



# Presentation of the tax credit for home-support services for seniors





The tax credit's

# Objective



To provide financial assistance to seniors so they can remain in their homes. The tax credit thus helps seniors delay the time when they will have to rely on the public health and social services network, or enables them to avoid such reliance altogether.

# How have the changes introduced improved the tax credit?

- It is now possible for seniors to claim the credit in their income tax return (they can still obtain advance payments).
- Seniors no longer need to use the Desjardins service employment paycheque processing centre (Centre de traitement Chèque emploi service) to pay eligible expenses and benefit from the tax credit (certain seniors were reluctant to authorize withdrawals from their bank accounts).
- The tax credit has been simplified.
- The annual ceiling on eligible expenses has been raised.
- The credit rate has been increased.
- New services have been made eligible.



# Tax credit information

Until December 31, 2006

- Rate: 23% of expenses that give entitlement to the credit
  - Annual ceiling on eligible expenses: \$12,000
- ➔ Maximum credit: \$2,760

Beginning on January 1, 2007

- Rate: 25% of expenses that give entitlement to the credit
  - Annual ceiling on eligible expenses: \$15,000
- ➔ Maximum credit: \$3,750



# Particulars

concerning improvements to the tax credit

# Applying for the tax credit

Until December 31, 2006

## Payment of expenses

The individual **must** use the Services de paie Desjardins (services employment paycheque processing centre) to pay eligible expenses.

## Payment of the credit

The credit is paid out progressively as expenses are incurred. The Services de paie Desjardins **withdraws** the amount of a given eligible expense from the individual's bank account **less** the amount of the credit granted for the expense.

Beginning on January 1, 2007

## Payment of expenses

The individual **must** pay his or her own eligible expenses.

## Payment of the credit

The individual has two options. The credit can be paid

- following the processing of his or her income tax return; or
- by advance payments:



Direct deposit (by Revenu Québec) of the credit for eligible expenses which are declared by the individual using a prescribed form.

# Applying for the tax credit

Beginning on January 1, 2007

## Applying for the tax credit

The individual claims the tax credit when filing his or her income tax return. The credit is claimed for all eligible expenses for the year.

When filing the return, the individual must indicate the amount of the credit received in the course of the year (if any), so that it can be reconciled with the total amount of the credit he or she is entitled to claim.



# Advance payments of the tax credit

Beginning on January 1, 2007

## The individual must...

- complete form TP-1029.MD.1-V, *Registration for Advance Payments*,
  - to register for direct deposit;
  - to grant power of attorney (optional), allowing a third party to correspond with Revenu Québec on the individual's behalf;
- complete form TP-1029.MD.2-V, *Application for Advance Payments*,
  - to provide contact information of the supplier of the service;
  - for occasional expenses: an amount paid on an ad hoc basis in the year;
  - for regular expenses, such as expenses included in rent: frequency of payments and amounts paid or payable on a recurring basis during the year.
- send both forms to Revenu Québec.

Note: The individual is not required to enclose supporting documents, but such documents should be kept for six years following the year concerned (for audit purposes).





## Form and guide for advance payments registration

- Form TP-1029.MD.1-V, *Registration for Advance Payments* (dynamic version available on our Web site).
- *Guide for Registration for Advance Payments* (TP-1029.MD.1.G-V).

# Registration form content (TP-1029.MD.1-V)

1. Claimant information
2. Direct deposit information
3. The claimant's type of housing
4. Power of attorney for advance payments of the tax credit for home-support services for seniors:
  - person or business to whom the power of attorney is granted (mandatary);
  - mailing address for correspondence;
  - signature for the power of attorney.
5. Signature for registration for advance payments





## Advance payments application form

Form TP-1029.MD.2-V, *Application for Advance Payments*  
(dynamic version available on our Web site).

# Advance payments application form content (TP-1029.MD.2-V)

1. Claimant information
2. Information about the services:
  - contact information for the residence, business or person (supplier) that you paid for the services;
  - services rendered by the supplier.
3. Information about expenses for services received:
  - expenses made on a sporadic or temporary basis;
  - expenses made on a continuous or regular basis.
4. Signature

# Advance payments of the tax credit

Beginning on January 1, 2007

## Revenu Québec...

- calculates the amounts to be paid with respect to submitted eligible expenses, taking into account the annual maximum ceiling on the tax credit (\$3,750);
- sends the individual
  - confirmation of registration for advance payments;
  - two more copies of the form, *Application for Advance Payments*, for future applications;
  - confirmation of payment:
    - ↳ information about the amount of the tax credit deposited;

# Advance payments of the tax credit

Beginning on January 1, 2007

## Revenu Québec (cont.)...

- makes the advance payment by direct deposit
  - within 30 days after an application respecting an occasional expense; or,
  - before the 1st of each month, in the case of a regular expense;
- sends an annual statement indicating the total of all advance payments.



