The Blakely Health Innovation Series:
Solving the Caregiver Crisis

Today, Canadians who financially contribute to the care of a loved one – which in addition to aging parents may also include a spouse, child, grandparent, aunt or uncle – are out of pocket $3,300 per year on average. Many of these caregivers make financial sacrifices as a result of their caregiving responsibility including cutting back on expenses, dipping into personal savings and saving less.

Yet, there are several tax credits available to Canadians, but many caregivers are not aware that the credits exist, and few have ever used them.

CANADA CAREGIVER CREDIT (CCC)

The Canada Caregiver Credit (CCC) is a non-refundable tax credit that is made available to people residing in Canada who must submit an Income Tax Return. The basic CCC amount is a maximum of $6,986, on which you can claim a 15% non-refundable federal tax credit. Its provincial counterpart, the Ontario Caregiver Credit (OCC), flows through the same criteria that drives the CCC.

To qualify, the person supported must be eligible for the Disability Tax Certificate. Here are some common questions about accessing the CCC.

What previous caregiver tax credits are included in the new Canada Caregiver Credit?

The new CCC replaces the three previous accessible tax credits, including the Caregiver Credit, the Infirm Credit, and the Family Caregiver Tax Credit. Most claims will be unchanged or even increase, with one small difference: Seniors who live with their adult children will need to quality for a Disability Tax Certificate, which can be obtained through one's family doctor or a specialist.

As per the Federal Budget 2017, nurse practitioners are also able to certify Form T2201, Disability Tax Credit Certificate.

Who is eligible to receive the Canada Caregiver Credit?

The eligible people are an individual's spouse, common-law partner, minor child, parent, grandparent, sibling, uncle, aunt, niece or nephew who is dependent due to mental or physical infirmity (temporary or permanent). There is no requirement for the dependant to live with the taxpayer.

This is one of the biggest changes between the new CCC and the old caregiver credit. Previously, the credit could be claimed for a parent or grandparent over age 65.

Does a dependant have to live with a caregiver to receive tax credits?

The good news is the senior does not have to live with you for you to be eligible but has to be dependant upon you for "support".

"Support" is typically defined as providing food, clothing, or shelter to the depend ent person.

Can the Canada Caregiver Credit be shared by more than one caregiver?

Only one CCC amount is available for each eligible dependant. However, the credit can be shared by multiple caregivers who support the same individual, provided that the total claim isn't higher than the maximum annual amount for that dependant.

The CCC will be reduced dollar-for-dollar by the dependant's net income above $16,163 (for 2017) and the dependant will not be required to live with the caregiver in order for you to be able to claim the new credit.

ONTARIO CAREGIVER TAX CREDIT (OCTC)

The Ontario Caregiver Tax Credit (OCTC) is similar to the new federal credit. Beginning in the 2017 tax year, it is available to individuals caring for infirm family member dependants, including adult children and the adult children of a spouse or common-law partner.

The maximum OCTC amount that can be claimed for 2017 is $4,794. The credit begins to decreases once net income becomes higher than $16,401.

Disclaimer: Information about available tax credits has been compiled for information purposes only. For further information about caregiver tax credits, we recommend that you consult an accounting professional and/or visit the Government of Canada website at: https://www.canada.ca/en/financial-consumer-agency/services/caring-someone-ill/tax-credit-caregiver.html.

ABOUT THE BLAKELY HEALTH INNOVATION SERIES

The Blakely Health Innovation Series provides events that feature topical lectures by leading Toronto Rehab experts. Guests gain access to timely information on the latest advancements in rehabilitation and research. Live talks and interactive webinars are open to members of the public.

Toronto Rehab is a global leader in physical rehabilitation, home to the world's top research centre in this field, and is truly *Where Incredible Happens*. We support recovery and chronic care for individuals affected by aging, injury and illness while developing new treatments, technologies and products to prevent injury, restore function and assist caregivers.

Our donor support of discovery and care helps turn the ideas of our clinicians and scientists into home, community, and hospital-based advancements and innovations. Together, we are *making incredible happen.*

To learn more about our Series, visit www.torontorehabfoundation.com or contact: Arlene Boyce at 416-597-3422 ext. 3545 (arlene.boyce@uhn.ca) or Henry Zajac at 416-597-3422 ext. 3967 (henry.zajac@uhn.ca).