

BUDGET 2012-2013

QUÉBEC AND ITS SENIORS

More Support for Growing Old at Home

Paper inside pages



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Budget 2012-2013

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More support for Growing old at Home

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INTRODUCTION

Québec is on the verge of profound demographic changes in the coming years. 2011, the year when the first baby-boomers turned 65, marked the start of a shift toward a more elderly population, a trend that will accelerate as children of the post-war era begin reaching their retirement years in ever greater numbers.

This demographic trend will increase the number of seniors who, for the most part, remain in good health and wish to be actively involved in their community. The preference of seniors for remaining in their own residence underscores their attachment to the idea of “growing old at home,” living and actively participating in their own community to the extent that they are able to do so.

While this is the desire of most seniors, unfortunately it is not possible for everyone. A gradual loss of autonomy forces a great many seniors to consider other types of housing, such as senior citizens’ residences, where the services that have become essential to them are offered on the premises. For other seniors confronted with a severe loss of autonomy, institutional accommodation must sometimes be considered.

This emerging demographic reality therefore makes it necessary to recognize the need for increased support and assistance for our seniors by taking concrete steps designed to help seniors remain in their community for as long as possible, thereby promoting a genuine sharing between the generations.

Accordingly, in the spring of 2012, the Minister responsible for Seniors and the Minister for Social Services will table the Growing Old at Home Policy. This policy will define the preferred policy directions that will allow our seniors to remain in their life environment. This policy will be accompanied by a five-year action plan.

The funding provided by Budget 2012-2013 for the measures under the action plan is organized into four major components:

- support for seniors through community-based projects;
- health services better adapted to the needs of seniors;
- additional investments to render housing affordable, safe and adapted for seniors;
- enhanced tax assistance to help seniors remain in their home and to support informal caregivers.

The key policy directions of the action plan, its funding and the fiscal measures that are integral to it are explained in this document.

Details of the financial impact, as well as the allocation of the necessary funding for the action plan, are presented in Appendix 1.

1. MORE SENIORS, IN BETTER HEALTH AND MORE ACTIVE

☐ An aging population ...

Despite Québec's good performance in recent years in respect of the birth rate, the population will be aging, a trend that will increase number of persons age 65 or older.

Québec has nearly 1.3 million persons age 65 or older, including about 160 000 persons age 85 or older. With the massive numbers of baby-boomers born after 1945 entering this age bracket, it is estimated that the number of persons age 65 or older will increase from 16% of the population in 2011 to 26% in 2031, which represents an additional 1 million seniors.

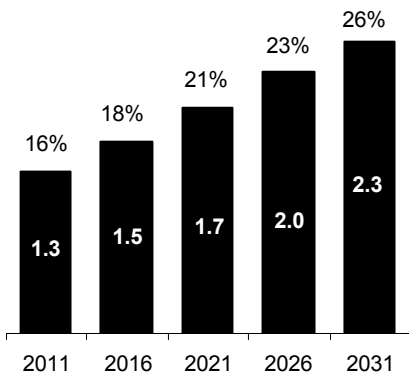
☐ ... that lives longer ...

Here, as in the majority of industrialized countries, we are living longer than the generations that came before us. Live expectancy rose from age 70.7 for men and age 78.1 for women at the beginning of the 1980s to age 79.6 for men and age 83.6 for women in 2010.

Seniors wish to continue participating in the development of their community by remaining in the labour market, by participating in community life, particularly by performing volunteer work, and by pursuing more social activities.

CHART 1

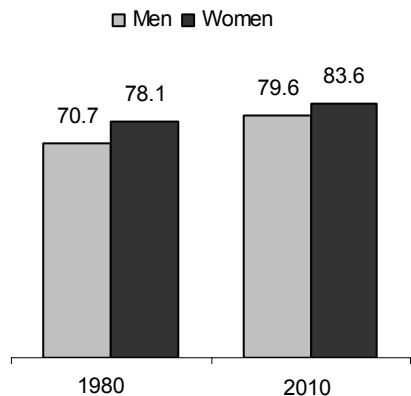
Persons age 65 or older in the population
(millions and percent)



Source: Institut de la statistique du Québec, *Perspectives démographiques du Québec, 2006-2056*, reference scenario.

CHART 2

Trends in life expectancy in Québec – 1980 to 2010⁽¹⁾
(by age)



(1) Provisional data for 2010.

Sources: Canadian Human Mortality Database and Institut de la statistique du Québec.

❑ ... is in better health ...

Certain seniors experience disabilities, whereas others are in good health and live independently. For most people, the effects of aging begin to manifest themselves more markedly only around age 75.

In fact, more than three quarters of the clientele receiving home-support services offered by the Ministère de la Santé et des Services sociaux under the Loss of Autonomy Related to Aging program are age 75 or older.

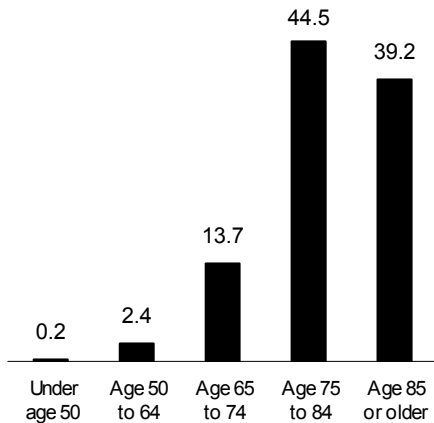
❑ ... and wishes to remain in the community

The vast majority of seniors, 88% of them, choose to remain in their home. Even persons experiencing a loss of autonomy prefer to live in their community for as long as possible by taking advantage of services that have become essential to them. Furthermore, even if they eventually have to give up their home, they by no means intend to give up their community.

To help seniors achieve this aspiration in the best conditions, they will have to have access to a wide range of adapted services that help them remain in their community.

CHART 3

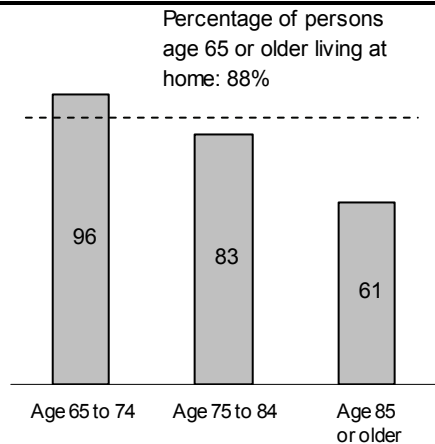
Clienteles with diminished autonomy receiving home-support services – 2009-2010⁽¹⁾
(percent)



(1) Clientele receiving services under the Loss of Autonomy Related to Aging program of the Ministère de la Santé et des Services sociaux.
Source: Régie de l'assurance maladie du Québec, Banque provinciale ICLSC-2009-2010.

CHART 4

Number of seniors living at home – 2009⁽¹⁾
(percent)



(1) Other types of housing for seniors include institutional accommodation, private residences with services, intermediate resources and family-type resources.
Source: Ministère de la Santé et des Services sociaux.

Announcement of the Growing Old at Home Policy

In his Inaugural Address of February 23, 2011, the Prime Minister of Québec announced the preparation of the Growing Old at Home Policy with the goal of offering services adapted and designed to provide a better quality of life for seniors in each region of Québec.

This policy will incorporate the previously announced seniors investment plan, with investments of \$105 million in 2011-2012, \$173 million in 2012-2013 and \$200 million annually as of 2013-2014.

The policy is based on the World Health Organization's concept of aging. Aging while remaining active is a process that consists in optimizing the possibilities of healthy living, participation and security in order to enhance the quality of life as people age. Growing Old at Home focuses on aging, not as the prolongation of old age, but rather as the continuation of active life.

The policy will make it possible to establish a government perspective on aging and put forward a coherent action plan for the 2012-2017 period. In particular, it will encourage the various stakeholders to continue developing and to coordinate their measures and initiatives.

Accordingly, through the Growing Old at Home Policy and its action plan, the Québec government intends to

- adapt Québec to the rapid aging of its population while ensuring intergenerational fairness;
- enhance the living conditions of seniors, particularly those who are most vulnerable;
- allow seniors who wish to do so to remain in their home for as long as possible, without compromising their security.

The Growing Old at Home Policy and the 2012-2017 action plan associated with it will be made public in the spring of 2012.

1.1 The Growing Old at Home Action Plan: an increase in annual investments of nearly \$900 million as of 2016-2017

To ensure we have the means to fulfil the aspirations of our seniors, the Minister responsible for Seniors and the Minister for Social Services will soon unveil the 2012-2017 Growing Old at Home Action Plan.

In the present budget, the government will increase investments for funding the Growing Old at Home Action Plan by nearly \$900 million annually as of 2016-2017. These sums will be used to fund a series of measures designed to help seniors remain in their community.

