Summary of the Canada Disability Benefit Regulations

Employment and Social Development Canada
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Canada

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TABLE OF CONTENTS

1. **Introduction** 4
2. **Definitions** 4
3. **Eligibility requirements** 4
4. **Applications** 5
5. **Benefit amounts** 5
6. **Changes in marital status** 6
7. **Start of payments** 6
8. **Suspension of payments** 7
9. **Pause and restarting of payments** 7
10. **Death of a beneficiary** 7
11. **Representatives** 7
12. **Requesting a reconsideration** 7
13. **Appealing a reconsideration decision** 8
14. **Fixing administrative errors** 8
15. **Compliance and enforcement** 8
    - Financial penalties 8
    - Summary offences 9
16. **Overpayments** 9

SUMMARY OF THE CANADA DISABILITY BENEFIT REGULATIONS

1. Introduction

The following is a summary of the *Canada Disability Benefit Regulations* as of September 1, 2026. This summary is not a legal document and is not intended for use in interpreting the regulations.

2. Definitions

The **allocation** is the payment a person receives monthly or as a lump sum for an entire payment period (if their allocation is $20 or less per month).

The **supplemental amount** is a $150 lump sum payment meant to help reduce the costs of getting the disability tax credit (DTC).

The **benefit** means the Canada Disability Benefit, which consists of both the allocation and the supplemental amount.

An **applicant** is a person who applies for the benefit. This includes a person who has an application made on their behalf.

A **beneficiary** is a person who has been approved to receive the benefit. This includes a person who has a benefit paid to a legal representative (such as a guardian or trustee) on their behalf.

The **payment period** for the benefit is from July 1 to June 30 of the following year.

3. Eligibility requirements

To receive the allocation during a payment period, a person must:

- be between the ages of 18 and 64
- have been approved for the disability tax credit (DTC)
- have filed an income tax return with the Canada Revenue Agency (CRA) for the previous tax year
- be a resident of Canada for the purposes of the Income Tax Act
- be one of the following:
    - a Canadian citizen
    - a permanent resident
    - a protected person
    - a temporary resident who has lived in Canada for the past 18 months
    - someone who is registered or entitled to be registered under the *Indian Act*

If the person is married or has a common-law partner (partner), their spouse or partner must also file an income tax return with the CRA for the previous tax year. In some cases, the person can ask Service Canada to waive (remove) the requirement that their spouse or partner file a tax return. These cases include:

- if the person's spouse or partner is not a resident of Canada for the purposes of the *Income Tax Act*
- if the person does not live with their spouse or partner for reasons they do not control (for example, if they live in a long-term care home)
- if it would be unsafe for the person to ask their spouse or partner to file a tax return

When a person is granted a waiver, they are considered single for the purposes of calculating their income.

People serving a sentence of 2 years or more in a federal penitentiary are not eligible to receive the allocation while they are incarcerated, except for the first month they are incarcerated and the month they are released.

A person is eligible to receive the supplemental amount for each DTC certificate they have that entitles them to an allocation payment.

4. Applications

The regulations allow Service Canada to design the application process for the benefit. They also allow Service Canada to accept an application up to 6 months before a person's 18^{th} birthday and then process it when the person turns 18.

So long as a person remains eligible for the allocation, they do not need to reapply. This includes people who meet the eligibility criteria but do not receive allocation payments because their income is too high for the program. If their income falls below the threshold in the future, they will receive the allocation without having to reapply.

If a person becomes ineligible for the benefit (for example, because their DTC expires, they have not filed their tax return, or they are serving a sentence of 2 years or more in a federal penitentiary), they will have to reapply to start receiving payments again.

5. Benefit amounts

The amount of allocation a person receives depends on their income and the income of their spouse or partner, if they have one. However, a certain amount of income from employment or self-employment is exempted from (not counted in) the calculation of a person's income; this is called the working income exemption. Once a person’s income reaches a certain level, known as an income threshold, their allocation is reduced by:

- 20 cents per dollar of income above the income threshold if they are single or the only beneficiary in a couple; or
- 10 cents per dollar of income above the income threshold if their partner is also a beneficiary.

