

Guide to income tax and benefits: 2019 tax year



This guide is intended to provide some basic tax tips that may be particularly useful for people living with dementia and their caregivers. This document is a summary only and is not a complete list. It is meant to alert you to options you may want to discuss with the person preparing your taxes.

For complete information about any personal tax matters, individuals can

contact the Canada Revenue Agency (CRA) by calling 1-800-959-8281 or by visiting their website at alzbc.org/cra. Income tax rules are complicated and subject to change every year, so we encourage you to get professional help with your income taxes.

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Getting started



To begin, you will need to gather all the necessary documents to complete your tax return. This includes:

- Tax slips (for example: T4).
- All supporting documents for any deductions you make or credits you plan to claim (for example: medical receipts, statements from a care facility or charitable donation receipts).
- Your most recent notice of assessment or reassessment for carry-forward amounts or other amounts you may need to complete your return.

Spouse or common-law partner amount

Qualifications	<ul style="list-style-type: none"> • You can claim this amount if at any time during the year you supported your spouse or common-law partner and his or her net income was less than \$12,069 (federal) or \$9,147 (B.C.).
Details	<ul style="list-style-type: none"> • Both of you cannot claim this amount for each other for the same year. • Should be claimed by the higher-income spouse. • The net income cut-off may be affected if you claim the Canada caregiver credit (see page 4).
Required forms	<ul style="list-style-type: none"> • None
How to claim	<ul style="list-style-type: none"> • Line 30300 on the Federal Schedule 5 Form: alzbc.org/2T8GaW1 • Line 58120 on the BC428 British Columbia Tax Form: alzbc.org/2T5AXhl

Amount for an eligible dependant

Qualifications	<ul style="list-style-type: none"> • You may be able to claim this amount if at any time in the year you met all the following conditions at once: <ul style="list-style-type: none"> ○ You did not have a spouse or common-law partner or, if you did, you were not living with, supporting or being supported by that person. ○ You supported a dependant in 2019. ○ You lived with the dependant you supported (in most cases in Canada) in a home you maintained. • You may qualify if the dependant is your parent or grandparent or if the dependant is your child or grandchild (under 18). • You may also qualify if the dependant is a child, grandchild, brother or sister (over 18) and depends on you due to mental or physical impairment. • The net income of the dependant must be less than \$12,069 (federal) or \$9,147 (B.C.).
Details	<ul style="list-style-type: none"> • You cannot claim this amount if: <ul style="list-style-type: none"> ○ The person was only visiting you. ○ You or someone else is claiming a spouse or common-law partner amount for this dependant. ○ Someone else in your household is making this claim for the same dependant. • The net income cut-off may be affected if you claim the Canada caregiver credit (see page 4).
Required forms	<ul style="list-style-type: none"> • None
How to claim	<ul style="list-style-type: none"> • Line 30400 on the Federal Schedule 5 Form: alzbc.org/2T8GaW1 • Line 58160 on the BC428 British Columbia Tax Form: alzbc.org/2T5AXhl

Canada caregiver credit

Qualification	<ul style="list-style-type: none"> You may qualify for this credit if you have a spouse or common-law partner, minor child or eligible relative who is dependent on you because of a mental or physical infirmity at any time in the year. This tax credit is an additional amount that can be claimed in addition to both the spousal and eligible dependant tax credits. People living with dementia, in most circumstances, will qualify for the benefit.
Details	<ul style="list-style-type: none"> A maximum amount of \$7,140 can be claimed by a caregiver in respect of each infirm dependant. This amount will be reduced dollar-for-dollar by the amount of the dependant’s net income above \$16,766 and is fully reduced at \$23,906. The dependant is not required to live with the caregiver in order for the caregiver to claim the credit. Note, a credit is not available in respect of a non-infirm individual over 65 years of age who resides with their adult child (caregiver).
Required forms	<ul style="list-style-type: none"> CRA may ask for a signed statement from a health-care provider indicating when the impairment began and expected duration of the impairment. This statement is not required if the individual already is approved for the Disability Tax Credit.
How to claim	<ul style="list-style-type: none"> Line 30425, 30450 and 30500 (Line 30500 if the dependant is under 18 years of age) on the Income Tax and Benefit Return: alzbc.org/32yR62i Line 58175 (Caregiver amount) on the BC428 British Columbia Tax Form: alzbc.org/2T5AXhI