# Advance payments of the tax credit

Beginning on January 1, 2007

## The individual must...

- inform Revenu Québec of any change that may affect the advance payments (such as the signing of a new lease or the termination of a service contract); and
- complete an income tax return, entering the amount of the credit to which the individual is entitled for the year as well as the amount of the credit already received through advance payments.

Note: The individual is not required to enclose supporting documents but such documents should be kept for six years following the year concerned (for audit purposes).

# Expenses eligible for the tax credit

Until December 31, 2006

## ELIGIBLE EXPENSES

### Personal support services

- Meal-preparation services
- Services related to daily activities
- Supervision and monitoring services
- Civic support services

Beginning on January 1, 2007

## NEW

### Meal-preparation services

Meal preparation and delivery by a non-profit community organization (such as Meals on Wheels)

### Nursing services

Home-care services provided by a member of Québec's professional order of

- nurses (Ordre des infirmières et des infirmiers du Québec); or
- nursing assistants (Ordre des infirmières et des infirmiers auxiliaires du Québec).



# Expenses eligible for the tax credit

Until December 31, 2006

## ELIGIBLE EXPENSES

### Maintenance and supply services

- Clothing-care services
- Services related to routine household tasks
- Supplying everyday necessities and running other errands

Beginning on January 1, 2007

## NEW

### Clothing-care services

- Household linen (curtains, bedding, towels, etc.)
- Clothing-care provided by a business that supplies a senior citizens residence with dry cleaning, laundering, ironing or other related services



# Expenses eligible for the tax credit

Until December 31, 2006

## ELIGIBLE EXPENSES

### Maintenance and supply services (cont.)

- Minor maintenance work outside a dwelling

Beginning on January 1, 2007

## NEW

### Minor maintenance work outside a dwelling

- Maintenance work required on an annual basis on a relatively fixed schedule depending on seasonal changes, such as installing and removing seasonal shelters (for example, a carport) or an air-conditioner
- Minor maintenance work inside a building, if related to a facility (such as a pool) which could have been located outside



# Expenses eligible for the tax credit

Until December 31, 2006

## The individual must...

- inform the landlord, before entering into a new lease or renewing an old lease, that the individual, or the person with whom he or she is sharing the dwelling, is aged 70 or older, or will turn 70 during the period covered by the lease.

## The landlord must...

- file the *Information Return* (TP-1029.8.61.R-V)
  - ↳ to identify the nature and the amount charged for eligible services rendered, included in the rent;

Beginning on January 1, 2007

No change

No change

except that the form to be used is the *Information Return* (TP-1029.MD.5-V);

# Eligible expenses included in rent

Until December 31, 2006

## The landlord must (cont.)...

- send a copy of the return to Revenu Québec, and send a copy to the tenant
  - within 10 days after the initial lease was entered into; or,
  - no later than the date of renewal of the lease, if the form was not completed when the initial lease was entered into or if the terms of the lease make it necessary to modify the information in the form (for example, nursing services).

Beginning on January 1, 2007

No change

except that two copies of form TP-1029.MD.5-V must be sent to the tenant.

# Eligible expenses included in rent

Until December 31, 2006

## The individual must...

- use the information on the form to apply for the tax credit regarding eligible expenses included in rent.

Note: Form TP-1029.8.61.R-V is not to be enclosed with the payment order sent to Services de paie Desjardins or with the individual's income tax return.

Beginning on January 1, 2007

No change

Note: Form TP-1029.MD.5-V is not to be enclosed with an application for advance payments, but must be enclosed with the individual's income tax return.



## Form and guide for the information return

- Form TP-1029.MD.5-V, *Information Return* (dynamic version available on our Web site).
- *Guide to the Information Return* (TP-1029.MD.5.G-V).

# Content of form TP-1029.MD.5-V

1. Identification
2. Landlord: information related to the tax credit
3. Syndicate of co-owners: information related to the tax credit
4. Services that give entitlement to the tax credit:
  - personal support services
  - maintenance or supply services
5. Signature



# Closing remarks

- The tax credit is advantageous for seniors.
- The tax credit is more generous and accessible.
- Revenu Québec is ready to respond to all requests for information.



## For further information

### Brochure

*The Tax Credit for Home-Support Services for Seniors (IN-102-V)*

### Internet

**[www.revenu.gouv.qc.ca](http://www.revenu.gouv.qc.ca)**

The forms mentioned in the presentation as well as the brochure IN-102-V are available on the Web site.

### Client services

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418 659-6299

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514 864-6299

Elsewhere (toll free)  
1 800 267-6299

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