The Disability Tax Credit for Mental Functions

A guide for public safety personnel - what the credit is, explaining what qualifies in the realm of mental health, and how to get it.

Tip Sheet | Psychological Safety | PSP

4 min read

Operational and organizational stressors (e.g., traumatic events, long work hours, limited breaks, high physical/cognitive demands, and system and public pressures) are part of the reality of public safety work. In some cases, these stressors can lead to severe, long-term impairment, potentially impacting how you think, remember, focus or regulate your emotions. The **Disability Tax Credit (DTC)** can reduce the income tax you pay as a result of such impairments, and open the door to other federal programs.

QUALIFYING FOR THE CREDIT

Eligibility is based on the **effects of your impairment — not on a diagnosis**. A diagnosis of PTSD, anxiety or depression does not by itself qualify or disqualify you. What matters is how much the impairment restricts the mental functions you need for everyday life.

What is the DTC?

The DTC is a **non-refundable tax credit** that helps reduce the income tax a person with a physical or mental impairment (or a supporting family member) may have to pay. Because it is non-refundable, if the credit is larger than the tax you owe, the CRA will not refund the difference.

Mental functions necessary for everyday life

Your practitioner assesses how your impairment affects the ten functions below. You may qualify if it causes a **marked restriction** in your ability to perform them — meaning you are unable to, or need three times longer than someone of similar age. It is the **overall effect** that counts: a limitation in any one function, or the combined effect across several, can add up to a marked restriction.

Adaptive functioning
Adapting to change, self-care, expressing basic needs, everyday tasks.

Attention
Awareness of danger and risk to personal safety; impulse control.

Concentration
Focusing on a simple task; understanding and recalling short-term information.

Goal-setting
Making and carrying out simple plans; initiating everyday tasks.

Judgment
Decisions about your own treatment and welfare; recognizing risk of being taken advantage of.

Memory
Basic personal information, things of importance, and simple instructions.

Perception of reality
Accurate understanding of reality; separating it from delusions and hallucinations.

Problem-solving
Identifying everyday problems and carrying out solutions to simple ones.

Regulating behaviour & emotions
Appropriate responses for the situation; controlling mood to prevent harm to self or others.

Verbal & non-verbal comprehension
Understanding and responding to verbal and non-verbal information or cues.

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Do you meet the criteria?

You must meet **all three**. Even if you are unsure, you can still apply — the CRA decides based on your practitioner's information.

- ✓ You are **unable** to perform the mental functions for everyday life, or it takes you **3 times longer** than someone of similar age (even with appropriate therapy, medication and devices).
- ✓ The impairment is present **all or almost all of the time** (generally 90% or more).
- ✓ It has lasted, or is expected to last, for a **continuous period of at least 12 months**.

WHO CAN CERTIFY MENTAL FUNCTIONS?

- Medical doctor
- Nurse Practitioner
- Psychologist

A fee to complete the form may be claimed as a medical expense on your return.

DIDN'T QUITE MEET ONE CATEGORY?

If you have **significant limitations in two or more marked restriction categories** (for example, mental functions plus another (i.e. physical limitation, need for life-sustaining therapy, etc.), their **cumulative effect** may together equal a marked restriction and still qualify you.

What this can look like

EXAMPLE — RETIRED POLICE OFFICER

Depression and anxiety significantly affect daily functioning — fatigue, difficulty concentrating, disrupted sleep, excessive worry and social withdrawal. Despite ongoing treatment, the impairment continues to substantially affect everyday functioning. They may be eligible if the CRA criteria are met.

EXAMPLE — PARAMEDIC WITH PTSD

Able to attend work, but relies on strict routines, avoiding triggers, frequent treatment and family support to manage daily activities. When exposed to reminders of traumatic events, their concentration, judgment and emotional regulation significantly deteriorate. Their provider may determine these limitations meet the DTC criteria.

How to apply

Apply any time of year. To avoid a delay, submit **before** you file your return.

1. **Fill out Part A** — the applicant's section — online in your CRA account, by phone, or on paper form T2201. **Use one format for the whole application.**
2. **Your practitioner completes Part B.** Online, give them the reference number from Part A. A reference number is not necessary if it is completed on paper. The CRA bases its decision on this section.
3. **Submit and track.** Digital forms submit automatically; paper T2201 forms (both parts together) are mailed to your CRA tax centre. Watch your status in your CRA account.

You may be able to claim past years. If you're approved for the DTC, the CRA may be able to apply the credit retroactively to previous tax years. If a medical practitioner confirms that the eligibility criteria were met in earlier years, you may qualify for tax adjustments or refunds. Remember, eligibility is based on the impact on daily functioning, not the diagnosis itself.

Source: Canada Revenue Agency, canada.ca — Mental functions eligibility. Current as of 2026.