Disability tax credit

Qualification	<ul style="list-style-type: none"> • To claim this amount: <ul style="list-style-type: none"> ○ You have a severe and prolonged impairment in your physical or mental functions in the tax year. ○ Impairment is prolonged if it has lasted, or is expected to last, for a continuous period of at least 12 months. ○ At least 90 per cent of the time you are unable to, or take an inordinate amount time to, perform one or more of the basic activities of daily living. • People living with dementia, in most circumstances, will qualify for the benefit.
Details	<ul style="list-style-type: none"> • In certain circumstances, some or all of this credit can be transferred from the person living with dementia to a spouse, common-law partner or other supporting person. • The transferred amount can be split between several people, if they support the same dependant. • This amount may be affected by claims for Attendant care (see page 7).
Required forms	<ul style="list-style-type: none"> • Your doctor (or other qualified health-care provider) must certify that you meet certain conditions by completing the Disability Tax Credit Certificate Form T2201: alzbc.org/2PAKhg6 • If claiming this amount for the first time, the Disability Tax Credit Certificate must be submitted. Once approved, there is no need to submit this form each year unless asked. • Ensure that the health-care provider dates the Disability Tax Credit Certificate to the year that the impairment began. CRA can adjust your previous returns if you would have qualified for the credit in those years. (Use the Adjustment Request Form: alzbc.org/2uAwFWa). • If the practitioner charges a fee for completing this form, you may be able to claim the amount as a Medical expense.
How to claim	<ul style="list-style-type: none"> • Line 31600 (Line 31800 if transferred to you) on the Income Tax and Benefit Return: alzbc.org/32yR62i • Line 58440 (Line 58480 if transferred to you) on the BC428 British Columbia Tax Form: alzbc.org/2T5AXh1

Medical expenses



<p>Qualification</p>	<ul style="list-style-type: none"> You may be able to claim a non-refundable tax credit for medical expenses incurred on behalf of yourself, your spouse or common-law partner or your children (under age 18). You may also make a claim for medical expenses incurred by you for your children, parents, grandparents, brothers, sisters, aunts, uncles, nieces or nephews who were residents of Canada and dependent on you for support during the year.
<p>Details</p>	<ul style="list-style-type: none"> You can only claim the part of an expense for which you have not been or will not be reimbursed. Some examples of eligible expenses are: <ul style="list-style-type: none"> Payments to certain qualified practitioners. Walking aids and wheelchairs. Prescription medications, eyeglasses or contact lenses. Hearing aids. Personalized therapy plan for a mental or physical impairment. The tax credit is calculated based on the medical expenses incurred minus the lesser of \$2,352 or three per cent of net income. Visit the CRA's list of eligible medical expenses for more information: alzbc.org/3ahqKVs
<p>Required forms</p>	<ul style="list-style-type: none"> Receipts may be requested.
<p>How to claim</p>	<ul style="list-style-type: none"> Lines 33099 to 33200 on the Income Tax and Benefit Return: alzbc.org/32yR62i Lines 58689 to 58729 on the BC428 British Columbia Tax Form: alzbc.org/2T5AXhI

Expenses for medical services not in your area

Qualification	<ul style="list-style-type: none"> • You can claim transportation and travel expenses, provided: <ul style="list-style-type: none"> ○ Substantially equivalent medical services were not available near your home. ○ You took a reasonably direct travelling route. ○ It is reasonable for you to have travelled to get the medical services.
Details	<ul style="list-style-type: none"> • If you had to travel at least 40 kilometres (one way) to get medical services, you may be able to claim the public transportation expenses you paid. • If you had to travel at least 80 kilometres (one way) from your home to get medical services, you may be able to claim accommodation, meal and parking expenses, in addition to your transportation expenses, as medical expenses. • If a health-care provider certifies in writing that you were unable to travel by yourself, you can also claim the transportation and travel expenses of an attendant.
Required forms	<ul style="list-style-type: none"> • Receipts may be requested.
How to claim	<ul style="list-style-type: none"> • See Medical expenses (page 6).

