



PROVIDING FINANCIAL RELIEF TO HOME CAREGIVERS BACK ON LEGISLATIVE AGENDA

ANDREW KITCHENMAN | MARCH 20, 2014

AARP pushes proposal to provide tax credits of up to \$675 on state tax returns



Marilyn Askin of the AARP, which is promoting a proposed tax credit for those who provide at home care for ailing older relatives.

When older and sicker people live at home, it frequently creates a financial strain for other family members.

Advocates for the elderly, joined by state legislators, are trying to do something to ease that financial burden.

A bill, **S-841/A-1855**, advancing in the Legislature would provide a tax credit of up to \$675 to caregivers to offset the costs of care. While a **similar measure** didn't make it into the budget last year, advocates of the bill are hoping it will advance this year.

AARP, the advocacy organization for people 50 and older, has made the Caregiver's Assistance Act and other similar bills one of its top healthcare priorities.

AARP New Jersey chief legislative advocate Marilyn Askin said \$675 may sound like a modest amount, but it would be significant for low-income people struggling with the costs of providing care.

While Medicaid pays for at-home services for many older people, caregivers can run up thousands of dollars in additional out-of-pocket expenses, including the costs of buying adult diapers and other supplies or equipment necessary to have older relatives live in the caregivers' homes, as well as such costs as home modifications and paying for services not covered by government programs or private insurance.

The credit would cover 22.5 percent of up to \$3,000 in out-of-pocket costs related to having a relative who is 60 or older live in a caregiver's home. The benefit would be limited to caregivers with incomes of no more than \$100,000 if married or in a civil union and filing a joint tax return, or \$50,000 if the caregiver is single or filing taxes separately. The relative being cared for could have an income of no more than \$20,000 if filing a joint return or \$13,000 if single. The relative wouldn't have to be claimed on the caregiver's income tax return, but would have to be actually living in the caregiver's house.

An AARP study estimated that 1.75 million caregivers in the state provide care valued at \$13 billion. "These (caregivers) are unpaid, not because what they do is worthless, but because what they do is priceless," Askin said.

Askin noted that many caregivers work outside the home, adding to the stress of balancing their work with caregiving responsibilities. She ticked off the range of services that caregivers provide: dressing, feeding, providing medical care, helping with the toilet, giving injections, managing feeding tubes.

The bill would build on the state's increasing emphasis on having long-term care provided at home or in community settings, said Askin, who noted that Gov. Chris Christie highlighted the shift away from institutional care in his budget address.

The average caregiver spends nearly 20 hours per week providing unpaid care and reports spending an average of \$5,531 in out-of-pocket expenses, including household goods and food; travel and transportation costs; and medical care and medication copayments, **according to AARP**. Approximately 65 percent of caregivers are women.

The measure has also taken on an increased urgency because the federal government is raising -- from 7.5 percent to 10 percent of income -- the amount that people younger than 65 must spend on caregiving and medical expenses before they can deduct long-term support and services expenses on their federal income tax return. A similar change will occur in 2017 for those who are older than 65.

The proposal has drawn support from a wide range of advocacy groups, including the National Association of Social Workers, American Cancer Society Cancer Action Network, Association of Jewish Federations, New Jersey Policy Perspective, New Jersey Time to Care Coalition, New Jersey Citizen Action, New Jersey Public Health Association, New Jersey Foundation for Aging and the National Association of Elder Law Attorneys.

The state Senate's Health, Human Services and Senior Citizens Committee released the bill on Monday.

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