□ Additional investments of \$2.7 billion over five years

Over a period of five years, the sums allocated for the Growing Old at Home Action Plan will entail additional investments of \$2.7 billion, which represents an average increase in investments of \$500 million annually.

Thus, over the next five years,

- \$76 million in additional investments will be used to support seniors through community-based projects;
- \$2.3 billion in new investments will be devoted essentially to health services better adapted to the needs of seniors;
- \$86 million more will be allocated for affordable, safe and adapted housing for seniors;
- \$172 million will be invested in the form of additional tax assistance.

TABLE 1

**Additional investments under the 2012-2017
Growing Old at Home Action Plan**
(millions of dollars)

	2012- 2013	2013- 2014	2014- 2015	2015- 2016	2016- 2017	Total over 5 years
Support for seniors through community-based projects ⁽¹⁾	7.4	10.5	15.7	20.0	22.0	75.6
Health care services better adapted to the needs of seniors	177.0	349.0	479.0	609.0	727.0	2 341.0
Affordable, safe and adapted housing for seniors	—	—	—	25.0	60.9	85.9
Tax assistance to help seniors remain in their home and to support informal caregivers	11.0	25.0	34.5	45.5	56.0	172.0
TOTAL	195.4	384.5	529.2	699.5	865.9	2 674.5

Note: A table showing the investments in support of seniors since Budget 2007-2008 is presented in Appendix 2.

(1) Taking into account the renewal of sums that are currently allocated to the funding of initiatives scheduled to end within the next five years and that will be reinvested in the Growing Old at Home Action Plan

❑ **Concrete actions for seniors**

The measures provided for in this budget represent concrete actions to help seniors to remain in their community.

■ **Targeted actions to support our seniors through community-based projects**

- The number of municipalities benefiting from the Age-Friendly Municipalities Initiative will more than double by 2017.
- Twelve new Maisons des grands-parents will be created by 2017.

■ **Health care services better adapted to the needs of seniors**

- More than 50 000 seniors will benefit from enhanced home-support services.
- 4 800 spaces will be added in intermediate resources.
- 800 spaces will be created in functional rehabilitation transition units for seniors.
- 850 new spaces will be added for accommodation of seniors with severe disabilities.

■ **Affordable, safe and adapted housing for seniors**

- 1 250 new housing units will be offered to seniors under the AccèsLogis Program.
- More than 5 000 households composed of seniors will be able to take advantage of financial assistance for home adaptation.

■ **Significantly enhanced tax assistance to help seniors remain in their home and to support informal caregivers**

- 222 000 seniors will benefit from an increase in the assistance granted by the refundable tax credit for home-support services.
 - The maximum assistance will be raised from \$4 680 to \$6 825 for a non-dependent senior.
- More than 20 000 seniors will be able to take advantage of a new tax credit for the purchase of equipment to help seniors continue living independently at home.
- 13 000 seniors will be able to take advantage of financial support to facilitate their functional rehabilitation and their return home.
- More than 15 000 spouses acting as informal caregivers will be able to enjoy additional respite.

1.2 A 26% increase in financial support granted to seniors

Taken as a whole, the measures under the action plan will increase the current assistance of \$3.3 billion to nearly \$4.2 billion by 2016-2017, an increase of 26%.

TABLE 2

Investments under the 2012-2017 Growing Old at Home action plan in respect of seniors (millions of dollars)

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Total over 5 years
Support for seniors through community-based projects						
Current support	36.1	34.6	33.7	28.3	27.3	160.0
Investments ⁽¹⁾	7.4	10.5	15.7	20.0	22.0	75.6
Subtotal	43.5	45.1	49.4	48.3	49.3	235.6
Health care services better adapted to the needs of seniors						
Current support ⁽²⁾	2 639.0	2 639.0	2 639.0	2 639.0	2 639.0	13 195.0
Additional investments ⁽³⁾	177.0	349.0	479.0	609.0	727.0	2 341.0
Subtotal	2 816.0	2 988.0	3 118.0	3 248.0	3 366.0	15 536.0
Affordable, safe and adapted housing for seniors						
Current support	291.3	296.4	303.9	287.5	237.7	1 416.8
Additional investments	—	—	—	25.0	60.9	85.9
Subtotal	291.3	296.4	303.9	312.5	298.6	1 502.7
Tax assistance to help seniors remain in their home and to support informal caregivers						
Current support	341.3	358.3	376.3	395.2	415.1	1 886.2
Additional investments	11.0	25.0	34.5	45.5	56.0	172.0
Subtotal	352.3	383.3	410.8	440.7	471.1	2 058.2
TOTAL ASSISTANCE						
Current support	3 307.7	3 328.3	3 352.9	3 350.0	3 319.1	16 658.0
Additional investments	195.4	384.5	529.2	699.5	865.9	2 674.5
TOTAL	3 503.1	3 712.8	3 882.1	4 049.5	4 185.0	19 332.5
Additional investments (as a % of current support)	5.9	11.6	15.8	20.9	26.1	

(1) Taking into account the renewal of sums that are currently allocated to the funding of initiatives scheduled to end within the next five years and that will be reinvested in the Growing Old at Home Action Plan.

(2) According to the most recent available data of the Ministère de la Santé et des Services sociaux, from 2009-2010, excluding care for chronic illnesses.

(3) Including the sums provided for in the seniors investment plan.

2. SUPPORT FOR SENIORS THROUGH COMMUNITY-BASED PROJECTS

The 2012-2017 Growing Old at Home Action Plan is designed to offer seniors the possibility of remaining in their home environment and contributing to the development of their community. It will make it possible to implement services in each region adapted and designed to improve the lives of seniors, while also recognizing the fact that seniors can remain in their home for as long as possible.

To accomplish this, the Minister responsible for Seniors plans enhancements to a series of programs designed

- to recognize the contribution, skills and experience of seniors;
- to adapt the environment to the realities of an aging population and to improve living conditions for seniors;
- to involve families, loved ones and the community;
- to insure access to quality services.

2.1 Two initiatives to encourage greater involvement by seniors

❑ The new Age-Friendly Québec Program

The government will announce the creation of the Age-Friendly Québec Program designed to support concerted actions at the national, regional and local levels that will provide more support for seniors wishing to remain in their home.

The program will be designed to continue and enhance a range of initiatives that have proven their worth. The program will have several components, one of which will consist in extending the Age-Friendly Municipalities Initiative (AFMI) to a greater number of municipalities:

- To date, 324 municipalities have launched such an initiative. The actions provided for in the budget will raise the number of municipalities benefiting from the AFMI approach to nearly 860 by 2017, a more than twofold increase.

The additional investments in respect of the Age-Friendly Québec Program will total \$20 million over five years.

❑ The Maisons des grands-parents

Establishing conditions that promote active participation by seniors in their community is beneficial both for society and for seniors themselves. To that end, we must recognize and encourage community, social and professional involvement by seniors.

The Maisons des grands-parents are a concrete example of how the generations can be brought together through activities such as homework assistance, collective kitchens and the transmission of handicrafts. Currently there are six Maisons des grands-parents; some of them have been offering their services for twenty years now.

To aid the Maisons des grands-parents to extend the scope of their work throughout Québec, Budget 2012-2013 provides for additional investments of \$3 million for the creation of twelve new Maisons des grands-parents by 2017.

2.2 Additional investments totalling \$76 million over five years

A range of other measures will be announced when the action plan is unveiled, raising the level of additional financial support to nearly \$76 million over a five-year period.

TABLE 3

Additional investments in support of involvement by seniors through community-based projects

(millions of dollars)

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Total over 5 years
New Age-Friendly Québec Program	2.0	4.0	4.3	4.4	5.3	20.0
Maisons des grands-parents	0.1	0.1	0.7	0.9	1.2	3.0
Other measures ⁽¹⁾	5.3	6.4	10.7	14.7	15.5	52.6
TOTAL	7.4	10.5	15.7	20.0	22.0	75.6

(1) Taking into account the renewal of sums that are currently allocated to the funding of initiatives scheduled to end within the next five years and that will be reinvested in the Growing Old at Home Action Plan, as well as sums allocated to the Ministère du Développement économique, de l'Innovation et de l'Exportation (\$400 000 in 2012-2013, \$500 000 in 2013-2014 and \$700 000 in 2014-2015) to fund a measure under the action plan.

3. HEALTH SERVICES BETTER ADAPTED TO THE NEEDS OF SENIORS

For the government, it is essential that seniors be able to rely on a variety of alternatives when experiencing a loss of autonomy. This goal has guided the government’s action for several years now.

