



**SUPPORTING FAMILY CAREGIVERS
THROUGH FINANCIAL RELIEF**

AARP[®]

FAMILY CAREGIVERS ARE THE BACKBONE OF THE US CARE SYSTEM

38 million

family caregivers
in the United States.

36 billion

hours of unpaid family care.

\$16.59

economic value per hour.

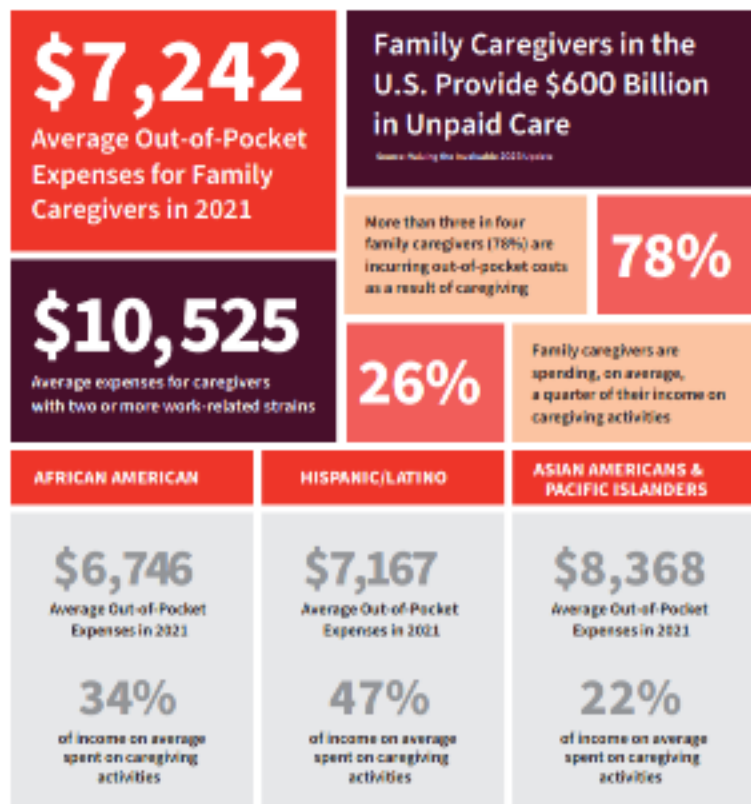
\$600

billion

estimated
economic value.



FAMILY CAREGIVERS: ECONOMIC IMPACTS AND OTHER CHALLENGES



Family caregivers 50 and older who leave the workforce to care for a loved one lose nearly \$304,000, on average, in income and benefits over their lifetime

More family caregivers have difficulty coordinating care.



More family caregivers report their own health is fair to poor.



More Americans are caring for more than one person.



ADDRESSING CHALLENGES IN CAREGIVING



Make providing care – and finding paid care – easier for family caregivers



Alleviate the economic, financial and other challenges directly associated with caregiving responsibilities



Increasing access to services and supports

ALLEVIATING CHALLENGES: PROVIDING RELIEF FOR FAMILY CAREGIVERS

- **Financial support** can alleviate some of the challenges family caregivers face, providing relief for those who need it most
- One way for states to provide support is through a **family caregiver tax credit...**

AARP Model Family Caregiver Tax Credit Bill

- Non-refundable credit for family caregivers of 50% of eligible expenses, up to a \$1,000 maximum credit
- Eligible family caregivers must earn less than \$75,000 for an individual or \$150,000 for a couple
- Eligible expenses include home improvements, assistive equipment, home care aides, respite care, assistive technology, etc.
- Specifics of the legislation can be adjusted to fit the needs of a given state
- Care recipient includes a spouse, parent, in-laws, or other relation by blood or marriage
- Several states have credits that are more narrowly drawn. Two (AZ and ME) offer support through family caregiver grant programs

OKLAHOMA FAMILY CAREGIVER TAX CREDIT

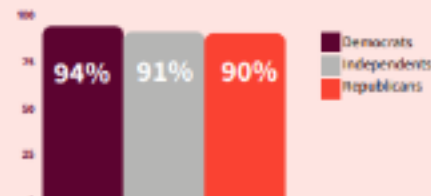
OKLAHOMA VOTERS SUPPORT A FAMILY CAREGIVER TAX CREDIT

Across Oklahoma, family caregivers assist their parents and loved ones so they can live at home — where they want to be. These family caregivers help with bathing, dressing, transportation and so much more. Many also contribute financially to their loved one's care. AARP recently surveyed Oklahoma registered voters age 40+ about caring for their families and the cost of being a caregiver. **Here's what we learned:**



The vast majority of Oklahoma voters age 40+ support the Caring for Caregivers Act, an act providing an income tax credit for family caregivers who use their own money for a loved one.

Support is strong across party lines.



45% of Oklahoma Voters 40+ have Caregiving Experience



79%

Experience emotional stress due to caregiving responsibilities



63%

Have difficulty balancing job and family responsibilities

Costs of Caregiving

93% of Oklahoma family caregivers pay for expenses to help their loved ones. These costs include:



28%

Hiring in-home support services such as a home health aide



16%

Respite Services



50%

Medical Equipment



84%

Transportation



42%

Home Modifications

Help is finally on the way for Oklahoma caregivers and the parents, spouses, and other loved ones they care for with a tax credit provided by the Caring for Caregivers Act.

