

Policy Profile for Compensating Family Caregivers

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*A project of the "Hidden Costs/Invisible Contributions:
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Introduction and Overview

'Hidden Costs/Invisible Contributions: The Marginalization of "Dependent" Adults' (HCIC) is an international, collaborative program of research designed to create a deeper understanding of the place of those characterized as "dependent" in society, specifically, older adults and those persons with disabilities or chronic illness.

The research is divided into four Themes. Theme 3 – Impact of Public Policy on Costs and Contributions – includes a critical examination of national level policies and programs aimed at financially compensating caregivers of dependent adults in ten countries. Policy Profiles have been developed for Australia, Canada, France, Germany, Israel, Netherlands, Norway, Sweden, United Kingdom, and the United States.

These Policy Profiles describe national level direct compensation (e.g. allowances) and indirect compensation (e.g. tax relief) policies for family caregivers. National labour policies that support employed caregivers are also included. Information presented is the result of a systematic review of articles, reports, and websites. The Profiles were reviewed by decision makers and researchers familiar with the country's public policy.

This Profile describes national level policies and programs that offer compensation for family caregivers in Canada, and summarizes the social policy context for supporting family caregivers.

Home Care in Canada

Canada is a parliamentary democracy. English and French are the two official languages. Canada is divided into 10 provinces and 3 territories and has a multiethnic and multicultural population of almost 32 million.

Canada has two national programs that provide home care services to specific populations (First Nations and Veterans), but there is no national home care program for the general population.

Home care is a provincial responsibility with provinces offering general community support services. Some provinces offer homemaking and nursing services, respite care, and information and counseling targeted at caregivers. Quebec is one of the few provinces which incorporates family caregivers in the design and delivery of home care services. The federal government offers a number of tax relief options to caregivers, and has recently introduced the Compassionate Care Benefit.



Highlights

- % 65 years and older – 13% (2001)
- % of 65+ institutionalized – 7.5% (1998)
- % of disabled persons – 12.4% (2001)
- % of women in labour force – 46% (2000)
- % of people receiving long term care – 4.2% (2002)
- % gdp for long term care – 1.08% (1992-95)

Caregiver Highlights

- In 2002, there were more than 2 million family and friends aged 45 years and older who reported providing informal care to seniors.
- 18% of women and 19% of men aged 45 and older reported providing care to one or more seniors with a long-term health problem.
- In 1996, approximately 40,000 parents age 45-64, and 20,000 parents age 65 or more were caring for an adult son or daughter with long-term health problems.

National Compensation Initiatives for Caregivers

Indirect Compensation

Initiative	Caregiver Credit
Target Group	<ul style="list-style-type: none"> Caregivers of adult dependent relatives or parents or grandparents over 65.
Eligibility Criteria	<ul style="list-style-type: none"> Co-residence with dependent relative at any time during the tax year. Care receiver must be a child or grandchild, or caregiver's or caregiver's spouse or common-law partner's sibling, niece, nephew, aunt, uncle, parent, or grandparent who resided in Canada. Care receiver must have been 18 or older when lived with the caregiver and been dependent due to mental or physical infirmity or, if he or she is the caregiver's or the caregiver's spouse or common-law partner's parent or grandparent, he or she must be 65 or older. Caregiver cannot claim this amount if anyone else is claiming the Eligible Dependent Tax Credit.
Entitlement	<ul style="list-style-type: none"> For 2004, the maximum credit is \$605 (16% of \$3,784). This is a non-refundable credit. The credit is reduced when the dependent's net income exceeds \$12,921 and is fully phased out when the dependent's net income reaches \$16,705.

Initiative	Infirm Dependent Age 18 or Older Credit
Target Group	<ul style="list-style-type: none"> Caregivers of an adult dependent relative who is physically or mentally infirm.
Eligibility Criteria	<ul style="list-style-type: none"> Caregiver provides support to a parent, grandparent, brother, sister, aunt, uncle, nephew, niece or adult child or grandchild of the caregiver or the caregiver's spouse. The dependent does not have to reside with the caregiver. Cannot claim if someone else is claiming the Eligible Dependent Amount or the caregiver is claiming the Caregiver Credit for the dependent relative. The credit can be claimed when dependent's income is less than \$9,152.
Entitlement	<ul style="list-style-type: none"> For 2004, the maximum credit is \$605 (16% of \$3,784). This is a non-refundable credit. The credit is reduced when the dependent's income exceeds \$5,368.