☐ Increase in the services allowing seniors to remain in their home between 2005 and 2010

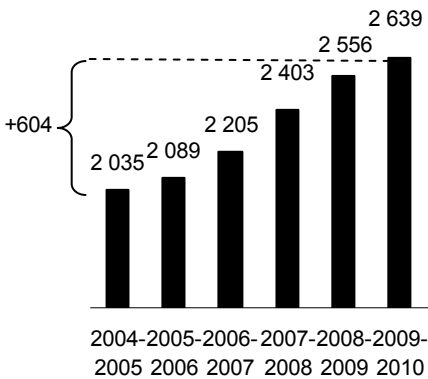
In 2009-2010, the government invested \$2.6 billion in services that allow seniors to remain in their home and in their community or, where it becomes necessary to do so, to opt for institutional accommodation. This represents an increase of \$604 million compared to 2005, the year the 2005-2010 action plan for seniors was launched.

Over that period, the 5.3% average annual growth in public spending for seniors was twice as rapid as the increase in the number of persons age 65 or older. Between 2005 and 2010, intensification and enhancement of the supply of services made it possible, in particular:

- to offer home-support services to 21 400 more persons, while the number of interventions increased by 1.2 million annually, for a total of 5.2 million interventions;
- to enhance the presence of more than 500 community organizations that provide support adapted for seniors;
- to develop, for an additional 2 000 seniors experiencing a loss of autonomy, intermediate resources constituting a residential environment adapted to their needs.

CHART 5

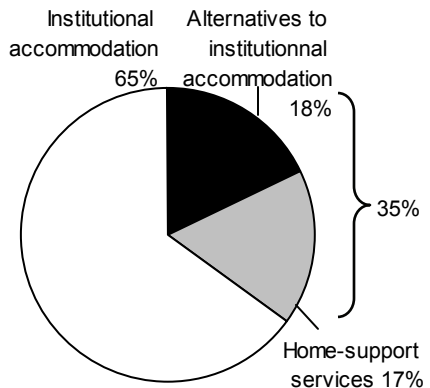
Expenditures under the Loss of Autonomy Related to Aging program – 2004-2005 to 2009-2010
(millions of dollars)



Source: Ministère de la Santé et des Services sociaux.

CHART 6

Allocation of the \$2.6 billion invested under the Loss of Autonomy Related to Aging program – 2009-2010
(percent)



Source: Ministère de la Santé et des Services sociaux.

□ Beginning to prepare right now for increased needs

In 2011, the range of services allowing seniors to remain in their home, along with the new residential and accommodation initiatives already offered by the government, guaranteed that it would be able to offer services better adapted for seniors experiencing a loss of autonomy.

— In that same year, 178 000 persons received home care and 7 800 more were housed under the new residential and accommodation initiatives.

By 2017, the aging of the population will result in 56 850 more persons needing home-support services or accommodation.

For that purpose, the government will put in place the necessary resources to meet their needs.

— Nearly 50 400 more persons will be able to receive services allowing them to remain in their home.

— At the same time, the government will enhance the new residential and accommodation initiatives by developing 5 600 additional spaces: 4 800 in intermediate resources and 800 in functional rehabilitation transition units.

— Finally, 850 spaces will be added in institutional accommodation for persons with serious disabilities.

TABLE 4

Additional needs resulting from the increase in the number of persons age 65 or older

	2011	2016	Growth
Services allowing seniors to remain in their home	178 000	228 400	50 400
New residential and accommodation initiatives			
Intermediate resources	7 100	11 900	4 800
Functional rehabilitation transition units	700	1 500	800
Subtotal - New residential and accommodation initiatives	7 800	13 400	5 600
Institutional accommodation	38 650	39 500	850
TOTAL	224 450	281 300	56 850

Source: Ministère de la Santé et des Services sociaux.

A range of services to meet the needs of seniors

The government's goal is to preserve the health and maintain the autonomy of seniors for as long as possible. To do so, a range of services—of high quality, readily available, well coordinated and relying on the contribution of all concerned partners—has been put in place for seniors experiencing a loss of autonomy.

Home care

When a loss of autonomy occurs, various services, including home-support services, become necessary.

Home-support services allow seniors experiencing a loss of autonomy to remain in their home with dignity.

- When hospitalization occurs, home-support services enable seniors to return home sooner, thereby avoiding the risk of aggravating the loss of autonomy due to lengthy immobilization.

When it is no longer possible for seniors to remain in their home, residential and accommodation projects of various types adapted to loss of autonomy are necessary to allow them to remain in their community and in an environment adapted to their needs.

Intermediate resources (IRs)

IRs are any type of accommodation facility with services for which there is an agreement to be entered into with a public institution that provides a living environment adapted to the residents' needs and that dispenses the required support and assistance services, in particular, reception centres, a rooming houses or supervised apartments.

IRs constitute a residential environment adapted to the needs of seniors who are experiencing a loss of autonomy requiring fewer services than in institutional accommodation, but more than are provided through home care.

Functional rehabilitation transition units (FRTUs)

Persons immobilized for a long period in hospital are at risk of a decline in their functional abilities and, as a result, an even greater loss of autonomy when discharged from hospital.

FRTUs offer temporary accommodation delivering services focused on re-education and readaptation for seniors experiencing a loss of autonomy who have the potential for rehabilitation with a view to returning home following hospitalization.

- In this way, FRTUs help patients to avoid aggravating their loss of autonomy and thereby avoid having to be admitted to an accommodation facility when discharged from hospital. FRTUs thus maximize seniors' chances of being able to return to their home.

Source: Ministère de la Santé et des Services sociaux.

❑ **Orienting the supply of services towards delivery methods that are better adapted to the needs of seniors**

The principal goal of the Growing Old at Home Action Plan is to orient the supply of services towards delivery methods that are better adapted to the needs of seniors and that suit their preferred option, which is that of remaining in their community for as long as possible.

- Moreover, according to a survey conducted by CROP-AQESSS¹ in the spring of 2010, 75% of persons age 50 to 64 surveyed expect to still be living independently at age 75 and one out of two expect to still be in good health.

Accordingly, the government will continue its investments in order:

- to promote home-support services for seniors experiencing a loss of autonomy;
- to enhance the new residential and accommodation initiatives.

It is thus important for seniors who require services because of a loss of autonomy to have the option of remaining in their home for as long as possible.

- In that respect, institutional accommodation, which continues to be necessary in cases where the loss of autonomy is severe, does not always adequately meet the needs and expectations of seniors experiencing a loss of autonomy.
- By contrast, the new residential and accommodation initiatives allow seniors to remain in their community.
- Also, services allowing seniors to remain in their home fulfil the needs and expectations of the great majority of them.

By taking an approach that is better adapted to the needs of seniors, it then becomes possible simultaneously:

- to encourage the development of new residential and accommodation initiatives that contribute to improving the supply of services allowing seniors to remain in their homes;
- to respond to the needs for institutional accommodation in cases where there is no possible alternative.

1 CROP-AQESSS (2010), *Sondage auprès des Québécois âgés de 50 à 64 ans sur le vieillissement*, Montréal, 53 p.

An action plan compatible with government policy directions for the funding of public services

In addition to more adequately fulfilling the aspirations of seniors, the government's Growing Old at Home Action Plan makes for a better allocation of resources by redirecting the supply of services towards less costly delivery methods.

Indeed, while the annual cost to the government per person for institutional accommodation is \$56 000, by contrast, the annual cost per person:

- for new residential and accommodation initiatives ranges from \$15 000 to \$46 000;
- for services allowing seniors to remain in their home ranges from \$1 000 to \$30 000;
- for functional rehabilitation transition units is \$65 000.

Annual costs of loss of autonomy due to aging, according to place of residence⁽¹⁾

(dollars per person)

	Institutional accommodation	Functional rehabilitation transition units	New residential and accommodation initiatives	Services allowing seniors to remain in their home
Costs	56 000	65 000	15 000 to 46 000	1 000 to 30 000

(1) The costs exclude long-term funding of infrastructures.
Source: Ministère de la Santé et des Services sociaux.

3.1 Stable long-term funding for seniors

The Growing Old at Home Action Plan provides for additional investments in health of \$727 million by 2016-2017. This represents an increase of nearly 30% over five years.

These new measures are funded essentially under the financial framework for health, which has provided for 5% average annual growth in government funding for health since 2008-2009:

- \$300 million will be provided for in the Fund to Finance Health and Social Services Institutions (FINESSS), the revenues for which are derived from the health contribution.
- \$427 million will be reserved out of the increased program spending provided for the Ministère de la Santé et des Services sociaux.