The Caring for Caregivers tax credit is for out-of-pocket costs incurred by the unpaid family caregiver for a limited set of services. The expenses must be directly related to assisting the family caregiver in providing care to an eligible family member. The tax credit is capped at \$2,000 per year for most participants. Individuals caring for veterans or those with a dementia-related diagnosis will receive up to \$3,000 in tax credit.

The Caring for Caregivers Act passed during the 2023 Oklahoma legislative session and will take effect Jan. 1, 2024. The tax credit will be eligible for the 2024 tax year. Oklahoma is the first state in the nation to adopt an expansive tax credit for family caregivers.

FREQUENTLY ASKED QUESTIONS

What are the qualifications to receive the tax credit?

- Eligible Oklahomans receiving care from a family caregiver must be 62 years of age or older and require assistance with at least two activities of daily living (ADLs), as outlined in the qualifications section. The ADLs must be certified by a licensed health care provider.
- Family caregivers, or those providing care and support for an eligible family member, must have a federally adjusted gross income of less than \$50,000 (individual) or less than \$100,000 for a couple filing jointly to receive the tax credit. They must also personally incur uncompensated expenses directly related to the care of an eligible family member.
- Individuals must qualify as a dependent, spouse, parent or other relation by blood or marriage to the family caregiver.
- Individuals must live in a private residential home, not an assisted living center, nursing facility, or residential care home.

What type of care qualifies as an eligible out-of-pocket expense?

- Hiring a home care aide, respite care, adult day care, personal care attendants, health care equipment and technology are types of eligible expenditures paid or incurred by the family caregiver providing care to an eligible family member.

What purchased or leased equipment qualifies for the Caring for Caregivers tax credit?

- The purchase or lease of equipment necessary to assist an eligible family member in carrying out one or more activities of adult daily living (ADL) qualify for the tax credit.

What are considered approved ADL activities?

Approved ADLs include:

- The individual's ability to move from one position to another and walk independently.
- The ability of an individual to feed oneself.
- The ability to select appropriate clothes and to put the clothes on without aid.
- The ability to bathe, groom oneself, and maintain dental hygiene and nail and hair care.
- The ability to control bladder and bowel function, and the ability to get to and from the toilet without aid, using it appropriately, and cleaning oneself.

Does the Caring for Caregivers tax credit cover diabetic supplies and/or insulin pumps?

- No, many supplies are considered either medications (insulin) or medical devices (pumps/glucose monitors, etc.)

Does the Caring for Caregivers tax credit cover costs like wheelchairs, walkers, lift chairs and adult diapers?

- Yes, the Caring for Caregivers tax credit covers the cost of durable medical equipment.

Does the Caring for Caregivers tax credit cover prescription drugs?

- The Caring for Caregivers tax credit does not cover prescription or over-the-counter drugs. Many individuals being cared for are Medicare recipients and will already have at least a portion of their medications covered.

What is considered a private residential home?

- A private residential home is a personal dwelling not licensed as an assisted living center, nursing facility or residential care home.

Are home improvements to the caregiver's home considered eligible expenses?

- The improvement to the family caregiver's or eligible family member's primary residence qualifies if it allows the eligible family member to live in the residence and remain mobile, safe and independent.

Does this tax credit cover general household maintenance activities?

- No, the tax credit does not cover expenditures of general household maintenance activities such as painting, plumbing, electrical repairs or exterior maintenance.

Does the Caring for Caregivers tax credit apply to people living in long-term care facilities?

- No, an individual in a nursing or assisted living facility is not eligible for the tax credit since they are receiving care through that facility.

Can two or more family caregivers claim the tax credit for the same family member?

- Two or more family caregivers may claim the tax credit for the same eligible family member. However, the maximum allowable credit shall be allocated equally between each family caregiver.

Is there a limit to the annual allocation of state funds available for the Caring for Caregivers tax credit?

- Yes. The Oklahoma Legislature capped the amount of annual tax credit expenditure at \$1,500,000.





**ADDITIONAL WAYS TO
ADDRESS THE CHALLENGES FAMILY CAREGIVERS FACE**

TRENDS

Making Care Easier



Expanded navigation and caregiving resource databases



Improved family caregiver training, education, and inclusion in care (45 States and Territories have passed the CARE Act)



Home and community-based services rebalancing



Improved direct care workforce development and retention

TRENDS

Alleviating Challenges



Paid Family and Medical leave (11 States)



Paid sick leave (16 States)



Enhanced respite care funding and options

TRENDS

Alleviating Challenges



Tax credits and other reimbursement programs, & **compensating family caregivers** (self-direction)



Guardianship reform (close to 25 states have formed State Working Interdisciplinary Networks of Guardianship Stakeholders (WINGS) to drive change in adult guardianship policies)



Expanded caregiver needs assessments in existing programs

TRENDS

Increasing Access to Support



- Addressing racial, geographic, and economic barriers
- Addressing Language, geographic, mobility barriers
- Implementing culturally competent and responsive support
- Ensuring chosen family, friends, and other loved ones are recognized and supported

Questions?

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