



64 Jefferson Ave.
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April 8, 2024

The Honourable Seamus O'Regan
Minister of Seniors
House of Commons
Ottawa, ON K1A 0A6

Dear Minister O'Regan,

Once again, I would like to thank you for your attendance and insightful remarks at the recent Canadian Association of Retired Persons (CARP) Annual General Meeting. Your presence and engagement were greatly appreciated by all attendees, and your remarks added significant value to the discussions held during the event.

We were particularly impressed by your commitment to addressing the concerns and needs of older adults across Canada. Your dedication to improving the quality of life for seniors resonated deeply with our members and highlighted your genuine concern for their well-being.

Enclosed with this letter, please find a briefing note that serves as a follow-up to our discussion during the AGM regarding tax credits for individuals purchasing home care services. We believe that this initiative has the potential to make a substantial difference in the lives of seniors who wish to age comfortably in their own homes while receiving the necessary care and support.

Your continued support and advocacy for the recommendations in our note will be greatly appreciated by older adults across the country. We look forward to collaborating with you further on steps to garner support and advance this important policy change for seniors.

Thank you once again for your time, dedication, and commitment to the well-being of older Canadians.

We are grateful for your leadership and vision in shaping a brighter future for seniors in our country.

Your truly,

Bill VanGorder

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CARP/Homecare Briefing Note

April 2024

Purpose: This briefing note is to further elaborate on the opportunity for the federal government to lead the implementation of tax credits for individuals who privately retain home care services to facilitate aging at home. Specifically, this would involve the federal government taking a leadership position toward:

- making the Canada Caregiver Tax Credit a refundable tax credit, with fewer restricting criteria
- establishing a tax rebate for people who retain home care services.
- exempting family funded home care services from GST
- incentivizing provinces to match federal leadership on the support of families who provide care directly or by using personal funds to retain reputable¹ independent home care.

Background: "Home and community care services help people to receive care at home, rather than in a hospital or long-term care facility, and to live as independently as possible in the community. Home and community care is delivered by regulated health care professionals (e.g., nurses), non-regulated workers, volunteers, friends, and family caregivers."ⁱ

As the population ages, there is a growing demand for home care services to support older people who want to remain independent at home as a crucial element to maintaining their quality of life. In 2020, the National Institute of Ageing (NIA)/TELUS Health Survey found that 91% of Canadians of all ages, and almost 100% of Canadians 65 years of age and older, plan on supporting themselves to live safely and independently in their own home for as long as possible.ⁱⁱ

However, few in Canada realize that home care is not a requirement of the Canada Health Act.ⁱⁱⁱ And while federal and provincials, territorial governments agree to fund home care services, the underlying, and often understated, fact is that home care is intended to supplement care provided by family. It is a

¹ Reputable home care providers are those organizations that are established with an employer identification/business number, have workers compensation and liability protection for staff, conduct thorough reference checks, supervise staff and are compliant with all relevant laws and regulations.



disservice to citizens for government not to disclose this reality and it sets unrealistic expectations for the public.

CARP's 2023 poll² which had almost 3900 respondents found that:

- 44% of respondents were unaware that home care is not publicly insured through the Canada Health Act.
- 33% did not know that they can purchase home care services to add on to what is received through the government.
- 57% of respondents receiving publicly funded home care had unmet needs and 46% of those individuals had their additional needs met by family, while 28% were not able to have their needs met at all.

The NIA/TELUS Survey found that about one-quarter of Canadians aged 75 and over has at least one unmet need with respect to their activities of daily living. In addition to having unmet needs, many older adults who live alone experience issues such as loneliness, falls, malnutrition, and inactivity.^{iv}

Relying on family to care for their relatives is considered normal in Canada due to a combination of cultural values, societal expectations, practical considerations, and supportive social structures and policies. However, the pressure on families to juggle work, childcare, and support of older family members is escalating as people live longer. Home care services that are funded directly by family offer flexibility and personalized support tailored to the specific requirements of the individual in need.

The recommendation to enable and recognize family funded home care has been addressed in part by the Canada Caregiver Tax Credit, the Ontario Seniors Care at Home Tax Credit^v and the Tax Credit for Home-Support Services for Seniors in Quebec^{vi}. A request for a similar tax credit has been made to the British Columbia provincial government.^{vii} The challenges with the existing credits are the stringent qualify criteria and awareness.

Proposal: This proposal calls on the Minister of Seniors to champion family caregivers who deliver care directly or who use their own funds to purchase home care services can promote and facilitate aging at home – a goal shared by most seniors and thus a responsive and fitting recommendation from the federal Minister of Seniors. This could be accomplished through tax levers including:

² <https://www.carp.ca/our-advocacy/home-and-community-care/>



- Strengthening the opportunities to access the Canada Caregiver Tax Credit by making it a refundable tax credit, with fewer restricting criteria.
- Establishing a tax rebate
- Exempting family funded home care services from the GST
- Incentivizing provinces to match federal leadership on the support of families who provide care directly or through the use of personal funds to retain reputable independent home care.

