

SENIORS'

TAX CREDIT

2025 PRE-BUDGET SUBMISSION

Enhanced Seniors Care
at Home Tax Credit

 **ORCA**
Ontario Retirement
Communities Association

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THE GOAL, THE CHALLENGE, THE SOLUTION

THE GOAL

Empowering seniors to live in their home and communities longer while receiving the right care in the right place at the right time.

THE CHALLENGE: WHAT PROBLEM ARE WE TRYING TO SOLVE?

- Ontario's 80+ population is **projected to double between 2023 and 2040**. The 85+ population is Ontario's fastest growing age cohort.
- Seniors overwhelmingly **want to age at home and in their communities**, but as they age, the cost of doing so with adequate care increases.
- Failure to give these seniors pathways to the right care in the right place **leads to loneliness and declining health outcomes**, and places an **unfair burden on informal caregivers**, who are often forced to dramatically reduce their work hours and compromise quality of life.
- Despite record investments, the waitlist for long-term care beds continues to grow. According to Ontario Health, the current **long-term care waitlist is at 47,000**.
- Ontario's healthcare system is already being stretched to the limit, and more funding alone won't solve the capacity challenges. To sustain our healthcare system as Baby Boomers age, **leveraging care capacity outside of the publicly funded long-term care and hospital sectors must be part of the solution**.

THE SOLUTION: INCENTIVIZE THE RIGHT CARE IN THE RIGHT PLACE AT THE RIGHT TIME AND SENIORS HOUSING SUPPLY

Enhancing the successful Ontario Seniors Care at Home Tax Credit to achieve the following:

- Seniors have **more choice** as to how and where they age.
- More seniors can age at home and in their community, **freeing up capacity in the long-term care and hospital sectors** (particularly ALC beds).
- This policy can prevent or delay LTC admissions, **potentially reducing LTC capital spending by hundreds of millions of dollars**.
- Slowing the growth of **healthcare spending** in Ontario.
- Incentivizing the private sector to **develop more purpose-built seniors housing**, from retirement homes to independent living facilities, increasing our housing supply and freeing up single family homes.

HOW IT WORKS

By enhancing the existing Seniors Care at Home Tax Credit to cover a wider range of home services, more seniors will be able to choose to age in their communities, reducing pressure on long-term care and hospital demand.



In Quebec, where the Tax Credit for Home-Support Services for Seniors enables more seniors to privately receive the care they need, their long-term care waitlist was 3,673 as of October 2024, while Ontario's is ~47,000. Ontario's population is nearly 1.8x Quebec's, so on a per-population basis, Quebec's rate of long-term care waitlist at Ontario's population level would be just 6,508, more than one seventh of Ontario's actual waitlist.

A REAL-WORLD MODEL

Quebec's successful Tax Credit for Home-Support Services for Seniors provides an excellent real-world model for how this works in practice, providing many benefits to seniors and the overall health system.

ABILITY TO AGE IN COMMUNITIES

By enabling more seniors to age in their communities, fewer seniors end up in long-term care early. Studies have shown that up to 1 in 3 entries to long-term care could have been delayed or prevented by appropriate community supports. This tax credit is intended to enable seniors to pay for those supports privately, preventing their reliance on the publicly funded system.

FREE UP HOSPITAL BEDS

Many seniors take up ALC beds in capacity-stretched hospitals because they have nowhere else to go. Most would prefer to live in their communities, but need extra supports as they recover at home. This tax credit would allow many of them to transition home, freeing up desperately needed hospital beds for acute care patients.

PROPOSED ENHANCEMENT OF THE SENIORS CARE AT HOME TAX CREDIT



01.

AGE ELIGIBILITY

Additional eligibility for enhanced tax credit begins at age 80 or 85.

02.

EXPAND ELIGIBLE EXPENSES

Eligible expenses expanded to include home services essential for seniors to safely remain in their own homes.

(see page 5 for a full list of eligibility)

03.