The maximum allocation amount, working income exemption amounts, and income thresholds used to calculate how much a person can receive are set out in the regulations. These amounts are adjusted each July to account for inflation, as determined by changes in the Consumer Price Index. For the program’s first payment period (July 2025 to June 2026), the amounts were the following:

- maximum allocation: $2,400 ($200 per month)
- working income exemptions:
  - up to $10,000 for single beneficiaries
  - up to $14,000 of combined income for beneficiaries with a spouse or partner
- income thresholds:
  - $23,000 for single beneficiaries or beneficiaries with a spousal/partner tax filing waiver
  - $32,500 for beneficiaries with a spouse or partner

In addition to allocation payments, people can receive a supplemental amount of $150. This amount is not adjusted each July to account for inflation.

6. Changes in marital status

If a beneficiary's marital status changes during a payment period, the allocation amount they receive will be recalculated. Changes include:

- getting married
- entering a common-law relationship
- getting divorced or separated
- becoming widowed

7. Start of payments

The allocation is payable (owed) to a person the month after the month that their application is approved.

The supplemental amount is payable as of September 1, 2026.

Eligible individuals can get up to 24 months of retroactive payments when they apply. These are payments for past months where a person was eligible but did not apply. There are no payments for months prior to June 2025, which is when the program launched.

8. Suspension of payments

A person's allocation payments can be suspended (stopped) if the government has reason to believe that they do not meet the eligibility criteria. If the government finds that the person is eligible, their payments will start again and they will get a back payment for the benefits they missed while their payments were stopped.

9. Pause and restarting of payments

A beneficiary can ask in writing that their allocation payments be paused for up to 24 months. People who ask to have their payments paused are not eligible for the benefit during the period their payments are paused. For this reason, they cannot receive retroactive payments for any months that benefit payments were paused.

If someone asks to have their allocation payments paused but does not ask that they be restarted within 24 months, they will have to reapply to receive payments again.

10. Death of a beneficiary

If a beneficiary dies, their heirs or estate are eligible to receive an allocation payment for the month in which the beneficiary died (unless the beneficiary already received the payment for that month).

11. Representatives

A representative is someone who acts on behalf of an applicant or beneficiary. A representative can:

- complete the benefit application
- request that a decision be reconsidered
- appeal a decision

A legal representative (such as a guardian or trustee) can also receive payments on behalf of a beneficiary.

12. Requesting a reconsideration

If someone disagrees with a decision about their eligibility or the amount of their benefit, they can ask for the decision to be reconsidered. In general, individuals have 180 days from the day they find out about the decision to ask for a reconsideration. In some cases, they may be given more time.

13. Appealing a reconsideration decision

If a person disagrees with a reconsideration decision, they can appeal the decision to the Social Security Tribunal (SST). If part of the appeal has to do with income, the SST will refer that part to the Tax Court of Canada.

All appeals of reconsideration decisions related to the benefit start at the SST's General Division by filing a notice of appeal. Information on how to file a notice of appeal and what to include is available on the SST's website.

14. Fixing administrative errors

If the government makes a mistake and someone gets less of the benefit than they should have, the government can fix the mistake and pay the person the amount they should have received.

15. Compliance and enforcement

The regulations include ways to help ensure the benefit goes only to those who are eligible. For example, the government can ask applicants and beneficiaries (or their representatives) to send additional documents or to meet with a government official to provide additional information.

<u>Financial penalties</u>

A person can receive a financial penalty (known as an administrative monetary penalty) if they:

- knowingly make false or misleading representations on an application
- apply for and receive a benefit while knowing they are not eligible to receive it

These acts are called violations. The size of the penalty is based on the yearly maximum amount of the allocation, as follows:

- first violation: 15% of the yearly maximum
- subsequent violations: 50% of the yearly maximum

No one would receive a penalty if they just made a mistake because they thought they were eligible.

Summary offences

It is an offence for a person to:

- knowingly use false identity information, or another person's identity information, to get the benefit for themselves
- counsel a person to apply for the benefit to steal all or a substantial part of it
- knowingly make false or misleading representations on an application

Under the *Criminal Code*, people convicted of an offence can receive a fine of up to $5,000 and/or a term of imprisonment of up to 2 years.

A person cannot be charged with an offence if they already received a financial penalty under the *Canada Disability Benefit Act* for the same action.

16. Overpayments

The government can recover overpayments. An overpayment is when someone is paid more of the benefit than they were eligible to receive and is a debt (money owed) to the government. The *Financial Administration Act* says that these amounts can be deducted from certain payments the government may make to the person in the future, such as tax refunds.

The regulations put a 6-year limit on recovering overpayments. Unless the overpayment resulted from an offence or violation, no interest is charged on debts from overpayments.