the CDB is already in force in 2026 (the year the simulations are run for), I report both the incremental effect of each pathway — the additional CDB and forgone tax attributable to newly eligible people — and the total cost of the DTC and CDB for the affected population, before and after the extension.

I report both the incremental and total cost of each DTC extension because the SPSPD/M's DTC certificate flag is imputed from tax data for 2022. Projecting the database to 2026 adjusts population weights and dollar values, but not the propensity to hold a certificate: the 2026 figures apply a 2022 certification rate to a 2026 population. However, the rate has not held still. As the next subsection shows, the number of working-age certificate holders recorded by the Canada Revenue Agency grew by about ten per cent in

³ All results are fully reproduceable. Please contact the author (Gillian Petit) for the re-production files for SPSPD/M and Stata.

⁴ The SPSPD/M carries two distinct database variables for the DTC, both imputed from the tax data. The certificate flag (`iddiscert`) records that an accepted T2201 is on file and the disability amount for self (`iddisslf`, line 31600) is what the model uses to compute the credit itself (`imdisatc`). Because both are database variables imputed from the tax file, extending the certificate flag alone would enlarge the population deemed eligible for the CDB without changing anyone's disability tax credit. The treatment runs therefore overwrite both, through the model's Reference Value Facility: for each newly eligible person `iddiscert` is set to record a certificate and `iddisslf` is set to the maximum disability amount for the year (the `MAXDX` parameter, \$10,304.90 in 2026). Individuals the model already records as certified keep their reported disability amount, so the estimated change in the cost of the credit reflects only the newly eligible.

⁵ Because the cost of the credit is measured as the change in net federal and provincial income tax rather than as the change in the disability amount itself, it captures every credit that certification affects, not only the disability amount. One other provision keys off the disability amount: in Newfoundland and Labrador, Prince Edward Island, Nova Scotia and Manitoba, a part-time student with a disability amount may claim the education amount at the full-time monthly rate rather than the part-time rate. The federal education amount was eliminated after 2016 and the equivalent provincial provisions are no longer in effect elsewhere. Together with Manitoba's Family Tax Benefit disability amount, this provision accounts for no more than about \$0.3 million of the combined pathway's cost.

each of the two years following 2022 while the SPSP/M projection applies population growth of 8.6 per cent spread over four years so it reproduces little of that increase. There is also reason to expect the trend to continue. The CDB, which began paying in July 2025, is refundable and worth up to \$2,440/year in 2026, so a DTC certificate now carries value for people with little or no tax to offset. Those are precisely the people provincial disability assistance serves, and the population one of the two pathways modelled here targets. The model can capture neither the growth already observed nor any subsequent response to that incentive.

This affects the two reported figures differently. The incremental estimates are biased upward: a person who is in fact already certified, but whom the model does not record as certified, appears as newly eligible under the extension, and the model attributes their entire CDB and DTC to the reform. The count of newly eligible people and the incremental cost should therefore be read as upper bounds. The post-treatment totals are not biased in the same way. Under presumptive eligibility everyone in the target population holds a certificate whether or not the model recorded them as holding one to begin with. Despite this, the totals are still sensitive to undercounting among people outside the target populations. And the base reflects the model's imputed take-up while the treatment assumes full take-up, so the two are not measured on the same take-up basis. See the Technical Appendix for further detail.

Base Rates: Verification and Interpretation

Before turning to the pathways, it is worth establishing how closely the SPSP/M's base reproduces the population it will simulate. Table 2 sets the SPSP/M's count of working-age DTC certificate holders against the Canada Revenue Agency's administrative count for 2023 and 2024, the most recent years available. The SPSP/M database is drawn from 2022 tax data — before the CDB — and projected to 2026 by adjusting population weights and dollar values, but not the rate at which people hold certificates. Some divergence between the two sources is therefore expected.

Table 2: Number of DTC Certificate Holders ages 18/19 - 64, SPSP/M vs. CRA Administrative Data

Province	SPSP/M 2026	CRA, 2023	% Difference (2023)	CRA, 2024	% Difference (2024)
NL	18,298	18,910	-3.2	21,080	-13.2
PE	5,356	5,180	3.4	5,720	-6.4
NS	28,065	30,860	-9.1	34,660	-19.0
NB	20,301	21,940	-7.5	24,000	-15.4
QC	85,164	83,130	2.4	87,570	-2.7
ON	249,010	248,360	0.3	269,480	-7.6
MB	32,691	34,750	-5.9	37,180	-12.1
SK	20,820	21,070	-1.2	23,190	-10.2
AB	85,117	85,480	-0.4	96,670	-12.0
BC	87,997	94,250	-6.6	104,750	-16.0
Total	632,819	643,930	-1.7	704,300	-10.1

Table notes: SPSP/M figures are the author's tabulation of the base run for the 2026 reference year, weighted by household weight. CRA figures are individuals with an accepted DTC certificate effective 31 December 2024 or 31 December 2023, ages 19 to 64, ten provinces only; CRA counts are rounded to the nearest ten. CRA's age bands place 18-year-olds in the "14 to 18" group, so its 19–64 count covers a slightly narrower population than the model's 18–64, making the measured shortfall conservative.

Source: Canada Revenue Agency (2025); Canada Revenue Agency (2024); author's calculations from SPSP/M v34.0.

The SPSP/M records 632,819 certificate holders aged 18 to 64 in 2026. Against the CRA's count of 643,930 for 2023, that is a shortfall of 1.7 per cent; against its count of 704,300 for 2024, the shortfall widens to 10.1 per cent.

The direction and size of that gap follow from how the SPSP/M database is projected. In the CRA administrative data, working-age DTC certificate holders in the ten provinces rose 10.6 per cent between 2022 and 2023 (Canada Revenue Agency 2023, 2024) and a further 9.4 per cent between 2023 and 2024 (Canada Revenue Agency 2024, 2025) — a 20.9 per cent increase over two years. In 2026, the SPSP/M's certificate holders are only 8.6 per cent above the 2022 level — a four-year increase, against the 20.9 per cent the administrative count rose in two. The projection carries the 2022 certification rate forward and adjusts for population size but does not reproduce growth in the rate itself. By 2024 the administrative count already exceeds the SPSP/M's 2026 figure by 10.1 per cent, and on the trend of the preceding two years the 2026 figure would be higher again.

Some of this divergence is attributable to a legislated broadening of the DTC's eligibility criteria: in Bill C-19 which received royal assent in 2022, the enumerated mental functions were expanded from three to ten, the life-sustaining therapy frequency threshold was reduced from three times weekly to two, and type 1 diabetes was deemed to meet that threshold (Budget Implementation Act, 2022, No. 1, S.C. 2022, c. 10, ss. 6–7). Because this broadening only applied for DTC certificates submitted after royal assent in June 2022, their effect would only start being seen in the 2023 tax year, one year after which the SPSP/M data is based on.

Two further base quantities bear on how the estimates should be read. The SPSP/M identifies 333,528 recipients of CPP-D or the QPP-D aged 18 to 64, against an estimated 344,000 in the corresponding administrative counts once territorial and out-of-Canada beneficiaries are removed (ESDC 2026; *Retraite Québec / Données Québec*) — about 3 per cent below, and a closer fit than the DTC certificate comparison.