Initiative	Eligible Dependent Tax Credit
Target Group	<ul style="list-style-type: none"> Caregivers supporting a dependent relative who is mentally or physically infirm.
Eligibility Criteria	<ul style="list-style-type: none"> Caregiver does not have a spouse or common-law partner or, is not living with, supporting, or being supported by their spouse/partner. Lived with and supported a dependent relative in a home maintained by the caregiver. Care receiver is caregiver's parent or grandparent, or child, grandchild, sibling, who is under 18 or who is mentally or physically infirm. Caregiver cannot claim this amount if claiming the spouse of common-law partner amount, or if someone else is making this claim.
Entitlement	<ul style="list-style-type: none"> For 2003, the maximum credit is \$1053 (16% of \$6,586). Partial amounts are also available. This is a non-refundable credit. The dependent's income must be less than \$659 to claim the full amount, or between \$659 and \$7,245 to claim a partial amount.

National Compensation Initiatives for Caregivers

Indirect Compensation

Initiative	Disability Tax Credit Transferred from a Dependent
Target Group	<ul style="list-style-type: none"> Caregivers of a dependent relative who is eligible for the Disability Tax Credit.
Eligibility Criteria	<ul style="list-style-type: none"> Care receiver is dependent on caregiver because of a mental or physical impairment. Care receiver must be caregiver's or caregiver's spouse or common-law-partner's parent, grandparent, child, grandchild, brother, sister, aunt, uncle, nephew, or niece. Cannot be claimed if the spouse or common-law partner of the person with the disability is already claiming the disability amount or any other non-refundable tax credit (other than medical expenses) for the person with a disability.
Entitlement	<ul style="list-style-type: none"> For 2004, the maximum credit is \$1,038 (16% of \$6,486). This is a non-refundable credit.

Initiative	Medical Expenses Tax Credit
Target Group	<ul style="list-style-type: none"> Caregivers of a dependent relative (adult or child).
Eligibility Criteria	<ul style="list-style-type: none"> Care recipient must be caregiver's spouse or common-law partner, or the caregiver's or their spouse or partner's dependent child or grandchild, or their dependent parent, grandparent, sibling, uncle, aunt, niece, or nephew who lived in Canada at any time in the year. Expenses must be more than 3% of caregiver's net income or \$1,755, whichever is less.
Entitlement	<ul style="list-style-type: none"> Caregiver may claim medical expenses paid for by themselves or their spouse that were incurred on behalf of themselves, their spouse, or a dependent relative. Credit for 2003 equals 16% of qualifying medical expenses in excess of 3% of net income or \$1,755, whichever is less. This is a non-refundable credit. For 2003, if you claim medical expenses for a dependent (other than your spouse or common-law partner), whose net income is more than \$7,756, you have to reduce your claim.

Labour Policies

Initiative	Compassionate Care Benefit (Employment Insurance Benefit)
Target Group	<ul style="list-style-type: none"> Employed caregivers of a child, parent, or spouse at risk of death.
Eligibility Criteria	<ul style="list-style-type: none"> Regular weekly earnings from work must have decreased by more than 40% and must have accumulated 600 insured hours in the last 52 weeks or since the start of their last claim. Caring for a spouse, common-law partner, or child or child of spouse or common-law partner, or caregiver's parent or parent's spouse or common-law partner. Medical certificate indicating medical condition and "significant risk of death" within 26 weeks, requiring care of one or more family members. No co-residency requirement.
Entitlement	<ul style="list-style-type: none"> Basic benefit rate is 55% of an individual's average insured earnings. The maximum benefit is \$413 per week. This benefit is taxable. Maximum of 6 weeks of benefits, which can be shared by more than one family member Concurrent employment earnings are allowed up to a maximum of \$50 or 25% of weekly benefits, whichever is higher.

Note: No national-level direct compensation initiatives, such as caregiver allowances or wages, were found for Canada.

Current Issues and Debates

Canada's aging population trends point to the increased need for more funding to health and social services. The population aged 80 and over is expected to increase an additional 43% from 2001 to 2011. By then, this group will have surpassed an estimated 1.3 million.

Over the past five years calls for supporting caregivers have increased and have extended beyond advocacy groups and scholarly researchers to governments and policy makers. Key reports such as "The Health of Canadians – The Federal Role" (Kirby Report) and "Building on Values: The Future of Health Care in Canada" (Romanow Report) and in "Strengthening Home and Community Care Across Canada: A Collaborative Strategy", a report prepared for the Annual Premiers' Conference held in August 2002, demonstrate government interest in caregivers.

To date there is no explicit national Canadian strategy to support family caregivers, however, on July 20, 2004, the Prime Minister announced the creation of a new position: Minister of State for Families and Caregivers. This Ministry has been mandated by the federal government to work with the provinces and territories to develop effective mechanisms for delivering support to caregivers of seniors and people with disabilities. Additionally, the October 5, 2004 Speech from the Throne proposed improvements to tax relief for caregivers.

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For additional information on the HCIC project, please visit

<http://www.hecol.ualberta.ca/rapp/mcri.htm>

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