TABLE 5

Measures allowing seniors to remain in their home and in their community – Health and social services component (millions of dollars)

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Total over 5 years
Current services⁽¹⁾	2 639	2 639	2 639	2 639	2 639	13 195
Additional services⁽²⁾						
Services allowing seniors to remain in their home	50	149	231	312	381	1 123
New residential and accommodation initiatives	98	142	185	228	271	924
Institutional accommodation	25	50	50	50	50	225
Prevention measures	—	4	9	15	21	49
Inspection teams	4	4	4	4	4	20
Subtotal - Additional services	177	349	479	609	727	2 341
TOTAL - SERVICES FOR SENIORS	2 816	2 988	3 118	3 248	3 366	15 536
Sources of funding						
Current services funded from current program spending for health	2 639	2 639	2 639	2 639	2 639	13 195
Contribution from FINESSS	177	300	300	300	300	1 377
Additional services funded from the goal for 5% growth in health spending	—	49	179	309	427	964
TOTAL - FUNDING	2 816	2 988	3 118	3 248	3 366	15 536

(1) According to the most recent available data of the Ministère de la Santé et des Services sociaux, from 2009-2010, excluding care for chronic illnesses.

(2) Including the sums provided for in the seniors investment plan.

❑ **\$727 million for services allowing seniors to remain in their home and in their community**

An amount of \$727 million will be invested by 2016-2017 by the Ministère de la Santé et des Services sociaux:

- \$381 million in all services allowing seniors to remain in their home, which will make it possible, not only to increase the number of persons served by 50 400, but also to intensify the supply of care for existing clientele;
- \$271 million in order, in particular, to develop alternatives to institutional accommodation for 5 600 persons, such as intermediate resources and functional rehabilitation transition units;
- \$50 million to ensure the development of additional spaces in institutional accommodation for seniors with serious disabilities;
- \$21 million to support various prevention initiatives and actions to forestall the loss of autonomy;
- \$4 million to conduct inspections in public accommodation centres and private seniors' residences.

❑ **Ensuring a fair balance between institutional accommodation services and services allowing seniors to remain in their community**

In 2009-2010, spending for institutional accommodation represented 65% of investments for home-support and accommodation services. Funding for services allowing seniors to remain in their home and in their community represented 35% of the sums invested.

- The investments planned for the period up through 2016-2017 will ensure a better balance, since nearly half of all spending by the Ministère de la Santé et des Services sociaux in respect of loss of autonomy due to aging will be earmarked for services allowing seniors to remain in their home and in their community.

4. AFFORDABLE, SAFE AND ADAPTED HOUSING FOR SENIORS

The Québec government participates in improving housing conditions for seniors. Various programs enable seniors to make adaptations to their homes so that they can live in them more independently and in greater safety. There are other programs designed to make housing more affordable and to improve the living environment.

4.1 More affordable housing

AccèsLogis Québec partially funds the investments necessary for the construction of social and community housing, thereby enabling cooperatives, housing bureaus and other non-profit organizations to provide rental units at an affordable cost to low-income or modest-income households, particularly to seniors.

- The government’s funding enables these organizations to charge lower rents than the median market cost. Moreover, a certain number of lessees receive a rent supplement enabling them to pay rent comparable to the rent for low-cost housing.

Budget 2012-2013 provides for the construction of 2 500 additional housing units under the AccèsLogis Program.

- Approximately 1 250 of these new units will be accessible to low-income or modest-income seniors. Thus, the additional investments in respect these units will total \$86 million over five years.

TABLE 6

Additional investments in respect of affordable housing (millions of dollars)

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Total over 5 years
1 150 units under the AccèsLogis Québec Program	—	—	—	18.0	60.8	78.8
100 units under a new funding mechanism in the AccèsLogis Québec Program	—	—	—	7.0	0.1	7.1
TOTAL	—	—	—	25.0	60.9	85.9

❑ **Investments of more than \$300 million already planned for the next four years**

Even though no sum is earmarked as additional investments for construction of social and community housing for seniors over the next three years, more than \$300 million is already planned for 2012-2013 to 2015-2016 under the AccèsLogis Québec Program.

- These investments, allocated in previous budgets, will make it possible to build nearly 4 500 social and community housing units for seniors.

4.2 Housing adapted to the needs of seniors

Year after year, the government funds various home renovation and adaptation programs. The government invests approximately \$23 million annually in two such programs that enable seniors to adapt their homes so that they can remain in their community for as long as possible:

- the Home Adaptations for Seniors' Independence Program;
- the Residential Adaptation Assistance Program.

❑ **Home Adaptations for Seniors' Independence Program**

The Home Adaptations for Seniors' Independence Program grants financial assistance to low-income individuals age 65 and older to enable them to make minor adaptations to their home or dwelling so that they can continue to live there independently and safely.

- Up to \$3 500 in financial assistance may be granted.

To be eligible for assistance, an adaptation to a senior's home must be for the purpose of mitigating the problems seniors may experience in accomplishing certain activities of daily living, for example by installing:

- a handrail in a corridor or stairway;
- grab bars near a bathtub or easier-to-use faucets and taps;
- light switches and wall sockets in practical locations.

In 2010-2011, the program provided financial assistance to nearly 1 000 households composed of seniors.

- These households received an average of \$2 434 in assistance.

❑ Residential Adaptation Assistance Program

The Residential Adaptation Assistance Program is designed to enable handicapped persons to carry out their daily activities in the home, thus allowing them to remain in their home. It grants financial assistance to the homeowner to cover the cost of eligible adaptation work carried out to meet the needs of a handicapped person, such as:

- installation of an outside access ramp;
- remodelling of a bathroom;
- widening of door frames.

All persons with a handicap limiting their daily activities in the home are eligible for assistance under the program.

Financial assistance may be as much as \$16 000 per eligible person. In certain special cases determined by the Société d'habitation du Québec, additional assistance of up to \$7 000 may be granted. Also, where specialized equipment is required, an additional amount of as much as \$10 000 may be paid.

Thus, under the Residential Adaptation Assistance Program, the average amount of assistance granted in 2010-2011 was more than \$15 000.

Nearly 250 households composed of seniors received assistance under the program.

5. ENHANCED TAX ASSISTANCE TO HELP SENIORS REMAIN IN THEIR HOME

For the past several years, the government has opted to rely on tax assistance to help seniors remain in their home.

The refundable tax credit for home-support services for seniors is primarily designed to financially support seniors who wish to remain in their home environment for as long as possible, either in a private home or in a private seniors' residence.

In this respect, the tax credit has made it possible to develop a network of private residences offering quality services for seniors.

In 2011, 222 000 seniors received the tax credit, representing total tax assistance of \$259 million, or average assistance of \$1 166. Of this number:

- 122 000 seniors lived in a private home;
- 100 000 seniors lived in a private seniors' residence.

Also, in order to recognize the contribution to society of informal caregivers by offering them a certain respite, the tax system grants them a refundable tax credit.

In 2011, the refundable tax credit for informal caregivers of adults benefited more than 55 000 informal caregivers in Québec, providing \$56 million in tax assistance, or approximately \$1 000 per caregiver.²

Implementation of the Growing Old at Home Action Plan is an opportunity for the government to pursue its efforts in support of seniors who wish to continue living in their home environment by enhancing the assistance already available and by putting forward new tax initiatives.

2 Taking into account the fact that an informal caregiver may provide care to more than one eligible family member during the same year.

❑ More than \$67 million in additional support for seniors

Within the framework of the 2012-2017 Growing Old at Home Action Plan, Budget 2012-2013 provides for enhancement and implementation of a range of tax measures:

- significant enhancements of the refundable tax credit for home-support services for seniors in order to provide seniors with greater financial support for services that are essential to them;
- implementation of a refundable tax credit for the purchase of equipment to help seniors continue living independently at home;
- introduction of a refundable tax credit for costs incurred by seniors for a stay in a functional rehabilitation transition unit to enable them to make a better recovery and return home more rapidly;
- enhancement of the refundable tax credit for informal caregivers of adults in order to more adequately recognize informal caregivers' need for respite.

These measures, when fully implemented, will make it possible to offer more than \$67 million in additional financial support annually to seniors and informal caregivers.

TABLE 7

Additional tax assistance to help seniors remain in their home and to support informal caregivers (millions of dollars)

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	When fully in place
Enhancements to the refundable tax credit for home-support services for seniors	3.0	15.0	23.0	31.5	40.0	46.3
New refundable tax credit for the purchase of equipment to help seniors continue living independently at home	5.0	5.0	5.0	5.0	5.0	5.0
New refundable tax credit for costs incurred by seniors for a stay in a functional rehabilitation transition unit	1.5	2.5	3.0	4.0	5.0	10.0
Enhancement of the basic amount of the refundable tax credit for informal caregivers of adults, for eligible spouses	1.5	2.5	3.5	5.0	6.0	6.0
TOTAL	11.0	25.0	34.5	45.5	56.0	67.3

5.1 Significant enhancement of the refundable tax credit for home-support services for seniors

The refundable tax credit for home-support services for seniors grants tax assistance equal to 30% of eligible expenses, which are capped at \$15 600 for a non-dependent senior.

