

Family caregivers are missing out on help from the taxman

Here's a complete checklist of all the available tax credits and deductions available to caregivers



by [Evelyn Jacks](#)

Dec 5, 2018



The vast majority of Canadians giving care to sick and disabled family members are missing out on lucrative tax assistance that can help fund everything from new drug expenses to the costs of driving to get them, parking at the hospital and the financial consequences of missing work. Here is a critical checklist of provisions excerpted from *MoneySense* contributor Evelyn Jacks' new book *Essential Tax Facts—How to Make the Right Tax Moves and Be Audit-proof Too*

The list of commonly missed medical expenses is long, but here are some tax credits caregivers most frequently overlook.

The medical expense tax credit

Qualifying medical expenses greater than either 3% of net income or \$2,302 in 2018 will qualify for a non-refundable tax credit. Qualifying medical expenses includes:

Payments to Medical Practitioners, such as:

- dentist, medical doctor, optometrist, psychologist, a speech-language pathologist, an osteopath, chiropractor
- a pharmacist, a naturopath, a therapist, a physiotherapist, a chiropodist (or podiatrist), a Christian Science practitioner, a psychoanalyst who is a member of the Canadian Institute of Psychoanalysis or a member of the Quebec Association of Jungian Psychoanalysts, a psychologist
- a qualified speech-language pathologist or audiologist, an occupational therapist who is a member of the Canadian Association of Occupational Therapists
- an acupuncturist, a dietician, a dental hygienist, a nurse, practical nurses or a Christian Science nurse and an audiologist

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Payments for other Expenses, such as:

- attendant or nursing home care, ambulance fees, eyeglasses, dental work, hearing aids and batteries, guide and service animals, including psychiatric service animals for people who are severely disoriented or have severe anxiety

- alterations to the home to accommodate disabled persons, training a person to provide care for an infirm dependant
- drugs obtained under the Special Access Program (not yet approved, but authorized)
- medical marijuana or seeds from designated licensees
- private health plan premiums, group insurance premiums paid through employment, Blue Cross premiums including travel costs,
- a wheelchair, crutches, spinal brace, brace for a limb, an ileostomy or a colostomy pad, truss for a hernia
- a wig made to order for abnormal hair loss due to disease treatment

Disability tax credit (DTC)

There has been significant controversy around the audit activities extended to those who apply for these credits, especially, diabetics, who must verify that they require at least 14 hours of life-sustaining therapy per week in order to claim the DTC. It is a non-refundable tax credit which translates to a federal real dollar amount of over \$1,200, plus the value of the provincial tax saving. Nurse practitioners have been added to the list of qualified professionals who may certify the T2201 Disability Tax Credit Certificate, effective March 22, 2017. Note that medical doctors can certify all types of conditions. Any charge for this is claimable as a medical expense.

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A disabled dependent for this credit is one who has a “severe and prolonged impairment in mental or physical functions.” In addition, CRA must accept the certificate. When a taxpayer claims expenses for an attendant or the cost of

nursing home care for a patient as a medical expense, neither that individual nor any other person may claim the Disability Tax Credit (DTC) or transfer it from that patient. But, the DTC can still be used if the claim for an attendant is less than \$10,000 (\$20,000 in the year of death).

Expenses claimable for these purposes can include fees paid for nursing home residence, full-time care in-personal residence, or care in a group home plus costs for a special school or detox centre, which may qualify as both medical expenses and tuition fee credits. This generally does not include “stop smoking” treatment unless part of a medical treatment prescribed and monitored by a medical practitioner.

Canada caregiver credit (CCC)

Introduced in 2017, the CCC replaced the Family Caregiver Tax Credit, the Caregiver Tax Credit, and the Credit for Infirm Dependants. This credit comes in two parts:

- A “Mini” CCC of \$2150, which must be claimed for an infirm minor child or someone for whom you are claiming a spousal amount. The term spousal amount also includes an “eligible dependant” or a someone you are claiming as “equivalent to spouse”.
- A “Maxi” CCC of \$6883, or a portion thereof, may be claimed if you are supporting a spouse or eligible dependant over 18 whose net income is over \$11,635. You may also claim this amount for infirm adults who are considered “other dependants.” But this larger credit is never claimed for a minor child.

The Canada Caregiver Credit is complicated for infirm spouses and common-law partners because you may be able to claim the Mini CCC of \$2,150 in

conjunction with the spousal amount. However, if you can't claim the spousal amount then you may be able to claim part (or all) of the Maxi amount of \$6,883.

Your dependant can also be your parents/ grandparents, brothers/sisters, aunts/uncles, nieces/nephews, or adult children or that of your spouse or common-law partner. Only one claim will be allowed for the Canada Caregiver Amount for this class of dependant although the claim could be shared amongst two or more taxpayers so long as the total amount claimed does not exceed the allowable claim.

Infirm or disabled—what's the difference for tax purposes? CRA may contact your client sometime in the future to verify your claim for the Canada Caregiver Amount or the Disability Amount. An infirm dependant is one who has “an impairment in physical or mental functions.” A child under 18 will be considered to be “infirm” only if they are likely to be, for an indefinite duration, dependant on others for significantly more assistance in attending to personal needs, compared to children of the same age. This person can be claimed for the Canada Caregiver Credit.

Finally, don't forget that starting in 2017, the *EI Compassionate Care Benefits For Caregivers* are available for up to 6 months.

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