Attendant care (at home or in long-term care)

Qualification	<ul style="list-style-type: none"> • You can claim amounts you or your spouse or common-law partner paid for attendant care or care in a facility. • If you are receiving attendant care services in your home, you must: <ul style="list-style-type: none"> ○ Be eligible for the disability tax credit. ○ Have a written certification from a health-care provider that states the services are necessary.
Details	<ul style="list-style-type: none"> • You can claim the salaries and wages paid to all employees that perform certain specified duties or services as medical expenses. <ul style="list-style-type: none"> ○ For a full list of services you can claim, see the CRA Guide RC 4065 - Medical Expenses - 2019: alzbc.org/3877kkr • An attendant who is hired privately will probably be considered an employee. For more information, refer to the CRA Guide's "Employee or Self-Employed?" section: alzbc.org/3cfyIFD • The paid attendant cannot be your spouse or common-law partner. • If you are claiming expenses greater than \$10,000 (full-time care), the disability tax credit cannot also be claimed.

Required forms	<ul style="list-style-type: none"> • To claim attendant care expenses paid to a care home, you must send the CRA a detailed breakdown from the care home that clearly shows the amounts paid for staff salaries that apply to the specified attendant care services listed in CRA Guide RC 4065 - Medical Expenses - 2019: alzbc.org/3877kkr • The Disability Tax Credit Certificate (Form T2201: alzbc.org/2PAkhg6) or medical certification, depending on the expense type. <ul style="list-style-type: none"> ○ See the CRA Guide RC 4065 - Medical Expenses - 2019: alzbc.org/3877kkr
How to claim	<ul style="list-style-type: none"> • Line 33099 on the Income Tax and Benefit Return: alzbc.org/32yR62i • Line 58689 on the BC428 British Columbia Tax Form: alzbc.org/2T5AXhl

Refundable medical expense supplement

Qualification	<ul style="list-style-type: none"> • This refundable tax credit is available to working individuals with low-income (including the income of your spouse or common-law partner) and high medical expenses. • Your employment income must be \$3,645 or more.
Details	<ul style="list-style-type: none"> • The amount of this supplement is the lesser of: <ul style="list-style-type: none"> ○ \$1,248; or ○ 25 per cent of the medical expenses that qualify for the Medical expenses tax credit (see Page 6). • The amount is reduced by five per cent of a combined family income greater than \$27,639.
Required forms	<ul style="list-style-type: none"> • Receipts may be requested.
How to claim	<ul style="list-style-type: none"> • Line 45200 on the Income Tax and Benefit Return: alzbc.org/32yR62i

Home accessibility tax credit

Qualifications	<ul style="list-style-type: none"> ● You may be able to claim this amount if: <ul style="list-style-type: none"> ○ You own a home in Canada and paid for eligible renovations to improve the safety or accessibility of your home. ○ You are 65 years of age or older or eligible for the Disability Tax Credit, and the home is your main residence, or: ○ You are the spouse/common law partner of the qualifying individual. ○ The renovations are permanent and allow the individual to access the home or be more mobile/functional within the home. ○ The renovations reduce the risk of harm within the home or in accessing the home.
Details	<ul style="list-style-type: none"> ● You can claim up to \$10,000 in expenses. ● You may claim this for an eligible dependant under certain circumstances.
Required forms	<ul style="list-style-type: none"> ● Eligible expenses must be supported by acceptable documentation, such as agreements, invoices and receipts. They must clearly identify the type and quantity of goods bought or services provided.
How to claim	<ul style="list-style-type: none"> ● See Line 31285 in the Federal Income Tax and Benefit Guide: alzbc.org/32z4ELa