In order to offer additional financial support to seniors who opt to remain in their home, Budget 2012-2013 provides for four changes to the refundable tax credit for home-support services for seniors that will apply as of January 1, 2013:

- an increase in the caps on expenses eligible for the tax credit;
- a gradual increase in the rate of the tax credit from 30% to 35%;
- elimination of the reduction based on family income for dependent seniors;
- recognition of fees for the use of a remote monitoring system for seniors not living in a private seniors' residence.

The measures respecting the refundable tax credit for home-support services for seniors will represent \$46.3 million in additional support per year, when fully implemented.

- Some 222 000 seniors will be able to receive the tax credit.

TABLE 8

Enhancements of the refundable tax credit for home-support services for seniors (millions of dollars)

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	When fully in place
Increase in the caps on expenses eligible for the tax credit	1.3	6.0	6.0	6.0	6.0	6.0
Gradual increase in the rate of the tax credit from 30% to 35% ⁽¹⁾	1.3	7.2	15.2	23.7	32.2	38.5
Elimination of the reduction based on family income for dependent seniors	0.3	1.5	1.5	1.5	1.5	1.5
Recognition of fees for use of a remote monitoring system	0.1	0.3	0.3	0.3	0.3	0.3
TOTAL	3.0	15.0	23.0	31.5	40.0	46.3

(1) This enhancement takes into account the impact of the new standards of the Ministère de la Santé et des Services sociaux for certification of private seniors' residence.

Tax assistance that takes into account the services rendered and the type of dwelling

The refundable tax credit for home-support services for seniors applies to all types of dwellings and varies based on the cost of the services and how they are delivered.

The method used to calculate the expense eligible for the refundable tax credit is designed to determine the value of the eligible home-support services paid for by the senior without regard to the type of dwelling the senior chooses to live in.

- For seniors living in a private seniors' residence, a large share of the eligible expenses (such items as nursing care and meal service) is included in the monthly rent. Such expenses are evaluated using a rate table, with rates varying based on the type of service and the amount of the rent.
- For seniors living in an apartment building, there are generally certain eligible services (such as snow removal and lawn mowing) included in the rent. A portion of the rent is therefore recognized as being an eligible expense based on a fixed formula (5% of the rent, up to a rent of \$600 per month).
- Seniors living in a private home have no rent to pay, and thus they cannot calculate the tax credit based on rent. Instead, they must claim the tax credit by submitting to Revenu Québec their bills for eligible expenses purchased on a "pay-as-you-go" basis.
 - Moreover, seniors living in a private seniors' residence or in an apartment building may follow the same procedure for services not included in their rent.

Finally, all seniors age 70 or older, provided they enjoy the same degree of independence, are subject to the same caps on eligible expenses and the same tax credit rate for the same maximum amount of assistance.

Tax assistance that takes into account the services rendered and the type of dwelling (cont.)

Comparison of the refundable tax credit for home-support services for a non-dependent senior living alone, according to the type of dwelling chosen

	Private seniors' residence	Apartment building	Private home (owner-occupant)
Cap on eligible expenses			
- Current system (\$)	15 600	15 600	15 600
- Budget 2012-2013 (\$)	19 500	19 500	19 500
Eligible expenses included in rent	Calculated based on the rate table	Calculated based on the fixed formula ⁽¹⁾	n/a
- Maximum percentage of eligible expenses (% of rent)	65	5	n/a
"Pay-as-you-go" expenses	Based on invoices	Based on invoices	Based on invoices
Rate of the tax credit			
- Current system (% of eligible expenses)	30	30	30
- Budget 2012-2013 ⁽²⁾ (% of eligible expenses)	35	35	35
MAXIMUM TAX CREDIT			
- Current system (\$)	4 680	4 680	4 680
- Budget 2012-2013 (\$)	6 825	6 825	6 825

Note: Illustration for a non-dependent senior living alone.

(1) Based on the formula 5% of the rent, up to a rent of \$600 per month.

(2) When fully implemented.

☐ Increase in the caps on eligible expenses

■ Greater assistance for the most vulnerable seniors

Currently, a certain number of seniors living in seniors' residences require a large number of services and pay rent that exceeds the caps provided for under the current tax credit.

— Persons requiring multiple services are those who are the most vulnerable.

According to the most recent information, more than 30% of seniors living alone³ who require all the recognized services⁴ pay rent that exceeds the maximum rent taken into account for tax assistance purposes, that is, \$2 000 per month. The maximum rent is therefore not high enough for these persons.

— The situation is even more striking for dependent seniors who use all the recognized services, given that 50% of them pay rent exceeding \$2 000 per month.

Thus, for the most vulnerable clientele, the tax credit recognizes only a part of the financial burden incurred by seniors in order to remain in their home.

TABLE 9

Percentage of seniors living alone in a private seniors' residence, according to rent, degree of dependency and number of services used – 2010 (advance payments, percent)

Monthly rent	Only basic service	Number of additional services used					Total clientele ⁽¹⁾	
		1	2	3	4	5	Number	%
Non-dependent and dependent seniors								
Under \$2 000	98.9	98.7	94.1	92.7	91.0	68.6	72 200	87.5
\$2 000 and over	1.1	1.3	5.9	7.3	9.0	31.4	10 300	12.5
Dependent seniors only								
Under \$2 000	97.5	97.3	95.4	89.3	87.7	50.7	11 500	70.0
\$2 000 and over	2.5	2.7	4.6	10.7	12.3	49.3	4 900	30.0

(1) All seniors living alone in private seniors' residences.

Sources: Revenu Québec and Ministère des Finances du Québec.

3 Persons not sharing a dwelling with their spouse.

4 Meal services, nursing services, housekeeping, laundry services and personal care services.

■ **An increase in the caps on eligible expenses**

To more adequately recognize the eligible expenses incurred by seniors paying a higher rent, Budget 2012-2013 provides for enhancement of the maximum amount of certain expenses included in the rent that are eligible for the refundable tax credit for home-support services for seniors.

■ **Enhancement of the amounts granted per service for the clientele living in private seniors' residences**

Thus, as of the 2013 taxation year, the maximum monthly amounts applicable to eligible services for a senior living alone will increase to:

- \$375 for basic services (+\$75);
- \$250 for nursing services (+\$50);
- \$125 for housekeeping services (+\$25);
- \$125 for laundry services (+\$25);
- \$350 for personal care services (+\$150).

The enhancement is meant to recognize the greater level of expense incurred by the clientele requiring multiple types of services. It will increase the tax assistance for seniors, thereby enabling them to obtain additional financial support for certain services that are essential to them.⁵

5 The enhancement of eligible expenses is illustrated in Appendix 3.

■ **A \$3 900 increase in the eligible expense**

Taking into account the increase in the maximum amounts for each of these services, the cap on expenses under the tax credit will be increased from \$15 600 to \$19 500 for persons living alone, an increase of \$3 900.

— For dependent seniors, the cap will rise from \$21 600 to \$25 500.

TABLE 10

Cap on expenses eligible for the refundable tax credit for home-support services for a senior living alone, according on whether the individual is non-dependent or dependent
(dollars)

	Before Budget 2012-2013	After Budget 2012-2013	Increase
Non-dependent seniors	15 600	19 500	3 900
Dependent seniors	21 600	25 500	3 900

■ **\$6 million in additional tax assistance**

When the measure is fully implemented, the cost of raising the caps on eligible expenses for the purposes of the refundable tax credit for home-support services for seniors will be \$6 million. This measure will benefit 20 730 seniors, for an average increase of \$290 per person.

❑ **Gradual increase in the rate of the tax credit from 30% to 35%**

■ **Tax assistance that may prove to be insufficient for the most vulnerable**

A senior requiring multiple services may have to pay a high rent in a seniors' residence, even if the individual has a low income.

— For example, 24% of seniors living alone in a private seniors' residence need all of the services eligible for the refundable tax credit for home-support services.

— More than two thirds of them have a family income of \$25 000 or less, and more than 90% of them have an income of \$50 000 or less.

■ **More than \$38 million in additional tax assistance**

To provide better financial support for seniors, Budget 2012-2013 provides for a gradual increase from 30% to 35% in the rate of the refundable tax credit for home-support services. This change represents a substantial increase of 5 percentage points and will boost the assistance granted to more than one third of the eligible expense.

This increase will benefit all recipients of the tax credit, that is, some 222 000 seniors. The change will represent \$38.5 million in additional tax assistance annually, when fully implemented.

