

Modifying and Enhancing the Ontario Seniors Care at Home Tax Credit (OSCAH)

Background

The 2022 Ontario budget introduced the new Ontario Seniors Care at Home Tax Credit (OSCAH). This is an important change as in-home care services are critical supports that help to keep seniors healthy, safe at home and out of hospitals and other publicly-supported facilities. Often, just a few hours of care a week is enough to keep seniors living independently at home and prevent unnecessary illness or accidents.

The new OSCAH is a refundable personal income tax credit that is tied to the federal process for approving the medical expense tax credit. As such, Tax filers would be eligible for the proposed credit if they:

- Turned 70 years of age or older in the year, or have a spouse or common-law partner who turned 70 years of age or older in the year
- Are a resident in Ontario at the end of the tax year

The credit is for 25% of claimed medical expenses, up to a maximum credit of \$1,500. The credit is reduced by 5% of family net income over \$35,000 and fully phased out at \$65,000.

The Issue

Home Care Ontario has identified a challenge since the OSCAH's introduction that currently stands in the way of this tax credit being available to many seniors living at home. This challenge is that seniors must apply and be approved for a disability certificate to qualify for family-funded home care expenses.

Seniors must have a disability certificate

Family funded home care expenses are typically for services that are delivered:

1. Part-time
2. By non-regulated personal support workers (PSWs) or their equivalents
3. In peoples' private homes (including retirement homes)

Expenses eligible for this new credit must qualify for the federal and Ontario medical expense tax credit. Because seniors must have a disability certificate (Form T2201) in order to claim part-time attendant care in their homes as an eligible medical expense [Income Tax Act Section 118.2.(2) (b.1)], the vast majority of home care recipients will not be able to claim family-funded home care expenses unless they apply and are approved for it through the Canada



Revenue Agency (CRA). While many seniors struggle with physical and mental health challenges, they may not necessarily meet CRA's stringent eligibility tests for a 'disability certificate'.

These seniors will therefore not be able to claim expenses related to the in-home care they depend on to keep them healthy, safe and living at home.

The Solution

In order to ensure the new Ontario Seniors Care at Home Tax Credit reaches as many Ontario seniors as possible who need this assistance to help them stay in their homes, Home Care Ontario respectfully asks the federal government to work with their provincial counterparts to **eliminate the requirement for a 'disability certificate' to claim for part-time attendant care in the home.**