TAX CREDIT AMOUNT

The maximum tax credit amount that can be received is 35% of the annual cap (\$25,500) on eligible costs of services and care.

04.

ANNUAL INCOME ELIGIBILITY

Eligibility covers seniors that have up to \$85,000 in annual income. In 2025, ~685,500 of Ontario seniors aged 80+ would be eligible and could benefit from the monthly tax credit.

05.

RECEIVE FUNDS WHEN NEEDED

These tax credit amounts are refundable and payable in advance monthly so that seniors receive the funds when they need it.



PROPOSED ELIGIBLE EXPENSES

Empowering seniors with an enhanced Seniors Care at Home Tax Credit to help cover the costs of a wider range of home services and care on a monthly or quarterly basis to help seniors with ongoing cash flow.

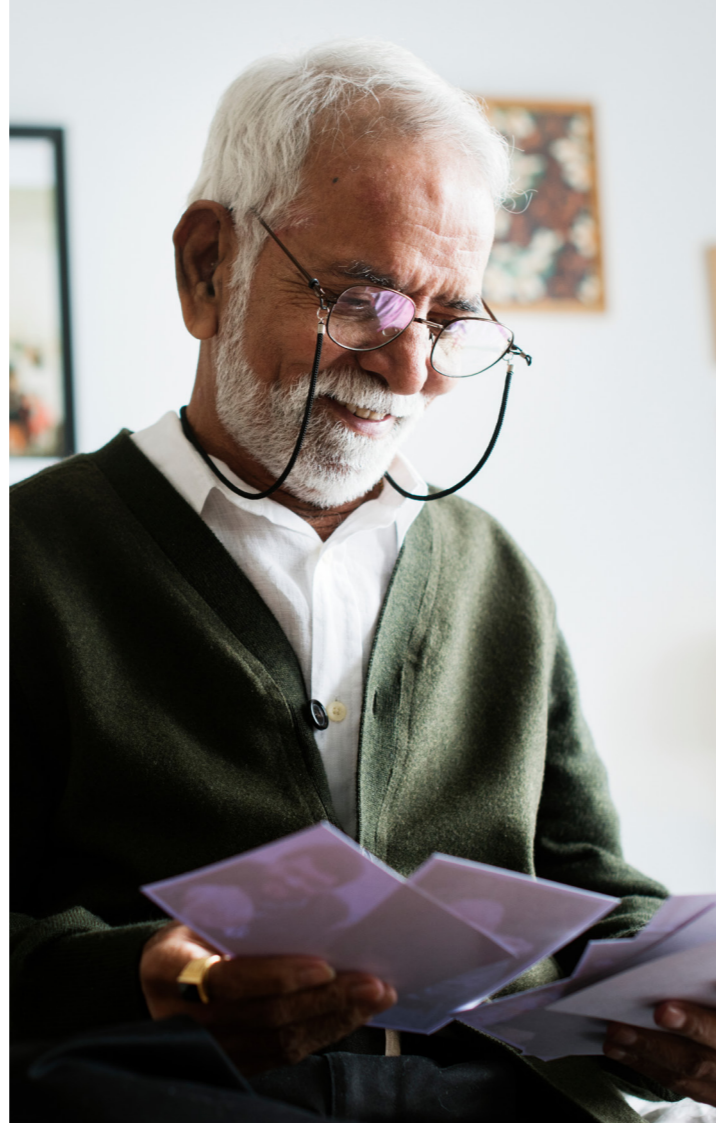
PROPOSED LIST OF ELIGIBLE EXPENSES FOR ENHANCED SENIORS CARE AT HOME TAX CREDIT:

- 5% of rent (up to a maximum of \$2,000)
- Moving expenses while downsizing ([based on the CRA definition](#))
- Supervision and support services (non-specialized night supervision, monitoring and companion sitting, person-centred remote monitoring services, services related to the use of a personal GPS locator)
- Support services (to fulfill duties or civic obligations - help going to the pharmacy, doctor, dentist/denturist, grocery store or to vote, help with budget management, help completing tax forms)
- Supplying everyday necessities and running other errands (grocery delivery, prescription drug delivery)
- Part-time Attendant Care ([based on the CRA definition](#)) with the eligibility criteria being user-friendly and simple: if you're 80 years or older and have an income of <\$85,000 (no medical certificate required), which includes:
 - food preparation
 - housekeeping services for a resident's personal living space
 - laundry services for a resident's personal items
 - health care (registered nurse, practical nurse, certified health care aide, personal support worker)
 - activities (social programmer)
 - salon services (hairdresser, manicurist, pedicurist) if included in the monthly fee
 - transportation (driver)
 - security for a secured unit
 - building maintenance such as removal of debris to enter and exit without issue etc.

COSTINGS

The amount of foregone tax revenue depends primarily on three factors:

- 01** age of initial eligibility (i.e., 80 or 85);
- 02** amount of the tax credit claimed by the average beneficiary; and
- 03** The percentage of eligible beneficiaries claiming the tax credit.



AN EXCEPTIONAL RETURN ON INVESTMENT

Scenario 1:
Based on the most recent data available (2020) from Quebec's similar tax credit, if Ontario were to have a similar uptake to Quebec with eligibility beginning at age **85**, the foregone tax revenue in 2025 would be **~\$244 million**.

Scenario 2:
Based on the same data, if Ontario were to have a similar uptake to Quebec with eligibility beginning at age **80**, the foregone tax revenue in 2025 would be **~\$489 million**.

Although these scenarios involve significant foregone tax revenue, a tax credit providing seniors with a maximum annual benefit of \$8,925—or roughly \$25 per day—should be viewed as a cost-saving measure. This is especially true when compared to the operating costs of a long-term care bed (approximately \$206 per day) or an alternate level of care (ALC) bed (\$600 per day), not to mention the significant capital expenditures required to expand capacity in long-term care facilities and hospitals. As a result, the proposed tax credit offers an exceptional return on investment by helping to prevent or delay the need for costly LTC and ALC resources.

OUTCOMES: ADDRESSING HEALTHCARE & HOUSING CHALLENGES

Had this tax credit been in place in 2023, we estimate that it would have diverted 1,950 hospital transfers to long-term care to be cared for in other settings (**resource savings of ~\$129 million**) and diverted another 2,400 seniors on the LTC waitlist to be cared for in other settings (**resource savings of ~\$159 million**).

Overall, a very conservative estimate of **>\$288M** of LTC resources **would be freed up annually**.

In the coming decades, **these numbers will increase substantially** with the growth of our aging population.



These estimates do not account for the savings from preventing or delaying the use of other health care, LTC and hospital services, which could be substantial.

OUTCOMES: FLATTENING LTC WAITLIST DEMAND

1,950+

seniors in **hospital** that ended up in LTC could have been cared for in the community.

At a minimum, we estimate that 20% of seniors (80+) with a MAPLe Score of 1-3 in ALC that were waiting for LTC placement could have been diverted with the expansion of the Tax Credit.

2,400+

seniors could be diverted from the **LTC** waitlist to be cared for in the community.

At a minimum, we estimate that 20% of seniors (80+) with a MAPLe Score of 1-3 on the LTC waitlist could be diverted with the expansion of the Tax Credit.

Please note that these estimates don't account for the senior population growth in future years.

LTC placement data extracted by Ontario Health from the Client Profile Database (CPRO). Placement data for 2023; waitlist data as of July 2024.

OUTCOMES: MAKING RESOURCES AVAILABLE FOR ACUTE CARE NEEDS

Ontario Health data shows that seniors are much more likely to enter the LTC system if they reside in a lower-income neighbourhood using it as a housing affordability solution as much as a care solution.

Expanding the Tax Credit would give these seniors the choice to stay in their homes and communities longer, reducing reliance on LTC as the only affordable option.