■ **An increase of more than \$2 000 in the maximum assistance**

With the higher caps on eligible expenses, the increase of 5 percentage points in the rate of tax credit, when fully implemented, will boost the maximum annual assistance granted to seniors living alone:

- by \$2 145 for a non-dependent senior, to \$6 825;
- by \$2 445 for a dependent senior, to \$8 925.

TABLE 11

Maximum tax credit before and after Budget 2012-2013, for a senior living alone – When fully implemented

	Before Budget 2012-2013	After Budget 2012-2013	Difference
Non-dependent senior living alone			
Cap on eligible expenses (\$)	15 600	19 500	+3 900
Rate of the tax credit (%)	30	35	+5
Maximum tax credit (\$)	4 680	6 825	+2 145
Dependent senior living alone			
Cap on eligible expenses (\$)	21 600	25 500	+3 900
Rate of the tax credit (%)	30	35	+5
Maximum tax credit (\$)	6 480	8 925	+2 445

New standards for certification of private seniors' residences

By the end of 2012, owners of private seniors' residences will be required to follow new rules for certification for their establishments. These new provisions are designed, in particular, to provide greater safety and offer better protection to seniors.

Some owners will have to pay additional costs in order to bring their residences into compliance, which may drive up the rents charged to seniors.

The enhanced assistance measures announced in this budget will help offset costs passed on to lessees as a result of the implementation of these new certification standards for residences by the Ministère de la Santé et des Services sociaux.

■ **A gradual increase in the rate of the tax credit**

The increase in the rate of the tax credit to 35% will be implemented gradually, beginning in 2013. Thus, the 30% rate of the refundable tax credit home-support service for seniors will be raised to:

- 31% in 2013;
- 32% in 2014;
- 33% in 2015;
- 34% in 2016;
- 35% in 2017.

Taking into account the increase in rate of the tax credit and the raising of the cap on eligible expenses:

- for non-dependent seniors, the maximum assistance will gradually rise from \$4 680 in 2012 to \$6 825 in 2017;
- for dependent seniors, the maximum assistance will gradually rise from \$6 480 in 2012 to \$8 925 in 2017.

CHART 7

Maximum assistance for non-dependent seniors

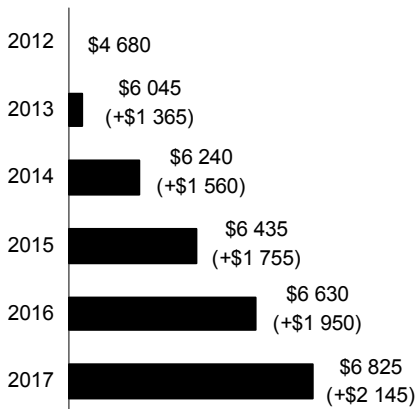
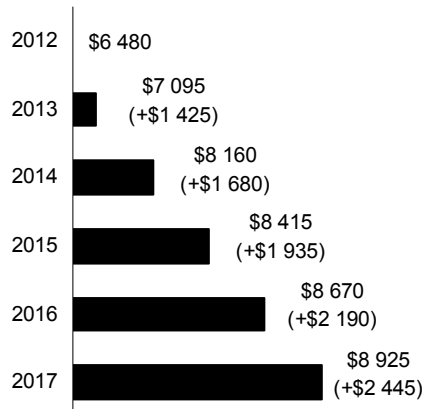


CHART 8

Maximum assistance for dependent seniors



❑ **Elimination of the reduction based on family income for dependent seniors**

In 2012, dependent seniors receive the maximum amount of assistance in respect of the refundable tax credit for home-support services if their family income is \$53 465 or less. If a dependent senior's family income is higher than \$53 465, the assistance is reduced by 3% of the family income in excess of that amount.

Consequently, the current rules for the refundable tax credit for home-support services may prove to be more restrictive in respect of assistance granted to dependent seniors with medium or high income.

However, the situation of dependent seniors closely resembles that of handicapped persons, for whom there is no income-based reduction to the amount of assistance granted.

— For example, the supplement for handicapped children under the Child Assistance Measure is not subject to an income-based reduction.

Consequently, Budget 2012-2013 provides for the elimination of the income-based reduction to the refundable tax credit for home-support services for dependent seniors.

— This measure is in keeping with a concern to apply a similar tax treatment to situations that are comparable with respect to carrying out the activities of daily living.

This enhanced assistance will cost the government \$1.5 million annually and will benefit 2 055 dependent seniors.

❑ **Recognition of fees for the use of a remote monitoring system**

A sense of security is an important factor in helping seniors remain in their home.

To increase their sense of security, more and more seniors are using remote monitoring systems.

— For example, some seniors have equipped themselves with an emergency call device (or "panic button") that they can use if they should fall or feel seriously ill.

— Other seniors use a device that allows remote supervision of the taking of medications.

Monthly management fees for this type of equipment can be expensive and are not eligible for the refundable tax credit for home-support services for seniors or for the tax credit for medical expenses.

In response to this problem, Budget 2012-2013, as of 2013, will broaden the services eligible for the refundable tax credit for home-support services for seniors to include fees charged for the operation of a remote monitoring system.⁶

This measure will cost \$0.3 million annually, when fully implemented, and will benefit nearly 5 000 seniors.

□ Presentation of the enhancements to the refundable tax credit for home-support services for seniors

Altogether, the changes in the refundable tax credit for home-support services for seniors provided for in Budget 2012-2013 will provide significant gains for seniors. These gains will vary depending, in particular, on the type of household and the senior’s degree of dependency.

Thus, the annual assistance for a non-dependent senior living alone in a private seniors’ residence who requires all of the services eligible for the tax credit will rise:

- to \$4 095 if the rent is \$1 500 per month, for a gain of \$585;
- to \$6 405 if the rent is \$2 500 per month, for a gain of \$1 725;
- to \$6 825 if the rent is \$3 500 per month, for a gain of \$2 145.

TABLE 12

Gains resulting from the enhancements to the tax credit for a non dependent senior living alone
(dollars)

Monthly rent	Assistance before Budget 2012 2013	Gain resulting from the measures of Budget 2012-2013			Total gain	Assistance after Budget 2012 2013
		Enhancement to the caps on eligible expenses	Increase in the rate of the tax credit rate to 35% ⁽¹⁾			
1 000	2 340	—	390	390	2 730	
1 500	3 510	—	585	585	4 095	
2 000	4 680	—	780	780	5 460	
2 500	4 680	810	915	1 725	6 405	
3 000	4 680	990	945	1 935	6 615	
3 500	4 680	1 170	975	2 145	6 825	

Note: For illustration purposes, it is assumed that the senior has an income of \$25 000 and uses all of the eligible services.

(1) Situation in 2017.

6 The purchase cost of the remote surveillance device will be recognized under the new refundable tax credit for the purchase of equipment to help seniors continue living independently at home.

**Illustration of the enhancements to the tax credit for
a non-dependent senior who uses all of the eligible services**

Mr. Ryan is a 79-year-old, non-dependent senior. He lives alone in a private seniors' residence. His monthly rent is \$3 500. He receives all the eligible home-support services, which are included in his rent:

- basic services (security services);
- meal services (three meals a day);
- nursing services;
- housekeeping services;
- laundry services;
- basic personal care services.

With the higher cap and the increase in the rate of the tax credit to 35%, the measures provided for in Budget 2012-2013 will boost Mr. Ryan's tax assistance from \$4 680 to \$6 825, for an improvement of \$2 145, when fully implemented.

**Illustration of how the tax credit is calculated for Mr. Ryan's situation
– When fully implemented**
(dollars)

	Before Budget 2012-2013	After Budget 2012-2013	Difference
Monthly rent	3 500	3 500	—
Monthly eligible expenses included in the rent			
Basic services	300	375	+75
Meal services (three meals a day)	400	400	—
Nursing services	200	250	+50
Housekeeping services	100	125	+25
Laundry services	100	125	+25
Basic personal care services	200	350	+150
Subtotal: monthly eligible expenses	1 300	1 625	+325
Annual eligible expense	15 600	19 500	+3 900
Rate of the tax credit (%)	30	35	+5
TOTAL	4 680	6 825	+2 145

Note: Assuming that Mr. Ryan's income is \$25 000.

5.2 New refundable tax credit for the purchase of equipment to help seniors continue living independently at home

A sense of security is a decisive factor in a senior's decision to remain in his or her home.

Seniors rely on various types of equipment to maintain their independence and compensate for their disabilities.

— For example, installing a walk-in shower or purchasing a remote monitoring system are means that can help seniors continue living independently at home.

Even though purchasing this type of equipment may be expensive, it does not entitle seniors to the tax credit for home-support services, since this tax credit is intended to offset the cost of home-support services, rather than the purchase of equipment.