Separately, the SPSP/M's base low-income rate is 9.27 per cent of all persons, against Statistics Canada's official rate of 11.0 per cent for 2024 (Statistics Canada 2026). That difference is somewhat expected. The SPSP/M excludes the territories and the on-reserve population, both of which have higher poverty rates, and builds income from tax records rather than survey responses. Further, the base poverty rate in the SPSP/M for 2026 includes the CDB. This means the poverty results below are computed on a base that sits under the official rate, and the modelled levels should not be read against the official series. Comparisons within the model — before against after, and across pathways — are unaffected.

Presumptive eligibility for CPP-D recipients

In this section, I extend the DTC certificate to CPP-D and QPP-D recipients ages 18 to 64 using the SPSP/M, as explained previously, and examine the outcomes.

Who would be reached. The SPSP/M identifies 333,528 working-age (ages 18–64) recipients of CPP-D or QPP-D in 2026. Of these, it is estimated that 152,259 (45.7 per cent) already hold a DTC certificate: the two programs overlap substantially, since both screen for severe, long-term disability. Presumptive eligibility would therefore newly qualify the remaining 181,269 CPP-D/QPP-D recipients (54.3 per cent)

who are not currently DTC-certified. This would increase DTC certificate holders from the SPSP/M's original count of 632,819 to 814,088, an increase of 28.6 per cent.⁶

The more consequential change is in who receives the CDB. Before the extension (in the base), 57,796 CPP-D/QPP-D recipients — 17.3 per cent — receive the CDB. The remainder are excluded on one of two grounds: 181,269 hold no DTC certificate, and a further 94,463 hold a DTC certificate but have family income above the CDB's phase-out. Presumptive eligibility addresses only the first group. The number of CPP-D/QPP-D recipients receiving the CDB rises to 134,559, or 40.3 per cent, and three in five CPP-D/QPP-D recipients would still not receive the CDB.

What it would cost. Extending the DTC certificate presumptively to working-age CPP-D/QPP-D recipients would increase total government costs by \$420 million per year (Table 3), roughly \$331 million for the federal government and \$88 million for provincial governments.

Before any change, the DTC credit forgoes about \$1.78 billion in federal and provincial income tax in 2026, the CDB pays out about \$716 million, and the Canada Workers Benefit disability supplement and Newfoundland and Labrador's Disability Benefit together account for a further \$104 million. The total cost of these programs to federal and provincial governments is \$2.60 billion. Presumptive eligibility for CPP-D/QPP-D recipients would raise that cost to \$3.01 billion, an increase of 16 per cent.

The larger increase in costs in absolute terms is the \$238 million in forgone federal and provincial income tax. This is the value of the disability tax credit itself: the amount actually claimed by certified DTC recipients, or their spouses, to reduce their taxes. The smaller increase in cost in absolute terms is the CDB payments, which increase by \$165 million.⁷ That the change in the foregone tax cost exceeds the change in the CDB cost points to a targeting issue we take up next.

Table 3: Cost of expanding the DTC to working-age CPP-D/QPP-D recipients

Jurisdiction	Program	Cost Before Extension (millions \$)	Cost After Extension (millions \$)	Change in Cost (millions \$)
Federal	CDB	\$715.7	\$880.6	\$165
	DTC (foregone tax revenue)	\$1,185.3	\$1,349.7	\$164.4
	CWB Dis. Supp.	\$54	\$55.9	\$1.9
	Federal Subtotal:	\$1,955.0	\$2,286.2	\$331.3
Provincial	DTC (foregone tax revenue)	\$592.1	\$665.3	\$73.1
	NL Disability Benefit	\$49.8	\$59.4	\$9.6
	Other provincial credits and benefits			\$5.5
	Provincial Subtotal:	\$642.0*	\$724.7*	\$88.2

⁶ These counts are sensitive to the certificate undercount described above. If certification among CPP-D recipients is understated in the same proportion as certification overall, roughly 169,500 rather than 152,259 would already hold a certificate, and the number newly qualified would fall from 181,269 to about 164,000, 9.5 per cent lower. The Canada Revenue Agency does not publish certificate holding by CPP-D receipt, so this is an assumption rather than a measurement, offered to indicate the order of the adjustment rather than to replace the modelled figure.

⁷ Note that this cost estimate does NOT include the one-time \$150 top-up to the CDB to help with the cost of application.

Total government cost:	\$2,596.9*	\$3,010.9*	\$419.5
-------------------------------	------------	------------	---------

*Excludes other provincial credits and benefits

Where the money goes. Half of the federal cost of extending the DTC to CPP-D/QPP-D recipients comes from foregone taxes directly related to the DTC itself. CPP-D and QPP-D are contributory programs: recipients must have a work history, and many may have a spouse with earnings or other pension income, suggesting their family income may exceed the CDB's income-tested phase-out.

Table 4 confirms this. It examines the distribution of change in costs for the DTC and CDB for CPP-D/QPP-D recipients and their nuclear families who are newly eligible for the DTC.

Table 4: Distribution of CDB and DTC costs by Extending the DTC to CPP-D and QPP-D Recipients by Equivalized Adjusted Net Family Income Brackets

Income Bracket	Number of persons newly eligible	Total CDB (Millions \$)	Total Federal DTC (Millions \$)	Provincial DTC (Millions \$)	CDB per person (\$)	DTC per person (\$)
< \$30k	63,881	\$148.9	\$11.8	\$3.4	\$2,330	\$238
\$30-50k	31,595	\$16.1	\$37.3	\$16.0	\$510	\$1,689
\$50-75k	29,512	--	\$39.0	\$17.2	\$0	\$1,904
\$75-100k	24,099	--	\$31.9	\$14.8	\$0	\$1,940
\$100k+	32,182	--	\$44.4	\$21.9	\$0	\$2,059
Total	181,269	\$165	\$164.4	\$73.4	\$910	\$1,312

Note: To compute income brackets, the nuclear family's equivalized Adjusted Family Net Income (AFNI) was used. AFNI uses the net income (before taxes) of a tax filer and their spouse/partner (if any). It then divides AFNI by the square root of the number of persons in the nuclear family to get to equivalized income. This table distributes incremental spending — the Canada Disability Benefit and forgone tax that certification would newly generate — and is therefore subject to the certificate undercount discussed in the methodology section.

The two run in opposite directions. The increase in the CDB is concentrated among tax families with the lowest equivalized family income: 63,881 newly eligible people with equivalized family incomes under \$30,000 (35 per cent) receive about \$2,330 each, essentially the full benefit, and together absorb \$149 million of the \$165 million in new CDB spending. Above that, the CDB decreases as family income increases, to \$510 for persons with equivalized family incomes of between \$30,000-\$50,000 and very little, if anything, thereafter.

The DTC moves the other way. The DTC is worth just \$238 per person in the under-\$30,000 income group — a non-refundable credit is worth little to those with little tax to offset — and climbs to about \$2,059 per person among those with \$100,000-plus equivalized family income, where it is fully usable. Overall, about 105,110 of newly eligible persons (58 per cent) do not receive the CDB because their family income is too high; however, this group accounts for the large majority of the DTC's cost increase (\$205M or 86 per cent). Only 76,159 of the newly eligible persons would receive the CDB; however, they would also receive very little of the increased DTC cost (\$32.9M or 14 per cent).