B.C. home renovation tax credit for seniors and persons with disabilities

Qualifications	<ul style="list-style-type: none"> ● You may be able to claim eligible expenses for certain permanent home renovations that improve access or mobility or reduce the risk of harm within the home. ● You're eligible to claim the credit for the year if on the last day of the tax year you are: <ul style="list-style-type: none"> ○ A B.C. resident, and: ○ A senior (65 years of age or older) or a family member living with a senior, or: ○ A person with a disability or a family member living with a person with a disability (for 2016 and later tax years).
Details	<ul style="list-style-type: none"> ● The maximum credit is \$1,000 per tax year, calculated as 10 per cent of the qualifying renovation expense (maximum \$10,000 in expenses). ● Some examples of eligible expenses are: <ul style="list-style-type: none"> ○ Grab bars and handrails ○ Wheelchair ramps, lifts and elevators ○ Walk-in bathtubs

	<ul style="list-style-type: none"> • This credit can be split between eligible residents of the home to a maximum amount of the credit. • For seniors and family members living with seniors, your renovation expenses must have happened on or after April 1, 2012. Expenses made or incurred under an agreement entered into before this date don't qualify.
Required forms	<ul style="list-style-type: none"> • You must retain documentation to support your claim, including receipts from suppliers and contractors. If work has been performed by a family member, receipts for labour and materials must have a GST/HST number. • If you are claiming this amount as a person with a disability, you are required to provide a Disability Tax Credit Certificate (Form T2201: alzbc.org/2PAkhg6).
How to claim	<ul style="list-style-type: none"> • Schedule BC(S12) Form: alzbc.org/2VzIEyn

GST/HST-exempt goods and services

Qualifications	<ul style="list-style-type: none"> • Some goods and services used by people living with dementia are exempt from the GST/HST. • If you paid GST/HST in error, you can ask the supplier for a refund or a credit. • If you can't get a refund or a credit from the supplier (for example, if the supplier refuses or goes out of business), you can apply to CRA for a rebate by completing the GST 189 Federal Application for Rebate of GST/HST form: alzbc.org/2wRiZqA
Details	<ul style="list-style-type: none"> • Some services are only exempt if they are publicly subsidized or funded. • Some examples of exempt expenses are: <ul style="list-style-type: none"> ○ Certain health-care services. ○ Home care services (such as cleaning and meal preparation). ○ Personal care services (such as assistance with bathing, feeding, dressing and taking medication) provided to you in your place of residence. ○ Care and supervision services. ○ Home-delivered meals through certain programs. ○ Certain medical devices and supplies.
Required forms	<ul style="list-style-type: none"> • CRA requires copies of proof of purchases, receipts or documents for purchases listed on your rebate application, with your rebate claim.
How to claim	<ul style="list-style-type: none"> • GST189 General Application for Rebate of GST/HST: alzbc.org/2wRiZqA • Refer to the CRA guide's "Disability-Related Information": alzbc.org/2TmBVoY

Examples of how tax benefits and credits might affect you

The following scenarios are only intended to illustrate how some of the more commonly used tax benefits and credits might apply to a specific situation.

Scenario 1 - Parent lives with caregiver child



Mary is separated from her partner and her children have left home and are no longer dependent on her. Her mother Janet is living with Alzheimer's disease and recently moved into a suite in Mary's house. Janet qualifies for the Disability Tax Credit. To make the home safer and more accessible for her mother, Mary has incurred costs for home renovations, spending \$4,000 for the necessary upgrades. Janet also has significant medical expenses, which Mary has paid for, including prescriptions, a wheelchair and eyeglasses totaling \$3,500. Mary has also paid for a nurse to come to the home to care for Janet several days a week, costing \$8,000 in total.

Mary's eligible credits include:

- Canada caregiver credit
- Amount for eligible dependant
- Disability amount (transferred)
- Medical expenses: $\$4,000 + \$3,500 + \$8,000 = \$15,500$
- Refundable medical expenses supplement (depends on Mary's income)
- Home accessibility tax credit
- B.C. home renovation tax credit for seniors and persons with disabilities

Scenario 2 - Child assists with parent's care costs



Jim is married with two children who still live at home and are dependent on him for support. Jim and his sister, Joan, learned last year that their father's dementia has advanced to the stage that he needs full-time care in a long-term care home. Their father has very little income, so Joan and Jim have agreed to split the costs evenly. The cost of the care home is \$28,000 per year, \$15,000 of which is deemed care costs. Their father also spent \$1,800 of his own money on other medical expenses during the year (prescription glasses, supplies and medication).