❑ Support for helping seniors continue to live independently at home

In this context, Budget 2012-2013 provides for the introduction, as of 2012, of a refundable tax credit for the purchase of equipment to help seniors age 70 or older continue living independently at home.

With this new tax credit, which encourages the purchase of security equipment for seniors, the government offers an innovative form of assistance that will supplement the refundable tax credit for home-support services for seniors.

Expenses that are eligible for the tax credit are those paid for the purchase or rental of certain equipment intended to provide for the safety or maintain the independence of seniors age 70 or older.

It is expected that the eligible expense will be claimed mainly by the clientele living in private homes, since the items covered consist primarily of equipment that is installed permanently.

❑ \$5 million in additional tax assistance

The cost of the tax credit will be \$5 million annually, when fully implemented. The measure will benefit approximately 20 500 seniors. The average tax credit will be \$245 annually.

❑ Application of the tax credit

Eligible expenses paid are subject to a tax credit rate of 20% and a deductible of \$500. The tax credit will not be subject to a cap or to an income-based reduction.

Equipment eligible for the tax credit includes the following:

- a mechanized, rail-mounted chair lift designed solely to carry a person up or down a stairway;
- a walk-in shower or a walk-in bathtub;
- a device intended to assist a person getting into or out of a bathtub or shower;
- a hospital bed;
- remote monitoring devices, including, in particular:
 - an emergency call system (“panic button”);
 - remote measurement of an individual’s physiological parameters;
 - remote supervision of the taking of medications.

The tax credit will be paid once a year, after the income tax return has been filed.

Illustration of the tax credit

Ms. Wilkinson, age 80, lives in a private residence. To render certain activities of daily living easier and to increase her sense of security, she purchases the following equipment, for a total of \$6 100:

- a walk-in shower;
- a system for remote supervision of the taking of medications;
- an emergency call device (“panic button”).

With the introduction of the refundable tax credit for the purchase of equipment to help seniors continue living independently at home, Ms. Wilkinson will receive \$1 120 in tax assistance in respect of her purchases.

Illustration of the calculation of the tax credit for Ms. Wilkinson’s situation (dollars)

	Calculation
Eligible equipment	
- Walk-in shower	5 100
- System for remote supervision of the taking of medications	500
- Emergency call devices	500
	6 100
Subtotal: Eligible equipment	
- Deductible applicable to the tax credit	-500
	5 600
Expense eligible for the tax credit	
- Rate of the tax credit (%)	20
	1 120
TAX ASSISTANCE	1 120

5.3 New refundable tax credit for costs incurred by seniors for a stay in a functional rehabilitation transition unit

After a hospital stay, a senior may be transferred to a functional rehabilitation transition unit (FRTU), which will provide the necessary stimulation and readaptation services to promote the senior's rehabilitation and return home.

- There are currently about 700 of these service units.
- Over a single year, they can receive 4 000 to 5 000 convalescent seniors for a duration of less than 60 days.
- The average cost to the government of a space in an FRTU approximately \$5 000 per month.
- Nearly 80% of seniors who have stayed in an FRTU rapidly recovered the necessary degree of autonomy to return to live at home in total safety.

However, these service units must be available at the right time during the individual's healing process, which is not always the case given the limited number of spaces in FRTUs.

- If readaptation is not undertaken rapidly when a patient leaves hospital, this may have a significant impact on the duration of rehabilitation.
- Delaying readaptation even runs the risk of causing permanent limitations for the senior, who might then require closer supervision leading to premature institutionalization in a CHSLD.

Currently, expenses in a nursing home are eligible for the refundable tax credit for medical expenses. However, the tax assistance is subject to a reduction based on family income and is not refundable.

- Moreover, the private FRTU network is underdeveloped and remains expensive.

❑ **Making it easier for our seniors to return home**

To encourage the least affluent households to make use of assistance for functional rehabilitation, Budget 2012-2013 provides for the introduction, as of 2012, of a refundable tax credit for expenses for a stay in an FRTU.

In addition to offering assistance for a vulnerable clientele, this measure will also encourage the development of a private FRTU network.

The tax credit will be aimed at any person age 70 or older making use of functional rehabilitation care.

The eligible expense will include costs for a stay in a private or public FRTU paid by the senior, excluding costs reimbursed by private insurance.

— It will be limited to costs paid in an FRTU for the portion that is attributable to a stay of no more than 60 days.

The tax credit will be paid after the income tax return has been filed. There will be no cap on the tax credit, nor will it be subject to an income-based reduction. The rate of the tax credit will be 20% of the eligible expense.

❑ **\$10 million in additional tax assistance**

The cost of the new tax credit will be \$10 million annually, when fully implemented. The measure will benefit 13 000 seniors.

5.4 Enhancement of the refundable tax credit for informal caregivers of a spouse unable to live alone

With a view to recognizing the contribution to society by informal caregivers by offering them the opportunity to enjoy certain periods of respite, the tax system grants a refundable tax credit to adults who house or cohabit with an eligible relative, as well as to spouses of a senior age 70 or older who is unable to live alone.

Currently, the refundable tax credit for informal caregivers of adults benefits more than 55 000 informal caregivers in Québec, 15 350 of whom are spouses.

The growing number of seniors needing long-term accommodation and care in the coming years will be accompanied by slower growth in the number of informal caregivers. This is attributable to the fact that families are smaller, which increases the burden on spouses.

The refundable tax credit for informal caregivers of adults

The refundable tax credit for informal caregivers of adults is intended to recognize the contribution to society by informal caregivers and to offer them the opportunity to enjoy a certain respite.

It is granted to adults who house or cohabit with an eligible relative, as well as to spouses of a senior age 70 or older unable to live alone.

Parameters of the tax credit

In 2012, the maximum amount of the refundable tax credit for informal caregivers of adults is \$1 104 per eligible relative and has two components:

- a basic amount of \$607;
- a supplement of \$497 that is subject to a reduction at the rate of 16% for each dollar of income⁽¹⁾ exceeding \$22 075.

Review of the measure in Budget 2011-2012

Budget 2011-2012 provided that the refundable tax credit for informal caregivers of adults would be broadened, as of 2011, to:

- caregivers who cohabit in the dwelling of the eligible relative, provided the latter is unable to live alone;
- spouses acting as the informal caregiver of a person age 70 or older who is unable to live alone.

For spouses, only the \$607 basic component of the tax credit is granted. Spouses living in a private seniors' residence are not eligible for the tax credit.

(1) The income taken into account is that of the eligible relative.

□ Additional respite for spouses acting as informal caregivers

To offer them the opportunity to enjoy more respite, Budget 2012-2013 provides for a gradual increase in the refundable tax credit for informal caregivers of adults from \$607 to \$1 000 in respect of caregivers having a spouse age 70 or older who is unable to live alone, that is:

- \$700 in 2012;
- \$775 in 2013;
- \$850 in 2014;
- \$925 in 2015;
- \$1 000 as of 2016.⁷

The amount of the tax credit is already generous in respect of a close relative. The planned improvement will make it possible to boost the amount for a spouse to a level similar to that for a close relative.

This gradual increase in the assistance granted will benefit 15 350 informal caregivers, for a cost of \$6 million annually, when fully implemented.

■ Illustration of the enhancement

Before Budget 2012-2013, the maximum amount of assistance that could be granted was \$1 104 for informal caregivers who are close relatives and \$607 for informal caregivers who are spouses.

After Budget 2012-2013, the tax credit will gradually increase to \$1 000 for spouses.

TABLE 13

Illustration of the enhancement according to the type of caregiver – When fully implemented
(dollars)

	Before Budget 2012-2013		After Budget 2012-2013	
	Close relative	Spouse	Close relative	Spouse
Basic amount	607	607	607	1 000
Amount subject to reduction	497	—	497	—
TOTAL	1 104	607	1 104	1 000

⁷ The \$1,000 amount will be indexed as of 2017.

CONCLUSION

With the present budget, the government once again reiterates its commitment to seniors. In addition to presenting the key policy directions, Budget 2012-2013 provides funding for the action plan for the next five years.

In this respect, investments will be increased by nearly \$900 million annually up through 2016-2017. By the end of those five years, \$2.7 billion will have been allocated to encourage our seniors to remain active, to offer them more home-support services, to provide them with more affordable housing, and to increase financial support both for helping seniors to remain in their home and for allowing spouses acting as informal caregivers to enjoy additional respite.

In the spring of 2012, the Minister responsible for Seniors and the Minister for Social Services will table the Growing Old at Home Policy, which will specify both the policy directions and the action plan measures the government intends to emphasize in order to fulfil the desire of our seniors to remain in their community.

