Société Alzheimer Society
CORNWALL & DISTRICT
CORNWALL ET RÉGION

Financial Planning

Maximizing income and benefits for the person with dementia

The importance of early planning

For families living with dementia, planning ahead can help avoid crises and make future situations more manageable. Early planning can allow the person with dementia the opportunity to participate in making decisions about their own future. In addition, the person with dementia may be required to have 'legal competency' in order to sign several important documents related to planning.

The first thing you need to do is set up Powers of Attorney for both Property and Personal Care. Your local Alzheimer Society can provide information on how to do this and what is needed.

Continuing Power of Attorney (POA) for Property

A Power of Attorney for Property is a legal appointment of a substitute decision maker who acts on behalf of the incompetent person in making financial decisions and controlling personal property and finances. The person that is selected is usually 'someone you trust' who will sign for you, manage your finances, your assets, your property, buying or selling goods while you are still alive. A POA for Property has full power unless you state restrictions and it would come into effect upon signing the document. Under restrictions, you can determine:

- **Scope:** whether to limit the scope of the authority to certain finances.
- **Timing:** POA could come into effect only when you are deemed incapable (the inability to understand the information that is relevant to a decision or to appreciate the consequences of a decision).
- **Confirmation of Incapacity:** to be confirmed by a capacity assessor, an evaluator, a physician or other health professional. Contact the Alzheimer Society for more information.

Maximizing Income and Benefits

Depending on the age of the person with dementia and their ability to manage their financial affairs, the attorney may need to assist the person or on the person's behalf, ensure that all possible sources of income and benefits are accessed. This may include applications for Income Security Programs as well Income Tax benefits.

Income Security Programs:

a. **Old Age security (OAS)** pension is based on age, legal status and years of residence in Canada after the age of 18. Two types: a full and partial pension. If you have lived in Canada for less than 40 years, you may qualify for a partial pension. OAS is taxable. It must be applied for in writing. www.servicecanada.gc.ca/eng/sc/oas/pension/oldagesecurity.shtml

b. **Guaranteed Income Supplement (GIS)** provides a monthly non-taxable benefit to low-income Old Age Security (OAS) recipients living in Canada. (This makes it very important for people who may only qualify for a partial OAS pension to make sure they do apply for OAS, even if it is for a small amount.) The Guaranteed Income Supplement is based on your annual income, or the combined annual income of you and your spouse or common-law partner. Since your annual income can change from year to year, you must renew your GIS each year.
www.servicecanada.gc.ca/eng/sc/oas/gis/guaranteedincomesupplement.shtml

c. **Canada Pension Plan (CPP)** is an employment-based contributory pension plan. CPP payments include: retirement pension; disability benefit; survivor benefits (including death benefit;

survivor's pension and children's benefit). Individuals may choose to receive retirement pension (at a reduced amount) starting at age 60-64; at full amount at age 65; or at a higher level between age 65-70. They must apply in writing for the pension and should do so 6 months before they plan to start receiving benefits. www.servicecanada.gc.ca/eng/sc/cpp/retirement/canadapension.shtml

d. **Guaranteed Annual Income System (GAINS)** is provided by the Ontario Ministry of Finance to eligible low-income seniors who receive OAS and GIS. No application is required for the GAINS benefit. Once you are receiving OAS and GIS, you will automatically be assessed for eligibility for the GAINS benefit. Eligibility will be based on information from your (and your spouse's) prior year income tax return(s). www.rev.gov.on.ca/en/credit/gains

Income Tax Benefits

a. **Medical expense deductions:** Certain medical expenses are deductible. There is a formula and list of eligible expenses to help with this section. It is important to keep all receipts (i.e. medicine, attendant fees, health aides such as bath bars, railings, safety devices, parking costs while visiting the doctor, etc.).

b. **Attendant care expenses/deductions.** If you or the person with the disease is paying for a person to provide care, this too can be deducted. Form T929 must be filled out. (Info: T.I.P.S. 1-800-267-6999 or T.I.P.S. Online Service www.ccra-adrc.gc.ca/tips

c. **Disability tax credit**. This provides provides additional tax help for individuals who have difficulties in "perceiving, thinking and remembering". In order to claim a Disability Tax Credit (DTC), persons must have Form T2201 completed by a medical doctor or other qualified person. The form may also be used to support other tax claims such as attendant care expenses. There are two parts to the form that must be filled out: the individual or the supporting person must do Part A, and the medical doctor or other qualified person must fill out Part B. (*Hint: You may submit a claim for up to five previous years)*: www.ccra.gc.ca/disability

d. **Involuntary Separation:** If you are over 65 years of age and are receiving the federal Guaranteed Income Supplement (GIS) in addition to Old Age Security (OAS) pension, you may qualify for an increase in benefits if one partner is living in Residential Care. Contact the administrator of the long term care home in order to make an application request.

It is best if you consult with community professionals such as lawyers and financial consultants who can help you to make difficult decisions in the best interest of all concerned. The Alzheimer Society is available to provide information and support. Remember, you are not alone!

Further information on this topic

- Getting your Legal and Financial House in Order: www.champlaindementia.org
- www.alzheimerbc.org
- www.alzheimers.org.au

Alzheimer Society

The Alzheimer Society offers information, education and support.

- **Ottawa and Renfrew County:** 613-523-4004 / 1-888-411-2067 www.alzheimer.ca/ottawa
- **Cornwall & District:** 613-932-4914 www.alzheimer.ca/cornwall

This fact sheet was provided courtesy of the Alzheimer Society of Ottawa and Renfrew County

www.alzheimer.ca/cornwall | Email: alzheimer.info@one-mail.on.ca | Cornwall: 613-932-4914 | Hawkesbury: 613-632-4349
106B Second Street West, P.O. Box 1852, Cornwall, ON, K6H 6N6