Extending eligibility of the DTC to CPP-D/QPP-D recipients, in short, routes most of its increased cost through the DTC, which is precisely why, as the next section shows, its effect on poverty is modest.

What it would do for low-income. Among all 333,528 working-age CPP-D/QPP-D recipients, the MBM poverty rate falls from 18.47 per cent to 16.68 per cent — a reduction of 1.79 percentage points (or 9.7 per cent), lifting about 6,000 people above the poverty line. The overall national low-income rate would decline from an estimated 9.27 per cent to 9.26 per cent.

The reform reduces the depth of low income as well as its rate. The aggregate MBM poverty gap for CPP-D/QPP-D recipients — the total shortfall of all those below the poverty line — falls from about \$564 million to \$483 million, a reduction of \$81 million, or 14 per cent. Among the families who remain below the poverty line, the average shortfall narrows from about \$9,180 to \$8,710, and the average family sits 24.8 per cent below the MBM threshold after the reform, down from 26.5 per cent.

Overall, the effect on low-income is modest because this extension of the DTC alone is not well targeted to persons who are low-income.

Presumptive eligibility for Provincial Disability Assistance recipients⁸

In this section, I extend the DTC certificate to provincial disability assistance recipients and examine the outcomes. Throughout this section, results are reported as a range spanning two calibrations that bracket the uncertainty in the data. While income assistance recipients generally are identifiable in the SPSP/M, it is unclear who receives disability assistance specifically (versus income assistance or “welfare”). The two differ only in how they identify disability assistance recipients within the broader social assistance population. Both treat anyone already holding a DTC certificate or receiving CPP-D as a disability assistance recipient, since a disability determination has already been made in their case. To fill out the remainder of each province's caseload, Calibration A selects those reporting the most social assistance income, on the assumption that disability assistance pays more than general welfare; Calibration B selects at random, on the assumption that the amount tells us nothing.

Who would be reached. Because the SPSP/M does not distinguish disability-assistance recipients from other social-assistance recipients, this population is not observed directly but calibrated to the provincial disability-assistance caseloads, which total roughly 748,000 cases nationally in 2024–25 (Oliveira and Caballero 2026). Of the 748,000 disability-assistance cases, an estimated 89,961 (12.0 per cent) already hold a DTC certificate. This is below the 45.7 per cent overlap found for CPP-D/QPP-D, reflecting that provincial disability-assistance definitions are considerably broader than the DTC's severe-and-prolonged test. Presumptive eligibility would therefore newly qualify between 671,482 and 673,242 working-age recipients who are not currently DTC-certified, depending on the calibration. Because the newly qualified are added to a base of 632,819 working-age certificate holders, the extension would more than double that number, to about 1.30 million.

The more consequential change is again in who receives the CDB. Almost all of the newly eligible fall below the CDB's income test: between 95 and 97 per cent would receive the CDB, at an average of about \$2,380/person — close to the 2026 maximum of \$2,440. The comparable figure among newly eligible CPP-D/QPP-D recipients was 42 per cent of newly eligible persons receiving the CDB. Across all working-age Canadians, the number receiving the CDB would rise from 319,984 to between 959,000 and 969,000, roughly a tripling.

⁸ See the Technical Appendix for the full methodology and assumptions underlying this sections results.

What it would cost. As shown in Table 5, before any change, the federal and provincial governments forgo about \$1.78 billion in income tax through the disability tax credit and pay about \$716 million for the CDB; with the Canada Workers Benefit disability supplement and Newfoundland and Labrador's Disability Benefit, the total is \$2.60 billion. Presumptive eligibility for provincial disability-assistance recipients would raise that cost to about \$4.23 billion under Calibration A or \$4.27 billion under Calibration B, an increase of roughly 63 to 64 per cent. Forgone tax through the DTC accounts for almost none of it: it rises by 3 per cent under Calibration A and 6 per cent under Calibration B, from \$1.78 billion to between \$1.84 and \$1.89 billion. The CPP-D/QPP-D pathway added 13 per cent to the DTC's cost.

Table 5: Cost of expanding the DTC to Provincial Disability Assistance Recipients

Jurisdiction	Program	Cost Before Extension (millions \$)	Cost After Extension, Calibration A, (millions \$)	Change in Cost, Calibration A	Cost After Extension, Calibration B, (millions \$)	Change in Cost, Calibration B
Federal	CDB	\$715.7	\$2,266.4	\$1,550.8	\$2,235.4	\$1,519.7
	DTC (foregone tax revenue)	\$1,185.3	\$1,220.7	\$35.3	\$1,265.6	\$80.2
	CWB Dis. Supp.	\$54	\$75.6	\$21.6	\$89.3	\$35.3
	Federal Subtotal:	\$1,955.0	\$3,562.7	\$1,607.7	\$3,590.3	\$1,635.3
Provincial	DTC (foregone tax revenue)	\$592.1	\$614.3	\$22.2	\$624.9	\$32.8
	NL Disability Benefit	\$49.8	\$49.8	\$0	\$49.8	\$0
	Provincial credits and benefits			\$2.2		\$11.9
	Provincial Subtotal:	\$641.9*	\$664.1*	\$24.4	\$674.7*	\$44.6
Total Government Costs:		\$2,596.9*	\$4,226.9*	\$1,632.1	\$4,265.0*	\$1,679.9

*Excludes other provincial credits and benefits

The CDB accounts for almost the whole cost increase: outlays rise from \$716 million to between \$2.24 and \$2.27 billion, an increase of between 212 and 217 per cent. Not only are there more disability assistance recipients than CPP-D/QPP-D recipients, but disability assistance recipients have low income by design. Because of this, they are much more likely to be eligible for the CDB while also being less likely to be able to make use of the DTC—a fact I establish in the next sub-section.

For context, Budget 2024 proposed funding for the CDB of \$1.4 billion per year, which would reach “over 600,000” low-income working-age Canadians with disabilities (Department of Finance Canada 2024). That projection is not directly comparable with the estimates here: it is a forward projection of the

benefit's own caseload, whereas these estimates begin from the 319,984 working-age recipients the SPSPD/M records for 2026 — a base that sits below the Budget's projection.

Where the money goes. Table 6 shows how the CDB and the DTC are distributed across the newly-eligible population by equivalized adjusted family net income. As with the CPP-D/QPP-D extension, the two run in opposite directions; however, here the newly eligible disability assistance recipients are concentrated at the bottom of the income distribution. Between 89 and 93 per cent of the newly-eligible have equivalized family incomes below \$30,000, where they receive essentially the full CDB (about \$2,414 each) and almost nothing from the DTC (about \$17 under calibration A and \$31 under calibration B). The pattern reverses further up the income scale: the DTC becomes fully usable above \$50,000, where the CDB is exhausted, but very few disability-assistance recipients are in those income ranges (under 2 per cent in calibration A and 4 per cent in calibration B). Where the CPP-D/QPP-D pathway routed most of its cost through the DTC to a relatively better-off population, the disability-assistance pathway routes it through the CDB to those with lower income.