APPENDIX 1: Funding for the growing old at home action plan

In order to fund the measures of the Growing Old at Home Action Plan:

- additional funding of \$7 million in 2012-2013, \$10 million in 2013-2014, \$15 million in 2014-2015, \$20 million in 2015-2016 and \$22 million in 2016-2017 will be granted to the Ministère de la Famille et des Aînés for measures to support seniors through community-based projects. For 2012-2013, the sums are included in the expenditure budget of the Ministère de la Famille et des Aînés;
- additional funding of \$0.4 million in 2012-2013, \$0.5 million in 2013-2014 and \$0.7 million in 2014-2015 will be granted to the Ministère du Développement économique, de l'Innovation et de l'Exportation for the measure relating to support for domestic help social economy businesses for the development of better business practices. For 2012-2013, funding will come from the Contingency Fund;
- the sums required for the Ministère de la Santé are reserved from the financial framework for government health funding, which provides for 5% average annual growth up through 2016-2017;
- the sums required for funding for affordable, safe and adapted housing for seniors are already included in the specified funding granted to the Ministère des Affaires municipales, des Régions et de l'Occupation du territoire (see Section G of the 2012-2013 Budget Plan);
- the funding for tax assistance to help seniors remain in their home and to support informal caregivers will come from the Consolidated Revenue Fund.

TABLE 14

**Financial impact of the fiscal and budgetary measures
of the 2012-2017 Growing Old at Home Action Plan
2012-2013 Budget Speech**
(millions of dollars)

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Support for seniors through community-based projects					
– New Age-Friendly Québec Program	-2.0	-4.0	-4.3	-4.4	-5.3
– Maisons des grands-parents	-0.1	-0.1	-0.7	-0.9	-1.2
– Other mesures	-5.3	-6.4	-10.7	-14.7	-15.5
Subtotal	-7.4	-10.5	-15.7	-20.0	-22.0
Health services better adapted to the needs of seniors⁽¹⁾	—	—	—	—	—
Affordable, safe and adapted housing for seniors⁽²⁾	—	—	—	—	—
Tax assistance to help seniors remain in their home and to support informal caregivers					
– Enhancements of the refundable tax credit for home-support services for seniors	-3.0	-15.0	-23.0	-31.5	-40.0
– New refundable tax credit for the purchase of equipment to help seniors continue living independently at home	-5.0	-5.0	-5.0	-5.0	-5.0
– New refundable tax credit for costs incurred by seniors for a stay in a functional rehabilitation transition unit	-1.5	-2.5	-3.0	-4.0	-5.0
– Enhancement of the basic amount of the refundable tax credit for informal caregivers of adults, for eligible spouses	-1.5	-2.5	-3.5	-5.0	-6.0
Subtotal	-11.0	-25.0	-34.5	-45.5	-56.0
TOTAL	-18.4	-35.5	-50.2	-65.5	-78.0

(1) The sums required for the Ministère de la Santé are reserved from the financial framework for government health funding.

(2) The budgetary appropriations are included in the amounts announced in Section G of the 2012-2013 Budget Plan.

APPENDIX 2: Investments in support of seniors since Budget 2007-2008

TABLE 15

Investments in support of seniors since Budget 2007-2008 (millions of dollars)

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Total over 5 years
MEASURES PRIOR TO BUDGET 2012-2013						
Increasing seniors' disposable income						
– Retirement income splitting between spouses	135.0	144.0	153.0	162.0	172.0	766.0
– Enhancement of the tax credit for retirement income ⁽¹⁾	109.0	114.0	119.0	124.0	129.0	595.0
– Full indexation of the tax credit with respect to age	11.0	14.0	17.0	20.0	23.0	85.0
– Introduction of a \$10 000 tax credit for experienced workers	35.0	50.0	60.0	95.0	120.0	360.0
Subtotal	290.0	322.0	349.0	401.0	444.0	1 806.0
Helping seniors remain in their home and better supporting informal caregivers						
– Enhancement of the refundable tax credit for home-support services for seniors ⁽²⁾	121.0	121.0	121.0	121.0	121.0	605.0
– Broader access to the tax credit for informal caregivers of adults	12.0	12.5	13.0	13.5	14.0	65.0
– \$200-million funding over ten years for the development of respite and assistance services for informal caregivers ⁽³⁾	20.0	20.0	20.0	20.0	20.0	100.0
– Other measures ⁽⁴⁾	6.0	6.0	6.0	6.0	6.0	30.0
Subtotal	159.0	159.5	160.0	160.5	161.0	800.0
Health and social services component						
– Institutional accommodation	184.3	184.3	184.3	184.3	184.3	921.5
– Services allowing seniors to live at home and in their community	249.2	249.2	249.2	249.2	249.2	1 246.0
Subtotal	433.5	433.5	433.5	433.5	433.5	2 167.5
Other measures ⁽⁵⁾	26.5	22.7	21.5	17.5	16.5	104.7
TOTAL: Measures prior to Budget 2012-2013	909.0	937.7	964.0	1 012.5	1 055.0	4 878.2

TABLE 15 (cont.)

Investments in support of seniors since Budget 2007-2008 (cont.)
(millions of dollars)

	2012- 2013	2013- 2014	2014- 2015	2015- 2016	2016- 2017	Total over 5 years
MEASURES IN BUDGET 2012-2013						
– Support for seniors through community-based projects	7.4	10.5	15.7	20.0	22.0	75.6
– Health services better adapted to the needs of seniors ⁽⁶⁾	177.0	349.0	479.0	609.0	727.0	2 341.0
– Affordable, safe and adapted housing for seniors	—	—	—	25.0	60.9	85.9
– Tax assistance to help seniors remain in their home and to support informal caregivers	11.0	25.0	34.5	45.5	56.0	172.0
TOTAL: Measures in Budget 2012-2013	195.4	384.5	529.2	699.5	865.9	2 674.5
GRAND TOTAL	1 104.4	1 322.2	1 493.2	1 712.0	1 920.9	7 552.7

- (1) Including the successive increases from \$1 000 to \$1 500, then to \$2 000 in the amount of the tax credit provided for in Budget 2007-2008 and Budget 2008-2009, as well as the full indexation provided for in Budget 2008-2009.
- (2) Including the annual enhancement of \$5 million following the broadening of eligible expenses to include food services of one meal a day.
- (3) Including an annual contribution of \$5 million (\$50 million over 10 years) from Sojecci II Ltée.
- (4) Corresponds to the refundable tax credit for volunteer respite services, the refundable tax credit for respite expenses of informal caregivers and the free medication for low-income seniors measure.
- (5) The following measures are concerned: specific agreements with the regional conferences of elected officers (CREs) in order to adapt services and infrastructures to the needs of the elderly; promotion of the right of seniors to dignity and the full exercise of their citizenship; promotion of the physical activity of seniors; promotion of the use of phased retirement; support for seniors who want to invest in future generations (Québec Education Savings Incentive); new support for local initiatives designed to increase respect for seniors; improvement of food services in CHSLDs; the Age-Friendly Municipalities Initiative; action plan to counter elder abuse; financial assistance for home adaptations for independent seniors; enhancement of support for local initiatives designed to increase respect for seniors; information hubs for seniors; the Maisons des grand-parents; compensation for seniors admitted to a CHSLD who must resiliate their lease; and certification of private seniors' residences.
- (6) Including the sums provided for in the seniors investment plan funded from the Fund to Finance Health and Social Services Institutions.

APPENDIX 3: Table for determining the eligible expense for purposes of the refundable tax credit for home-support services for seniors

TABLE 16

Illustration of the increase in the expenses eligible for the refundable tax-credit for home-support services for seniors living alone in a private seniors' residence

	Rate applicable to monthly rent (%)	Minimum amount (\$)	Maximum amount (\$)	Difference from current maximum (\$)
Home-support services				
Basic component	15	150	375	+75
Additional services				
1. Meal services				
One meal per day	10	100	200	—
Two meals per day	15	150	300	—
Three meals per day	20	200	400	—
2. Nursing services				
	10	100	250	+50
3. Housekeeping				
	5	50	125	+25
4. Laundry services				
	5	50	125	+25
5. Personal care services				
Basic	10	100	350	+150
Dependent senior supplement ⁽¹⁾	10	100	10% of total rent	—
MAXIMUM ESTABLISHED ON THE BASIS OF THE TOTAL RENT				
– General	65%	65%	65%	—
– Dependent senior ⁽¹⁾	75%	75%	75%	—

(1) A senior is considered dependent if, according to a written attestation from a physician, he or she depends and will continue to permanently depend, for a prolonged and indefinite period, on other people for most of his or her needs and personal care, or requires constant supervision because of a serious mental disorder characterized by an irreversible breakdown in thought activity. In this regard, the needs and personal care of a senior cover only personal hygiene, dressing, eating and mobility or transfers.