\$288M in LTC Resources Freed Up Annually



We estimate that expansion of the Tax Credit will prevent **1,950 seniors** from transitioning from hospital to LTC each year.

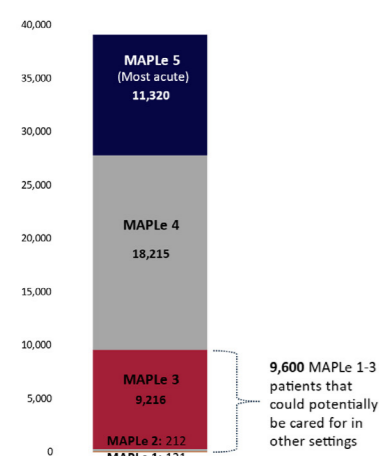
Based on the assumption that lower acuity (MAPLe 1-3) patients could potentially be cared for in other (non-LTC) settings, **~20% of ~12,000 seniors 80+ (2024 data) currently on the LTC waitlist could be cared for in another setting.** (average cost of LTC \$206 minus average cost of tax credit \$25 = ~\$181/day).

Please note that these estimates don't account for the senior population growth in future years.

LTC placement data extracted by Ontario Health from the Client Profile Database (CPRO). Placement data for 2023; waitlist data as of July 2024.

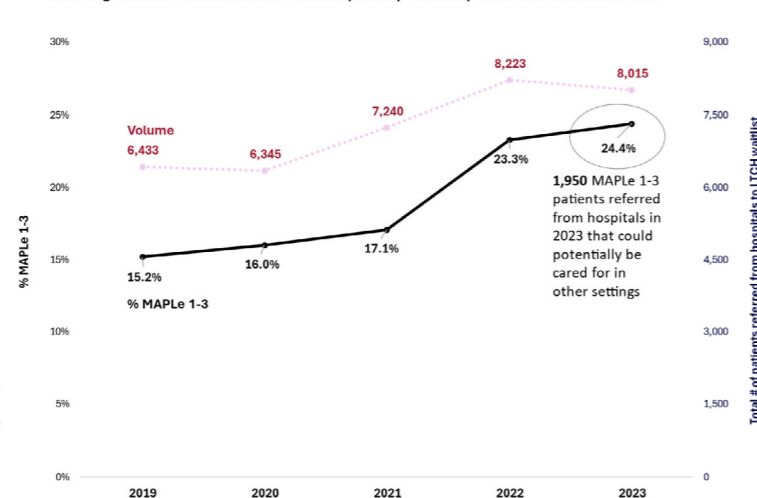
Based on MAPLe scores, 24% of LTCH waitlist referrals could potentially be cared for elsewhere; there has been a sharp increase in referrals for this lower acuity group from hospitals since 2021

New long-term care waitlist referrals from any setting by MAPLe score, FY2023



Source: Client Profile Database (CPRO)

New long-term care waitlist referrals from Hospitals by calendar year: volume and %MAPLe 1-3



5

C.D. HOWE INSTITUTE: CALL TO ACTION

1

THE RESEARCH

The C.D. Howe Institute has released a paper entitled **Scenarios for Seniors' Care: Future Challenges, Current Gaps and Strategies to Address Them** which analyzes Quebec's tax credit model and the associated benefits as compared to Ontario's system, and with a focus on the need for strategies that support greater affordability for seniors.

2

SMART POLICIES

The research calls on provinces to implement smart policies to address our growing senior population and economic challenges faced by lower- and middle-income seniors, including providing a refundable tax credit for senior renters to access services that fit their individual needs.

3

MORE AUTONOMY

This approach would provide seniors and their family members much more autonomy in determining from whom and when they receive the care they need in a location of their choosing.

"Previous research has shown that about 30% of entries to long-term care homes (LTC) could be delayed or prevented (CIHI 2017). Investing in expanded home and community support services and providing financial supports for low-income seniors to access the care they need where it is most appropriate, can reduce the demand for more intensive (and expensive) LTC or hospital care."