Table 6: Distribution of CDB and DTC costs by Extending the DTC to Provincial Disability Assistance Recipients by Equivalized Adjusted Net Family Income Brackets

Income Bracket	Calibration	Number of persons newly eligible	Total CDB (Millions \$)	Total Federal DTC (Millions \$)	Provincial DTC (Millions \$)	CDB per person (\$)	DTC per person (\$)
< \$30k	A	621,896	\$1,501	\$1.9	\$8.7	\$2,414	\$17
	B	601,497	\$1,453	\$11.9	\$6.9	\$2,416	\$31
\$30-50k	A	38,256	\$49.3	\$17.2	\$6.1	\$1,288	\$609
	B	48,479	\$66.3	\$35.0	\$12.5	\$1,368	\$980
\$50-75k	A	8,783	--	\$12.6	\$4.8	\$0	\$1,980
	B	16,081	--	\$23.1	\$8.5	\$0	\$1,964
\$75-100k	A	2,451	--	\$3.5	\$2.5	\$0	\$2,469
	B	5,700	--	\$8.1	\$3.2	\$0	\$1,993
\$100k+	A	96	--	\$0.1	\$0.1	\$0	\$2,374
	B	1,485	--	\$2.1	\$1.2	\$0	\$2,163
Total	A	671,482	\$1,550.8	\$35.3	\$22.2	\$2,309	\$86
	B	673,242	\$1,519.7	\$80.2	\$32.2	\$2,257	\$167

Note: To compute income brackets, the nuclear family's equivalized Adjusted Family Net Income (AFNI) was used. AFNI uses the net income (before taxes) of a tax filer and their spouse/partner (if any). It then divides AFNI by the square root of the number of persons in the nuclear family to get to equivalized income. Calibration A assumes that persons with the highest social assistance income are disability assistance clients and allocates the disability assistance caseload by family type accordingly. Calibration B is a random draw of social assistance clients calibrated to match the disability assistance caseload numbers by family type. For both calibration A and B, social assistance recipients with either a DTC certificate or on CPP-D/QPP-D were presumptively allocated to disability assistance.

What it would do for low-income. The aggregate MBM poverty gap among economic families containing a working-age disability-assistance recipient falls from \$2.68 billion to \$1.92 billion under Calibration A, a reduction of 28 per cent, and from \$3.30 billion to \$2.52 billion under Calibration B, a reduction of 24 per cent. The disability-assistance population is much more likely to be in low-income: before the reform, 47 to 49 per cent of disability assistance recipients live below the Market Basket

Measure (MBM) poverty line, compared to 9.3 per cent of the Canadian population. Extending the DTC (and thus CDB) to disability assistance recipients reduces their low-income rate from about 47 to 42 per cent under Calibration A and 49 to 42 per cent under Calibration B. This is a 5.0 to 7.0 percentage point reduction, lifting between 38,048 and 53,156 people out of poverty.

Extending the DTC to disability assistance recipients also reduces the depth of poverty. The average gap ratio falls from 24.8 percent to 19.7 per cent in Calibration A and from 28.8 to 25.4 per cent under Calibration B. The average shortfall of a family that remains below the MBM low-income threshold narrows from about \$7,770–\$9,140 to about \$6,230–\$8,080.

This is a larger poverty impact than the CPP-D/QPP-D pathway, which reduced poverty among its target group by only 1.8 percentage points. It is because of better targeting. Since the disability-assistance pathway reaches a population with low-income and delivers its benefit mainly through the refundable CDB rather than the non-refundable DTC, more of the money reaches people below the low-income line.

Presumptive eligibility for CPP-D recipients and Provincial Disability Assistance Clients

In this section, I extend the DTC certificate to both CPP-D/QPP-D recipients and provincial disability assistance recipients and examine the outcomes. There is overlap between CPP-D and provincial disability assistance recipients, but that overlap is not perfect: about 26,680 disability assistance recipients also receive CPP-D. Thus, this is not a straight-forward addition but its own, separate model of the union. As with the provincial disability assistance section, two calibrations are run based on differing assumptions to provide a range of estimates.

Who would be reached. Combining the pathways would newly qualify between 826,071 and 827,831 working-age recipients, of whom 181,269 are reached through CPP-D alone and between 671,482 and 673,242 through disability assistance alone. Only 26,680 people — about 3 per cent of the combined total — are reached by both pathways. Added to a base of 632,819 working-age certificate holders, the combined extension would more than double that number, to about 1.46 million. This is above the Scott and Macdonald (2024) estimate of roughly 798,000 for a combined CPP-D/QPP-D and provincial social-assistance extension, a difference consistent with the SPSP/M identifying fewer existing certificate holders than the administrative data record, which shifts people from the already-certified group into the newly eligible one.

Between 84 and 85 per cent of the newly eligible persons for the DTC would receive the CDB, at an average of about \$2,360, close to the 2026 maximum of \$2,440. This rate sits between the pathways taken separately, 42 per cent for CPP-D/QPP-D and 95 to 97 per cent for disability assistance, and much nearer the latter, since disability-assistance recipients make up about four-fifths of the combined group. Adding CPP-D/QPP-D recipients therefore dilutes the CDB reach of the disability-assistance pathway rather than extending it, bringing in people who gain the certificate but largely not the benefit. Across all working-age Canadians, the number receiving the CDB would rise from 319,984 to between 1.01 and 1.02 million, more than a tripling.

What it would cost. As shown in Table 7, before any change the federal and provincial governments forgo about \$1.78 billion in income tax through the disability tax credit and pay about \$716 million for

the CDB; with the Canada Workers Benefit disability supplement and Newfoundland and Labrador's Disability Benefit, the total is \$2.60 billion. Presumptive eligibility for both groups would raise that cost to about \$4.58 billion under Calibration A or \$4.62 billion under Calibration B, an increase of roughly 76 to 78 per cent.

The CDB again accounts for most of the increase: outlays more than triple, from \$716 million to between \$2.34 and \$2.38 billion, while the DTC's fiscal cost rises by only 16 to 19 per cent, from \$1.78 billion to between \$2.07 and \$2.12 billion. Almost the whole cost falls to the federal government — about 94 per cent of the \$1.99 to \$2.04 billion increase — with the provinces bearing \$111 to \$131 million through forgone provincial income tax, Newfoundland and Labrador's Disability Benefit and other provincial credits and benefits.