The tax credit would provide financial relief to families and individuals who invest in these services, encouraging them to choose home care as a viable option for long-term care needs. This would not only support aging at home but would also acknowledge the significant role families play in maintaining the well-being of their family members.

Benefits & Considerations: By fostering collaboration between federal and provincial governments, tax credits have the potential to significantly enhance the accessibility and quality of home care services for older people.

Benefits include but are not limited to:

- *Promoting Independence:* Offering a tax credit encourages individuals to age at home, fostering independence and autonomy while preserving a familiar and comfortable environment.
- *Acknowledging Individual Contributions:* People who use discretionary funds to retain home care services help to protect the publicly funded service.
- *Empowering the Person as the Care Integrator:* As the payor and recipient of care, the home care client and their family drive the care plan, resulting in more personalized support tailored to individual needs and preferences.

Considerations include but are not limited to:

- *Equity:* Ensuring equitable access to the tax credit is crucial, as not all individuals may have the financial means to afford private home care services. Measures should be put in place to prevent the tax credit from disproportionately benefiting higher-income individuals.
- *Regulation:* Implementing safeguards and regulations to maintain the quality and safety of private home care services is essential to protect vulnerable individuals.
- *Cost to Government:* Assessing the potential cost of the tax credit and its impact on government revenue is necessary to determine its feasibility and sustainability. However, the avoidance of premature, and ongoing, use of the public health system protects staff and services for those with most urgent and complex needs.



- *Integration with Public Programs:* The tax credit should complement existing publicly funded home care programs rather than undermine them, fostering a coordinated and integrated approach to long-term/continuing care.

Conclusion: Ensuring seniors have access to adequate, publicly subsidized home support is important for an aging population. However, providing seniors with choice as to who and how their home support is provided is paramount. Commonly, family paid home support provides seniors and their families with more flexibility and greater ability to ensure that they can focus on the things that will really help them stay independent for as long as possible. Acknowledging seniors and their families through a tax credit to offset costs incurred through hiring a home care provider also helps to ensure that the publicly subsidized care remains accessible to those who need it most.

Furthermore, embracing family-funded home care acknowledges and appreciates the invaluable role families play in each other's well-being, consequently alleviating strain on Canada's healthcare and social service systems.

Recommendation: The Federal Government must convene a working group to further analyse options and implementation strategies to introducing a tax credit for private home care services. This will help inform to ensure that any policy measures implemented align with the government's goals of "improving the quality and availability of long-term care and [taking] concrete actions to support seniors who want to age at home"^{viii}.

For more information, please contact:

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ABOUT CARP

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ENDNOTES

ⁱ Government of Canada (13 Apr 2016). Home and community health care. Retrieved Mar 1, 2024.

<https://www.canada.ca/en/health-canada/services/home-continuing-care/home-community-care.html#>

ⁱⁱ National institute on Ageing. October 2020. "Almost 100 per cent of Older Canadians Surveyed Plan to Live Independently in their Own Homes, But Is This Even Possible?" Retrieved on March 21, 2024. <https://www.niageing.ca/commentary-posts/2020/9/22/almost-100-per-cent-of-older-canadians-surveyed-plan-to-live-independently-in-their-own-homes-but-is-this-even-possible>

ⁱⁱⁱ Government of Canada (13 Apr 2016) Health>Health system and services>Health services and benefits>Home and continuing health care. Retrieved Mar 1, 2024. <https://www.canada.ca/en/health-canada/services/home-continuing-care/home-community-care.html#>

^{iv} National institute on Ageing. October 2020. "Almost 100 per cent of Older Canadians Surveyed Plan to Live Independently in their Own Homes, But Is This Even Possible?" Retrieved on March 21, 2024. <https://www.niageing.ca/commentary-posts/2020/9/22/almost-100-per-cent-of-older-canadians-surveyed-plan-to-live-independently-in-their-own-homes-but-is-this-even-possible>

^v Ontario Government (updated 2024) Taxes and Benefits webpage. Ontario Seniors Care at Home Tax Credit. Retrieved March 21, 2024. <https://www.ontario.ca/page/ontario-seniors-care-home-tax-credit>

^{vi} Revenu Québec (nd) **Tax Credit for Home-Support Services for Seniors**. Retrieved March 21, 2024.

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^{vii} BC Care Providers Association, EngAge BC (May 2023). BC Budget 2024. No Time to Wait: Taking Action to Support B.C. Seniors. Submission to the Select Standing Committee on Finance Government Services. Retrieved on March 1, 2024.

<https://bccare.ca/wp-content/uploads/2023/05/BC-Budget-2024-FINAL-01.pdf>

^{viii} Prime Minister of Canada (16 Dec 2021) Minister of Seniors Mandate Letter. Retrieved March 21, 2024.

<https://www.pm.gc.ca/en/mandate-letters/2021/12/16/minister-seniors-mandate-letter>