

# 2012 Personal Tax Medical Expenses



# About Me

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## Medical Expenses Tax Credit

- Tax Credit calculated on the total amount of eligible medical expenses for 2012 that you or your spouse or common-law partner paid for:
  - yourself;
  - your spouse or common-law partner; or
  - your or your spouse's or common-law partner's child born in 1995 or later (under 18).
- In order to calculate your medical expenses eligible for a tax credit, your total eligible medical expenses for 2012 must be greater than the **lesser** of:
  - 3% of your net income ; or
  - \$2,109.
- You can include medical expense paid on behalf of a dependent (parent, grandparent, brother, sister, uncle, aunt, niece, or nephew was a resident of Canada).

## Medical Expenses Tax Credit

- You have to calculate, for each dependent, medical expenses eligible for a tax credit and add that amount to your return.
- You will receive a Federal Tax Credit equal to 15% of the total medical expenses eligible for a tax credit and Provincial(Ontario) Credit equal to 5.05%
- Its is beneficial to claim all the medical expenses on the lower income spouse

# Deduction vs. Tax Credit

## Deduction

- Reduction to Taxable income

### **Example**

Income	100	
Deduction		<u>(10)</u>
Taxable Income	90	
Tax Payable (36%)	32.4	

## Tax Credit

- Reduction to Taxes Payable

### **Example**

Income	100	
Tax Payable (36%)	36	
Tax Credit		<u>(10)</u>
Net Tax Payable	26	

## Medical Expenses

- May deduct expenses for any 12 month period ending in taxation year
- Lengthy list of allowable expenses
  - Includes premiums paid to private health care plans
  - Does not include dietary supplements
- If attendant care, nursing home, etc. expenses paid
  - Deduction requires letter from medical practitioner – T2201
  - Consider if eligible for the disability credit - T2201

## Disability Tax Credit

- If you have an impairment in physical or mental functions, there is an additional tax credit available
- Need to get a T2201, Disability Tax Credit Certificate in order to qualify for this credit from a Physician
- This credit is equal to  $\$7,546.00 \times 15\% = \$1,132$
- If the disability is being claimed for a minor dependent, an additional  $\$4,402$  is available  $(7,546 + 4,402) \times 15\% = \$1,792$
- Provincial Disability Credit is available 5.05%

## Attendant Care

- You may claim as a medical Expense, the remuneration of a full time attendant in you have obtained a T2201 ( or certification from a qualified medical practitioner) ( cannot claim disability credit)
- Or
- You may claim the disability amount and up to \$10,000 of medical expense related to attendant care.
  
- After 1991 the rules have been modified in which the attendant may now be the spouse of the patient or other relatives over the age of 18.
  
- Attendant care, or training and care, at a school or institution would qualify for you to claim it as a medical expenses as well as claim the disability amount ( with certification from a qualified medical practitioner)



## Gluten Free Food / Other Allergies

- the difference in the cost of gluten-free products compared to the cost of similar non-gluten-free products can be claimed as a medical expense.
- A medical practitioner must certify in writing that the person requires gluten-free food **because** of celiac disease

Item	Number of Items Purchased	Average Cost of non-GF product	Average Cost of GF Product	Incremental Cost	Claim for GF Item
[enter in the item you purchased here. Ex: bread]	[enter the total number of times you purchased this item over the year]	[enter average price of item]	[enter average price of item]	Calculated Column - this field subtracts column d from column c	Calculated field - This column multiplies column E by column B
		\$	\$		\$
Bread	52	3.49	4.79	\$ 1.30	67.60

- The cost of organic food and other allergies cannot be claimed as a medical expense

## Resources

- <http://www.cra-arc.gc.ca/E/pub/tg/rc4064/rc4064-12e.pdf>