Table 7: Cost of expanding the DTC to CPP-D/QPP-D and Provincial Disability Assistance Recipients

Jurisdiction	Program	Cost Before Extension (millions \$)	Cost After Extension, Calibration A, (millions \$)	Change in Cost, Calibration A (millions \$)	Cost After Extension, Calibration B, (millions \$)	Change in Cost, Calibration B (millions \$)
Federal	CDB	\$715.7	\$2,375.9	\$1,660.2	\$2,344.9	\$1,629.2
	DTC (foregone tax revenue)	\$1,185.3	\$1,380	\$194.7	\$1,424.9	\$239.6
	CWB Dis. Supp.	\$54	\$77.5	\$23.5	\$91.2	\$37.2
	Federal Subtotal:	\$1,955.0	\$3,833.4	\$1,878.4	\$3,861.0	\$1,906.0
Provincial	DTC (foregone tax revenue)	\$592.1	\$686.3	\$94.4	\$696.5	\$104.7
	NL Disability Benefit	\$49.8	\$59.4	\$9.6	\$59.4	\$9.6
	Other provincial credits and benefits			\$7.3		\$16.9
	Provincial Subtotal:	\$641.9*	\$745.7*	\$111.2	\$755.9*	\$131.2
Total government cost:		\$2,596.9*	\$4,579.1*	\$1,989.6	\$4,616.9*	\$2,037.2

What it would do for low-income. Among all working-age CPP-D/QPP-D and disability-assistance recipients — about 1.05 million people, including those who already hold a certificate — 38 to 40 per cent live below the MBM poverty line before the reform. The combined extension lowers that to 34.3 per cent under both calibrations, a reduction of 4.1 to 5.5 percentage points, lifting between 42,900 and 58,000 people out of poverty and narrowing the aggregate poverty gap among economic families containing one of these recipients by 22 to 26 per cent.

Section 3: Synthesizing the Evidence

The preceding section modelled three ways of extending eligibility for the DTC certificate: to CPP-D/QPP-D recipients, to provincial disability-assistance recipients, and to both together. Table 8 collects the headline results.

Table 8: Results of Extending DTC Eligibility

		CPP-D/QPP-D Extension	Disability Assistance Extension	CPP-D/QPP-D + Disability Assistance Extension
Eligible for DTC (number of persons)	Total Eligible	814,088	1.3M	1.46M
	Newly Eligible (Increase)	181,269	671,482 to 673,242	826,071 to 827,831
CDB	Total Cost	\$881M	\$2.2B to \$2.3B	\$2.3B to \$2.4B
	Increase in Cost	\$165M	\$1.52B to \$1.55B	\$1.63B to \$1.66B
DTC foregone tax (federal)	Total Cost	\$1.35B	\$1.22B to \$1.27B	\$1.38B to \$1.43B
	Increase in Cost	\$164M	\$35.3M to \$80.2M	\$195M to \$240M
DTC foregone tax (provincial)	Total Cost	\$665M	\$614M to \$625M	\$686M to \$697M
	Increase in Cost	\$73M	\$22.2M to \$32.8M	\$94M to \$105M
Total government costs*:	Total Cost	\$3B	\$4.2B to \$4.3B	\$4.6B
	Increase in Cost	\$420M	\$1,632M to \$1,680M	\$1,989M to \$2,037M
MBM low-income rate of recipients ages 18- 64: before → after		18.5% → 16.7%	47.4 → 42.4% (A) 49.4% → 42.4% (B)	38.4% → 34.3% (A) 39.8% → 34.3% (B)
Persons Lifted out of low income		~6,000	38,048 to 53,156	42,939 to 58,047
Average gap ratio (poverty depths): before → after		26.5% → 24.8	24.8% → 19.7% (A) 28.8% → 25.4% (B)	25.2% → 20.6% (A) 28.8% → 25.7% (B)

*Total government costs include the CDB, DTC (federal and provincial), CWB-disability supplement, and other triggered provincial credits and benefits.

The two pathways differ in how many people they reach, what they cost, which instrument delivers the money and how much poverty they relieve. How far each program's definition of disability sits from the DTC's, as examined in Section 1, helps to explain these results.

CPP-D's definition of disability is the most restrictive of those reviewed in Section 1 and covers a different functional domain than the DTC. Regardless, the CPP-D/QPP-D and DTC overlap heavily before the DTC extension: 46 per cent of CPP-D recipients hold a DTC certificate. The overlap is likely in part due to both programs being of more value to persons with higher (past) income. Extending presumptive eligibility for the DTC to CPP-D/QPP-D recipients therefore adds comparatively few people, 181,269, for an additional cost of \$420 million. Because CPP-D/QPP-D selects on contribution history and work incapacity, those it adds tend to have taxable income, so most of the cost runs through the DTC rather than the CDB. The poverty effect is small — 1.8 points among working-age CPP-D/QPP-D recipients, about 6,000 people.

The definitions of disability for provincial disability assistance sit much further from the DTC's, and the DTC (before the CDB) was of limited use to disability-assistance recipients who tend to have low-income. Correspondingly, the overlap of DTC and disability-assistance recipients is low, at 12 per cent of cases. Extending the DTC to disability assistance recipients adds far more people than the CPP-

D/QPP-D expansion, 671,000 to 673,000, at an additional cost of \$1.63 to \$1.68 billion. The largest cost component is the CDB, and the poverty effect is several times larger — lifting 38,000 to 53,000 people above the MBM poverty line.

If the DTC were extended to both CPP-D/QPP-D and disability-assistance recipients, this would newly qualify about 826,000 to 828,000 working-age people at an additional cost of about \$2 billion. Again, the largest cost component is the CDB, and the poverty effect is large — lifting 43,000 to 58,000 people above the MBM poverty line.

Access. The value of extending the DTC certificate to CPP-D/QPP-D and disability-assistance recipients is about recognizing disability determinations other arms of government have already made, reducing access barriers. Only 12 per cent of disability-assistance recipients and 46 per cent of CPP-D/QPP-D recipients hold a DTC certificate at baseline, suggesting that extending the DTC this way would have the largest impact on reducing access barriers for disability-assistance recipients. Extending to both CPP-D/QPP-D and disability-assistance recipients, would newly reach 826,000 to 828,000 working-age people with disabilities. That estimate exceeds Scott and Macdonald (2024) figure of roughly 798,000 for the same combined expansion, likely due to the lower baseline in the SPSD/M estimates presented here.

However, extending the DTC presumptively to disability-assistance recipients may result in unequal access and be dependent on the province one lives in. The examination of disability definitions used in provincial disability assistance programs showed that the definitions of disability varied widely between provinces. Section 1 anticipated that a presumptive pathway's reach would be set less by the federal definition it bypasses than by the provincial definitions it adopts in its place.

Table 9 shows how unevenly that reach falls. It shows the number of persons per 1,000 working-age persons by province who would be newly eligible for the DTC certificate based on the pathways examined in Section 2. Relative to population, the disability-assistance pathway reaches 36 working-age persons of every 1,000 working-age persons in Ontario—where Section 1 showed the definition of disability was relatively more inclusive—and eight working-age persons of every 1,000 working-age persons in New Brunswick—where Section 1 showed the disability definition was relatively less inclusive. It reaches no one in Newfoundland, where the definition of disability is the DTC's. The correspondence with Section 1's comparison is indicative rather than exact — British Columbia applies one of the more restrictive severity thresholds yet sits near the top of the table, and Nova Scotia one of the broadest yet sits in the middle.

Comparatively, the CPP-D/QPP-D pathway varies from reaching a high of 15 working-age persons of every 1,000 in Nova Scotia and a low of five persons for every 1,000 in Manitoba. This tracks differences in how many persons receive the disability pension rather than the differences in definitions of disability applied to them.

