What Are The CRA Tax Breaks For Canadian Caregivers? Disability Tax Credit (DTC), Medical Expense Tax Credit (METC), And The Canada Caregiver Credit (CCC)

Introduction

Caring for a loved one with a disability or chronic illness is often a labour of love, but it often comes with significant financial strain on top of the emotional burden. From preparing specialized meals to arranging therapy or hiring help, caregivers frequently shoulder costs that add up quickly. Caregiving often means taking on unpaid tasks like cooking, cleaning, or driving, or paying out of pocket for professional services like personal support workers or therapists. Hiring help, meanwhile, can cost hundreds or thousands of dollars monthly.

These expenses, combined with lost income from reduced work hours, create a financial juggling act for many caregivers. Fortunately, tax credits can offset some of these costs. In Canada, the government offers tax programs to ease this burden, notably through the Disability Tax Credit (DTC), Medical Expense Tax Credit (METC), and the Canada Caregiver Credit (CCC).

The Disability Tax Credit (DTC): A Fixed Relief Option

The Disability Tax Credit is a non-refundable tax credit designed for individuals with severe and prolonged impairments or their supporting family members. If your dependant (such as a parent, sibling, child, or grandchild) qualifies, the dependant can claim a fixed amount, set annually by the CRA ($9,472 for the 2024 tax year, adjusted for 2025), to reduce his or her tax bill. If the dependant does not need the full credit (e.g., the income is too low to owe tax), the dependant can transfer the unused portion to you, provided you're a family member supplying at least one basic necessity—food, shelter, or clothing.

Medical Expense Tax Credit (METC): Claiming Out-of-Pocket Costs

For costs you've paid—like hiring a personal support worker (PSW) or therapist—the Medical Expense Tax Credit (METC) lets you claim these on your tax return (line 33199). The METC is a non-refundable credit that reduces your taxes based on eligible medical expenses you've paid for yourself, your spouse, or a dependent, exceeding a threshold (typically 3% of your net income or $2,779, whichever is less, adjusted yearly).

This applies if you're supporting a dependent, but only expenses for which you haven't been reimbursed. The CRA's *RC4065 Medical Expenses – 2024* guide outlines what qualifies. Here's a breakdown:

Paid Services You Can Claim

- Salaries or wages for a PSW, registered nurse, or certified health care aide.
- Therapy fees (e.g., occupational or psychological therapy) if prescribed by a medical doctor, nurse practitioner, or psychologist/occupational therapist (for mental or physical impairments, post-September 7, 2017) and supervised by one of these professionals.
    - For therapy costs to count, the dependent must qualify for the DTC, the therapy must be prescribed and supervised by a qualified professional, and the provider can't be your spouse, partner, or under 18. The therapy plan must also:
        - Be needed for public funding, or
        - Be prescribed for a mental impairment (by a psychologist, doctor, or nurse practitioner), or
        - Be prescribed for a physical impairment (by an occupational therapist, doctor, or nurse practitioner).
- Employee wages for tasks like:
    - Housekeeping for the dependent's living space
    - Laundry for their personal items
    - Activities (e.g., a social programmer)
    - Salon services (hairdresser, manicurist, pedicurist) if part of the employee's monthly fee
    - Transportation (e.g., a driver)
    - Security for a secured unit

If you're doing the work yourself, such as cooking specialized meals, it's not claimable under METC because it's not a paid expense. The CRA only recognizes salaries or wages paid to others, and eligibility often requires disability tax credit approval or a medical practitioner's certification.

Canada Caregiver Credit (CCC): Recognizing Your Support

The Canada Caregiver Credit offers additional relief for caregivers supporting an infirm dependent, such as a parent. It's a fixed, non-refundable credit—up to $8,375 in recent years (adjusted for 2025)—claimable if your dependant is over 18 and relies on you. It doesn't require receipts or paid expenses, making it ideal if you're providing unpaid care (e.g., meal prep). Eligibility hinges on the dependant's infirmity (often tied to DTC approval) and the dependant's income, which reduces the credit if it exceeds a threshold. Check the CRA's CCC webpage for details.

Pro Tax Tip: Tax advantage of all the tax incentives the CRA has to offer

Between EMRC, CCC, and DTC, taxpayers can drastically reduce the financial burden of caring for their loved ones. Taxpayers can take advantage of all of these incentives simultaneously, as qualifying for one does not preclude qualifying for another. The CRA lists other tax incentives available to persons with disabilities and their caregivers. If you are unsure whether or not you qualify for a program or want to discuss a potential arrangement and how that impacts eligibility, contact one of our top Canadian tax lawyers.

FAQ

How do I apply for the Disability Tax Credit?

Applications are made through submitting a completed Form T2201, *Disability Tax Credit Certificate.* The person with the impairment or their legal representative must fill out Part A of the digital application form. The applicant will receive a reference number, which the applicant will give to a medical practitioner to fill out and complete the application.

Should I submit receipts to the CRA when claiming Canada Caregiver Credit or Medical Expense Tax Credits?

No, the CRA does not require you to submit receipts with your returns. However, you should keep all receipts. For CCC, The CRA may ask for a signed statement from a medical practitioner showing when the impairment began and what the duration of the impairment is expected to be. You do not need this if you have already been approved for DTC.

For EMRC, if you are filing your tax return electronically or on paper, do not send any supporting documents. Keep them in case the CRA asks to see them later. Receipts must show the name of the company or individual to whom an expense was paid. Receipts for attendant care or therapy paid to an individual should also show the individual's social insurance number.

Receipts should also show the purpose of the payment, the date of payment, the name of the patient, and, if applicable, the medical practitioner who prescribed the purchase or gave the service. In addition to receipts, the CRA may ask to see proof of payment, such as bank or credit card statements. If you are claiming amounts for a dependent who is 18 or older, the CRA may ask you for proof of support, such as a lease agreement or grocery receipts.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

Author: David Rotfleisch

Rotfleisch Samulovitch PC