“
Ontario and other provinces should consider similar policies to Quebec, which provides a refundable tax credit for seniors.
”

BROAD PUBLIC SUPPORT

People want to age at home for as long as they can and governments should leverage new policy options to empower them to do so. **Campaign Research asked more than 2,000 respondents** across Ontario a series of questions in late May 2024. The **results support implementation of a tax credit** similar to Québec.

- ✔ **90%** of respondents agree that seniors should have a **choice** as to **where they age**.
- ✔ **90%** of respondents agree that seniors should have a **choice** of **how they receive care**.
- ✔ **86%** of respondents agree that they would prefer to age at home or in a **retirement home** and not in a hospital or long-term care facility.
- ✔ Almost **90%** of respondents **support a refundable tax credit to seniors** similar to Québec's.
- ✔ Nearly **85%** of respondents agree that they would prefer their parents or loved ones to age at home or in a **retirement home** and **not** in a hospital or LTC facility.

These findings are consistent with a **poll conducted by Maru Public Opinion** in March 2023. The firm polled 1,211 randomly selected adults in Ontario and found that:

- **90%** of respondents agree that the Ontario Government should **support seniors in a way that offers them choice in how they receive care in a setting of their choosing**.
- **90%** of respondents agree that the Ontario Government should **provide seniors with a monthly allowance to choose who delivers their care**.
- **93%** of respondents support the introduction of a **Québec-style tax credit** for seniors in Ontario.



COALITION



MICHAEL BROOKS, CEO, REALPAC

"REALPAC is committed to advancing the long-term vitality of Canada's real property sector, and to fostering conditions for Canadians to thrive. An expanded seniors' tax credit in Ontario would empower older adults to make housing decisions that best meet their needs. Additionally, this incentive would encourage more senior-focused developments and help unlock existing homes, thereby increasing availability for younger generations."



SUE VANDERBENT, CEO, HOME CARE ONTARIO

"Home Care Ontario endorses the expansion of the Ontario Seniors Care at Home Tax Credit which would allow seniors to choose the level of care and services to meet their current needs. We also urge both the federal and provincial governments to eliminate the required disability certificate for the current tax credit, which makes it difficult for people to access the right care, at the right time, in the right place."



RICK KEDZIOR, PRESIDENT, BOARD OF DIRECTORS, ONTARIO REAL ESTATE ASSOCIATION

"After a lifetime of making memories in their family homes, many Ontario seniors are ready to downsize, but too many of them can't afford the limited options available. Expanding the Seniors Care at Home Tax Credit would give Ontario's growing senior population more flexibility to choose housing options that work for them and help them stay in their communities. It would also incentivize senior-focused development and unlock more housing units for young Ontarians who want to start families. Let's support the generation that raised us and give them the resources to choose the housing that works for them."



CATHY HECIMOVICH, CEO, ONTARIO RETIREMENT COMMUNITIES ASSOCIATION

"Affordability and limited choices are forcing seniors to leave retirement communities or their own private homes prematurely. This tax credit is instrumental to giving seniors more choice and better affordability to stay in their home communities."



DONNA DUNCAN, CEO, ONTARIO LONG-TERM CARE ASSOCIATION

"Financial challenges can be a tipping point for a premature move to long-term care. Tax credits that enable seniors to stay in their home or retirement home for longer is the best solution for them and relieves pressure on the long-term care system, which currently has a waitlist in Ontario of more than 47,000 people."



ANTHONY DALE, CEO, ONTARIO HOSPITAL ASSOCIATION

"The Ontario Hospital Association (OHA) supports the proposed Seniors Monthly Tax Credit to provide older Ontarians with additional choices and greater flexibility in choosing how and where they age. It would enable more seniors to access home care or supportive services beyond what is accessible through publicly funded programs. As Ontario's population continues to grow and age, innovative approaches are needed to ensure that people can receive the right care in the right place. This proposed enhanced tax credit will enable people to access the supports they need to age in place."