Table 9: Number of persons reached by extended DTC pathways by Province

Province	Disability Assistance		CPP-D/QPP-D	
	Number newly eligible for DTC	Per 1,000 working-age residents	Number newly eligible for DTC	Per 1,000 working-age residents
NL	0	0	3,978	12.7
PEI	1,674	15.2	1,000	9.1

NS	14,146	23.1	8,982	14.6
NB	4,137	8.4	5,146	10.5
QC	94,616	18.4	29,360	5.7
ON	344,703	36.0	77,708	8.1
MB	19,945	23.7	3,999	4.8
SK	17,506	25.0	3,546	5.1
AB	65,625	20.8	19,745	6.3
BC	109,130	32.5	27,805	8.3

Table note: Per 1,000 working-age (18–64) residents, SPSP/M weighted, 2026. The disability-assistance column shows Calibration A; Calibration B differs by no more than 1.2 per 1,000 in any province. The two columns are not the same kind of estimate: the disability-assistance figures follow the provincial caseloads the model is calibrated to (Oliveira and Caballero 2026), while the CPP-D and QPP-D figures are modelled from CPP-D and QPP-D receipt observed in the data. Newfoundland and Labrador operates no separate disability-assistance stream, so no one is reached by that pathway. The territories are outside the SPSP/M's scope.

Fairness. The people the DTC extension would reach are not a new or speculative group: they are individuals whom another arm of government — the Canada Pension Plan, or a provincial disability-assistance program — has already assessed and recognized as disabled. The result is a fairness problem: a person whose province has already assessed as disabled — and who is poor enough to qualify for disability assistance — is nonetheless denied the federal disability benefit because a second, narrower test, written to gauge taxable capacity rather than need, does not recognize them as well. Recognizing the provinces' disability determinations would close much of that gap. It would not require a new medical determination, only the recognition of one already made.

However, fairness cuts the other way as well. The provincial definitions of disability are varied, with some more inclusive than others. A person on disability assistance in PEI may not be eligible for disability assistance in Alberta, for example. Newfoundland and Labrador has no separate definition of disability outside of the DTC definition and its disabled residents who fail the DTC test are shut out of provincial and federal support alike.

Targeting. On targeting, the two DTC expansion pathways diverge. The CPP-D/QPP-D pathway is poorly targeted for poverty reduction: because CPP-D/QPP-D is contributory, its recipients tend to have somewhat higher income, so most sit above the CDB's income-tested phase-out. Its cost runs mostly through the DTC — a non-refundable credit worth little to anyone with little tax to offset — and its poverty impact is correspondingly modest. The disability-assistance pathway is the mirror image: its recipients are low-income, almost all fall below where the CDB is exhausted, and the money flows through the refundable CDB to those who need it most, with a poverty impact several times larger. The CDB is concentrated almost entirely among recipients with equivalized family incomes below \$30,000, while the usable DTC rises with income and is worth most to those least in need. The DTC is poorly targeted in its non-refundable structure, directing its value away from the low-income population.

Administrative feasibility. The pathways modelled here are administratively straightforward. They require recognizing a disability determination already made by another government rather than creating a new one. This is not a novel mechanism. British Columbia already treats a person considered disabled under section 42(2) of the Canada Pension Plan as falling within a prescribed class for the Persons with Disabilities designation (Employment and Assistance for Persons with Disabilities Regulation, s. 2.1), so that a CPP-D determination substitutes for the province's own three-part assessment. Ontario treats recipients of CPP disability benefits, and of a disability pension under the Quebec Pension Plan, as prescribed classes eligible for ODSP income support (O Reg 222/98, s. 4(1),

paras 6–7), so that no disability determination under section 4 of the Act is made at all. Newfoundland and Labrador does the same with the federal DTC certificate. British Columbia's and Ontario's provisions are an alternative ground for designation, sitting alongside its own test and leaving its financial eligibility rules untouched, whereas Newfoundland's is the only route in, so that the DTC's exclusions become the province's exclusions. The pathways modelled here for the DTC are like BC's and Ontario's: they would add a second route to certification without displacing the existing DTC test, and without altering the CDB's income test.

The T5007 form, the tax slip issued to recipients of government assistance, does not distinguish disability assistance from general income assistance. A person receiving the Ontario Disability Support Program (ODSP) is indistinguishable on their tax file from a person receiving Ontario Works, for example. As Robson and Tedds (2024) note, this gap in the T5007's coding is a structural barrier to any presumptive eligibility pathway built on provincial disability determinations. Addressing it would require a modification to T5007 reporting requirements, specifically, a field that flags the program stream from which benefits were paid. This change falls within the administrative capacity of the federal government. Provinces with distinct disability benefit streams would then report the information.

The CPP-D/QPP-D pathway does not face this same obstacle: CPP-D/QPP-D receipt is already recorded in the tax file (via the T4A(P) slip), and CRA can identify CPP-D/QPP-D recipients directly. This asymmetry means the CPP-D/QPP-D pathway is implementable without any changes to reporting infrastructure, while the disability assistance pathway requires a targeted administrative fix before it can be operationalized.

Recommendations

1. Develop a new disability definition

The Canada Disability Benefit needs a disability test written for it, rather than one inherited from a tax credit. Table 1 shows how far the current test sits from the inclusive disability standard Parliament itself adopted in 2019.

Closing that distance would serve the purpose the CDB was created for. The DTC's test was calibrated to identify non-discretionary costs for the purpose of tax relief, not to identify people whose disability leaves them in poverty. That the two populations differ is visible in the certificate-holding rates: 46 per cent among CPP-D/QPP-D recipients, but only 12 per cent among provincial disability assistance recipients — people whose province has already assessed them as disabled and whose income is low enough to qualify for assistance. A definition written for an anti-poverty benefit should not systematically exclude the population that benefit is meant to reach.

Such a definition would be better developed with the provinces and territories than for them. Table 1 sets out thirteen jurisdictions operating fifteen distinct disability tests, each with its own severity threshold, duration rule, functional test and certification process. A person who moves between provinces is reassessed; a person receiving provincial disability assistance is assessed again federally. A common definition — or a common core, leaving room for jurisdictions to adapt it to their own programs — would reduce that duplication.

What such a definition should be is a question that requires consultation with the disability community. What a new definition would change in practice is an empirical question this report does not answer. The modelling here estimates what follows from extending the DTC's existing test to populations another government has already assessed; it does not estimate what follows from changing the test. How many people a broader, ACA-aligned definition would reach, at what cost, and with what effect on poverty, requires data on the severity and nature of disability that the SPSP/M does not carry. That is (hopefully) the subject of the next stage of this work.

2. Include whether a disability determination has been made on the T5007

The T5007 reports income assistance income but not which program paid it. Robson and Tedds (2024) identify this as a structural barrier to any presumptive pathway built on provincial disability determinations: the Canada Revenue Agency cannot extend eligibility to a population it cannot see. Moreover, without that information, it is difficult for policy makers and researchers to evaluate the impact of disability income assistance programs. This report is a case in point: the disability-assistance population had to be identified by calibration against published caseloads rather than observed directly.

The remedy is a field on the T5007 indicating the program stream from which the benefits were paid or, more narrowly, whether the paying program made a disability determination. Provinces and territories operating distinct disability streams already hold that information, so the change is to the reporting requirement itself, which falls within federal authority.