Jim's eligible credits include:

- Canada caregiver credit (either Jim or Joan, or it can be split)

Depending upon father's income:

- Medical expenses: $\$15,000 + \$1,800 = \$16,800$ (split between Jim and Joan)
- Refundable medical expenses supplement (depends on Jim's income)

Note: Jim or Joan are not eligible to transfer their father's Disability Tax Credit because the deemed care costs were greater than \$10,000.

Useful resources

Resources related to getting authority to handle financial affairs

It is important for individuals in the early stages of Alzheimer's disease or another dementia to plan ahead for legal, financial and health-care matters by preparing an Enduring Power of Attorney and a Representation Agreement. It is strongly encouraged that families consult a lawyer or notary public for assistance with preparing legal documents.

Nidus Personal Planning Resource Centre and Registry

Nidus is currently the only community-based resource in Canada devoted to personal planning. Nidus is also the expert on Representation Agreements, which are a legal model for supported decision-making. The Personal Planning Registry is a secure online service for storing your important information and documents and making them available to others who need to know. Visit www.nidus.ca or call **604-408-7414** for more information.

Authorizing or cancelling a representative

Taxpayer information is considered confidential according to the CRA. Consent can be given for another person to act as a representative for income tax matters online at alzbc.org/39QTiof. If you have a legal representative (for example, Power of Attorney or Guardian), you do not need to fill this out.

Agreement to administer federal pension benefits

You can apply to Employment and Social Development Canada to act as the trustee of Canada Pension Plan (CPP) and Old Age Security (OAS) benefits for a relative or friend who is incapable of managing their own affairs due to a mental or physical illness or impairment. For details, call **1-800-277-9914** or visit alzbc.org/2werXxQ to access the **Certificate of Incapability** form and the **Agreement to administer benefits under the Old Age Security Act and/or the Canada Pension Plan by a Private Trustee** form.

Additional resources and information

Community volunteer income tax program

The objective of this program is to help individuals who are not able to prepare their income tax and benefit returns by themselves. In partnership with the CRA, community organizations host tax preparation clinics and arrange for volunteers to prepare tax returns for eligible individuals. For more information, call **1-800-959-8281** or visit alzbc.org/32zBnQJ.

Employment Insurance (EI) compassionate care benefits

EI compassionate care benefits are paid to people who must be away from work temporarily to provide care or support to a family member who is gravely ill and who has a significant risk of death within 26 weeks (six months). A maximum of 26 weeks of compassionate care benefits may be paid to eligible people and can be shared with other family members. Unemployed persons on EI can also apply. You may also be eligible if you are a close friend or neighbour and the gravely ill person considers you a family member. For more information, call **1-800-206-7218** or alzbc.org/3abtW4L.

Family caregiver benefit

This new benefit is in addition to the existing EI Compassionate Care Benefit. Starting December 3, 2017, eligible caregivers may take up to 15 weeks off work to care for or support an adult family member who is critically ill or injured. For more information call **1-800-206-7218** or visit alzbc.org/39b45d3.

Veterans Affairs Canada: Veterans Independence Program (VIP)

Eligible veterans may receive financial assistance for personal care, housekeeping, grounds maintenance and/or other services under the VIP. Primary caregivers and low-income or disabled survivors of veterans who were receiving services under the VIP before they passed away or were admitted to a long-term care home may be eligible to continue to receive these services. For more information call **1-866-522-2122** or visit alzbc.org/2TsDZLW.

Disability benefits help sheets

Disability Alliance B.C. provides a series of help sheets that describe key disability programs and benefits in B.C. Call **1-800-663-1278** or visit disabilityalliancebc.org for more information.

Alzheimer Society

BRITISH COLUMBIA

300 - 828 West 8th Avenue
Vancouver, B.C. V5Z 1E2

Phone (toll-free): 1-800-667-3742

First Link® Dementia Helpline

English: 1-800-936-6033

Cantonese and Mandarin: 1-833-674-5007

Punjabi: 1-833-674-5003

Email: info@alzheimerbc.org

Website: www.alzheimerbc.org

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