

# Frequently asked questions

## 1. What is the Canada Disability Benefit?

The Canada Disability Benefit is a new federal benefit of up to \$200 per month starting in July 2025, for low-income people aged 18-64 who have a disability. The benefit is intended to address the poverty faced by many people with disabilities and to increase their financial security. You must qualify for the Disability Tax Credit (DTC) in order to receive the Canada Disability Benefit. The federal government anticipates that about 600,000 Canadians will be eligible.

## 2. Have other provinces and territories committed to not clawing back the CDB?

Several jurisdictions have already agreed not to claw back the CDB, including Manitoba, Newfoundland and Labrador, Nova Scotia, and Nunavut. Some have decided to augment the new benefit, such as Newfoundland and Labrador announcing a \$400 per month top-up to the CDB.

## 3. What is the difference between a refundable tax credit and a benefit? How does this impact CDB clawbacks?

Refundable tax credits, such as the GST tax credit, are received when you file your tax return. If a person is eligible, they can receive these credits regardless of whether they owe taxes: the amount of the credit either reduces the amount of taxes owed or is provided as a transfer if no taxes are owed.

Benefits, such as the Guaranteed Income Supplement, are income supports that an individual can apply to at any time if they are eligible. While they are typically not linked to taxes owing, most benefits are income-tested and, therefore, require a completed tax return to assess eligibility.

According to the recently released regulations, the CDB is expected to be treated as a benefit and not a refundable tax credit. Many social assistance regulations (for programs like AISH and Income Support) already exempt refundable tax credits from determining benefits levels. However, benefits typically have to be added to the list of exempt “unearned income,” otherwise they can claw back social assistance.

## 4. What is total welfare income?

Welfare income encompasses a household's entire income from all government transfers. For eligible households, this may include social assistance payments where individuals and families who receive benefits from a social assistance program may also receive additional support through tax credits, child benefits for eligible households, and additional automatic social assistance payments. These jointly comprise the welfare income of a household. Note that the amounts differ based on the jurisdiction, other income and household composition.<sup>1</sup>

**5. Where can I find official government documents on the CDB?**

- Canada Disability Benefit Act (Bill C-22): <https://www.parl.ca/DocumentViewer/en/44-1/bill/C-22/royal-assent>
- CDB regulations: <https://www.canada.ca/en/employment-social-development/programs/disabilities-benefits/summary-regulations.html>
- 2024 Federal Budget (section: Launching the Canada Disability Benefit): <https://www.budget.canada.ca/2024/report-rapport/chap2-en.html#s2-1>

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<sup>1</sup> Laidley, J. & Tabbara, M. (July 2023). *Welfare in Canada, 2022*. Maytree. <https://maytree.com/changing-systems/data-measuring/welfare-in-canada/>