3. If disability assistance recipients and/or CPP-D/QPP-D recipients are made presumptively eligible for the DTC, make it an alternate route, not the only route.

Presumptive eligibility should add a route to certification rather than replace the existing one. Both Canadian precedents for recognising another government's determination take this form. British Columbia treats a person considered disabled under section 42(2) of the Canada Pension Plan as falling within a prescribed class for the Persons with Disabilities designation, and Ontario treats recipients of CPP and QPP disability pensions as prescribed classes for ODSP income support. In each case the provision sits alongside the province's own assessment, and an applicant outside the prescribed class may still qualify by the ordinary route.

A presumptive pathway's reach is set by the definitions it adopts, and those differ across the provinces and programs. Making it the only way to obtain a certificate would import that variation into federal eligibility and would exclude anyone whose disability is recognised by neither CPP-D/QPP-D nor a provincial disability-assistance program. Kept as an alternate route, it adds people without removing anyone.

Conclusion

The Canada Disability Benefit was created to reduce poverty among working-age Canadians with disabilities. The evidence in the first Broken Links report and in this report shows that the DTC gateway is limiting its reach. The definition the DTC applies was calibrated for a tax purpose — adjusting taxable capacity for people with severe, prolonged impairments — and that test excludes large populations whom other governments, applying their own medically-grounded assessments, have recognized as disabled. While the government has introduced reforms to make the DTC easier to access including streamlining the application for persons with long-lasting conditions (Department of Finance Canada 2026), this is only a first step and stops short of ensuring that the DTC, as a gateway to the CDB, is an anti-poverty tool.

The people shut out of the DTC include 88 per cent of the provincial disability assistance caseload and more than half of CPP-D/QPP-D recipients. Extending the DTC to either group would not require new disability determinations, only the recognition of determinations already made, and it could be done at a scale that would more than double the number of working-age DTC certificate holders. This report shows that this would have a large impact on the poverty rates and depths for persons with disabilities, though not equally by route. Because CPP-D/QPP-D selects on contribution history and disability assistance on a means test, the first delivers most of its value through the non-refundable credit and the second through the refundable benefit. How far a program's definition sits from the DTC's therefore determines not only how many people a presumptive pathway reaches, but which instrument reaches them.

However, the access it would deliver would not be the same everywhere. A presumptive pathway applies no single national standard; it adopts the standards of the programs it recognizes, and this report outlines thirteen jurisdictions operating fifteen distinct disability tests, each with its own severity threshold, duration rule, functional test and certification process. Reach therefore varies more than fourfold across the provinces, and in Newfoundland and Labrador, where the provincial definition is the DTC's own, expansion of the DTC to disability-assistance recipients would not reach many persons with disabilities. A presumptive pathway is best understood as a bridge: it can extend the CDB quickly, through doors other governments have already opened, but the reach it borrows is not necessarily the reach a national anti-poverty benefit should have.

The DTC's definition was written for a tax job but has been extended to an anti-poverty gateway. What changed was not the definition but what came to depend on it. A test calibrated to measure taxable capacity now decides who receives an anti-poverty benefit, and the gaps measured in this report follow from that mismatch. The pathways modelled here work around it rather than resolve it: they borrow determinations other governments have already made, which is why they could be implemented quickly, and why their reach is not the federal government's to set. Resolving these issues would mean deciding directly which Canadians a disability benefit is meant to reach and writing that into a definition of its own. Who such a definition would reach, and at what cost, is the question the next phase of this work (hopefully) takes up.

Technical Appendix

Calibrating Disability Assistance Recipients

The SPSPD/M records the dollar amount of social assistance each person reported (the variable *idisa*), but it does not model social assistance itself — it simply carries the reported amount forward from the tax file. It attaches no label for which program the money came from and no disability flag tied to assistance receipt. So the task was to identify, within the broad population of social assistance recipients the model does observe, the subset who are most likely disability assistance clients in a way that lines up with what we know from administrative data. The procedure has five parts: the calibration targets, the unit of analysis, how likely disability assistance recipients are identified, how that identification is matched to the administrative counts, and how the DTC extension is then simulated.

Calibration targets

First, I started with the income assistance caseloads for 2025 published in Oliveira and Caballero (2026), using the most recent year available (fiscal year 2024–25). These data report, for every province, the number of income assistance cases — that is, benefit units (a single adult, or a couple, together with any dependent children), not individual people — broken down by program stream (general income assistance versus disability assistance) and by household type (unattached singles, single parents, couples with children, and couples without children). For each province I took the disability assistance stream — for example, AISH in Alberta, the Ontario Disability Support Program (ODSP), Disability Assistance in British Columbia, or the Saskatchewan Assured Income for Disability (SAID) — which gives a target number of disability assistance cases for each province-by-household-type "cell." Two provinces required a judgement about scope: in Manitoba I combined Manitoba Supports with the medical-barriers stream of Employment and Income Assistance, and in Nova Scotia I used recipients of the ESIA disability supplement, in both cases to align with the disability caseloads used in Section 1. Newfoundland and Labrador has no standalone disability assistance program as its disability benefit is delivered through the DTC itself so its target is zero, and no one in that province is flagged as a disability assistance client. The territories fall outside the SPSPD/M's coverage and are excluded throughout.

Unit of analysis

All of the matching is done at the level of the nuclear family — one adult, or a couple, plus any children under 18. This is the unit the Canada Disability Benefit itself uses: the CDB is income-tested on the combined income of the beneficiary and their spouse. Second, it separates an adult child who is themselves on income assistance while living with a parent — that adult child is their own case, and the nuclear family treats them as such, whereas a broader family definition would fold them in with the parent. The SPSPD/M does not have a nuclear-family identifier, so I reconstructed one: within each census family (which contains at most one couple), everyone belonging to the parental unit is grouped together and each remaining never-married adult is treated as their own single-person family.

Identifying likely disability assistance recipients.

Within each province-by-household-type cell, I identified disability assistance cases in two steps, restricted to working-age families (the recipient aged 18 to 64, since disability assistance and the CDB are working-age programs).

In the first step, any social assistance case in which a working-age adult already holds a DTC certificate (iddiscert) or receives the Canada Pension Plan Disability benefit (idicqpd) is treated as a disability assistance case because these people have already cleared a formal disability determination.

The second step determines who is in the remainder of the caseload. This is done two ways. In the first version ("A"), the remaining cases are taken in order of reported benefit amount. This is, cases are ranked by the amount of social assistance reported and those with the highest amount are determined to be disability assistance clients. The logic is that disability assistance pays more than general income assistance, so higher reported amounts are more likely to reflect disability assistance. That signal is imperfect, however, because the reported amount reflects not only the benefit rate but also how many months of the year a person was on assistance: a person on disability assistance for part of the year can report less than a person on general assistance for the full year. To account for this, in the second ("B") version, the remaining cases are drawn at random, treating the benefit amount as uninformative. This provides a range. Because both versions flag the same number of cases, the estimated number of families reached is the same either way; the range appears only in the cost and poverty results, which depend on which recipients are flagged.

This identification produces a low DTC-certificate rate within the modelled disability assistance population — on the order of one in ten already hold a certificate. Using linked survey and tax data, Leanage, Jeon, and Arim (2025) find that about 84 per cent of persons with disabilities took up neither the DTC nor the CPP/QPP disability benefit, and attribute the gap to the difference between how these programs define disability and how disability is actually experienced. Because provincial disability assistance is granted under broader definitions than the DTC's, a disability assistance caseload necessarily contains many people who do not meet the DTC's test and hold no certificate, which is exactly the population a presumptive extension is meant to reach.

Matching to the administrative counts.

In each cell, cases are flagged in priority order — those with a direct disability signal first, then the amount-ranked or randomly-drawn remainder — until the running weighted count reaches the administrative caseload for that province, and no further. This "cap" ensures the model never flags more disability assistance cases than the administrative data record; where a cell's target is zero (Newfoundland and Labrador), nothing is flagged. Because each "person" in the SPSPD/M carries a survey weight, some very small cells cannot hit their target exactly, i.e., a single weighted case can be worth more than the entire target, so the final case is included whenever doing so lands closer to the target. Across all cells this reproduces the national disability assistance caseload to within about one-tenth of one per cent.

I matched to the caseload count directly, rather than to the disability share of total assistance. The number of social assistance cases the SPSPD/M observes is actually somewhat larger than the administrative monthly caseload because the tax data capture anyone who received assistance at any point in the year, while the administrative caseload is an average of monthly counts, and turnover on and off assistance makes the annual figure the larger of the two. Matching to the administrative count, and taking the highest-amount cases to reach it, therefore selects the more persistent (full-year) recipients, who are the ones a monthly caseload represents.

Extending the DTC and recomputing benefits.

For every case flagged as disability assistance, I assigned a DTC certificate to each working-age adult in the family. In a couple, a certificate goes to each partner who separately reports social assistance income. Provincial programs generally designate one disabled adult per case, so this can certify a spouse who was not separately assessed; in practice it affects 1.4 to 1.7 per cent of new certificates, since assistance is almost always reported by one partner and unattached singles are 85 per cent of the disability caseload.

I then let the SPSPD/M recompute the DTC and, through it, the Canada Disability Benefit and the other benefits that DTC certification unlocks. Because presumptive eligibility is automatic, I assume full (100 per cent) take-up among the flagged population. The model is static, capturing no behavioural response. These are the same assumptions used for the CPP-D/QPP-D pathway. Finally, because disability assistance programs commonly require their clients to apply for CPP-D/QPP-D as well, some of the newly-eligible population also receives CPP-D/QPP-D and would therefore be reached by the CPP-D/QPP-D pathway too. This is also examined.

A limitation follows from how the SPSPD/M records certificates. The certificate flag (iddiscert) is imputed from tax-file data for 2022, before the CDB came into effect. It predates the incentive the refundable CDB now gives such individuals to become certified and a legislative change that extended the DTC disability definition. Because any already-certified recipient the model fails to record will appear as newly eligible under the extension, the estimated number of newly-eligible people and the associated cost should be read as an upper bound. The same limitation applies to the CPP-D/QPP-D pathway, so it does not affect the comparison between the two.

References

- Canada Revenue Agency, 2023. *Table 2 Number of individuals with a DTC certificate by province/territory and age group, 2022*. <https://www.canada.ca/content/dam/cra-arc/prog-policy/stats/dtc-stats/dtc-2022-tbl2-en.pdf>.
- , 2024. *Table 2: Number of individuals with a DTC certificate by province/territory and age group, 2023*. <https://www.canada.ca/content/dam/cra-arc/prog-policy/stats/dtc-stats/dtc-2023-tbl2-en.pdf>.
- , 2025. *Disability Tax Credit Statistics – 2015 to 2024 Calendar Years*. <https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/income-statistics-gst-hst-statistics/disability-tax-credit-statistics/dtc-statistics-2024.html>.
- Department of Finance Canada. 2024. *Budget 2024*. <https://budget.canada.ca/2024/report-rapport/budget-2024.pdf>.
- , 2026, "Secretary of State Long highlights actions to make it easier to access the Disability Tax Credit," <https://www.canada.ca/en/department-finance/news/2026/05/secretary-of-state-long-highlights-actions-to-make-it-easier-to-access-the-disability-tax-credit.html>.
- Disability Advisory Committee, C. R. A. 2024. *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>.
- 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>.
- Eggleton, A., C. Petitclerc, and J. Seidman. 2018. *Breaking Down Barriers: A Critical Analysis of the Disability Tax Credit and the Registered Disability Savings Plan*. Standing Senate Committee on Social Affairs, Science, and Technology. <https://sencanada.ca/en/info-page/parl-42-1/soci-breaking-down-barriers/>.
- ESDC, 2026. *Monthly average number of Canada Pension Plan (CPP) disability benefits by province, gender, and calendar year*. <https://open.canada.ca/data/dataset/15e31370-ac4a-45a6-926b-02dd372bfd7a?wbdisable=true>.
- Government of Alberta. 2026. "Alberta Disability Assistance Program: Fact Sheet." <https://www.alberta.ca/system/files/alss-adap-fact-sheet.pdf>.
- Government of Canada. 2019. *Poverty Reduction Act*, S.C. 2019, c. 29, s. 315.
- , 2026. "Canada Pension Plan disability benefits." <https://www.canada.ca/en/services/benefits/publicpensions/cpp-disability-benefit.html>.
- Leanage, A., S.-H. Jeon, and R. Arim. 2025. *Uptake of the disability tax credit and the Canada Pension Plan or Quebec Pension Plan disability benefits among persons with disabilities in Canada*. Statistics Canada. https://publications.gc.ca/collections/collection_2025/statcan/36-28-0001/CS36-28-0001-2025-2-1-eng.pdf.
- Oliveira, T., and M. Caballero. 2026. *Social Assistance Summaries, 2025*. Maytree Foundation. <https://maytree.com/changing-systems/data-measuring/social-assistance-summaries/national-spotlight-definitions-of-disability/>.
- Oliveira, T., and A. White. 2026. *Social Assistance Summaries, 2025: National Spotlight - Definitions of disability*. https://maytree.com/wp-content/uploads/Spotlight_Social_Assistance_Summaries_2025.pdf.
- Petit, G. 2026. *Broken Links: Poverty and the limits of the Disability Tax Credit*. Canadian Tax Observatory. <https://canadiantaxobservatory.ca/broken-links/>.

- Retraite Québec / Données Québec, *Régime de rentes du Québec*, tableau 17.
- Robson, J., and L. M. Tedds. 2024. The Canada Disability Benefit: Battling Ableism in Design and Implementation. *Osgoode Hall Law Journal* 61 (1): (forthcoming).
- Scott, K., and D. Macdonald. 2024. *Canada Disability Benefit: Getting it right out of the gate*. CCPA. <https://www.policyalternatives.ca/news-research/canada-disability-benefit/>.
- Statistics Canada. 2026. *Canadian Income Survey, 2024*. <https://www150.statcan.gc.ca/n1/daily-quotidien/260429/dq260429a-eng.htm>.
- White, A. 2026. *From screening out to welcoming in: Promoting access to federal disability benefits*. <https://maytree.com/publications/from-screening-out-to-welcoming-in-promoting-access-to-federal-disability-benefits/>.