



What is an Involuntary Separation?

An “Involuntary Separation” happens when spouses or common-law partners are living apart for reasons beyond their control and not because of a breakdown in the relationship.

The scope of this article is to give Family Caregivers answers to some of the financial and administrative questions about what happens when a spouse moves into a long term care facility.

What about filing income tax returns?

Canada Revenue Agency still considers you to have a spouse or common-law partner if you were separated involuntarily. Tax returns will be filed as usual without a change in marital status on page 1.

The goal of tax filing, however, will have changed drastically. If using subsidized long term care it is all about minimizing the after-tax net income of the spouse in care. This strategy could reduce future monthly fees by hundreds of dollars. You cannot rely on income tax programs or tax preparers to accomplish this for you. Why save 5-10% in income tax but pay 80% more in subsidized care fees?

How much does Long Term Care (LTC) cost and can we afford it?

Private LTC fees can range from \$5,500 to \$7,000 monthly which is out of reach for the majority of BC residents. Subsidized fees range from \$1,190 to \$3,445 monthly and are calculated at 80% of after-tax net income of the individual in care as reported on the most recently assessed tax return. These fees are self-affording to the person in care but this new expense often places the spouse remaining at home in a difficult financial situation. Temporary rate reductions can be arranged where hardship can be demonstrated.

How does an Involuntary Separation affect our OAS/GIS?

When a married or common-law couple is living apart for reasons beyond their control, the Guaranteed Income Supplement (GIS) may be calculated based on individual income rather than combined income if it is to the advantage of the couple. Current recipients of GIS should be eligible for higher benefits based on their individual income. Even a couple who did not qualify for GIS when living together may now have one spouse or both eligible to receive GIS. This will not happen automatically.

Many other strategies and benefit programs are available to help mitigate the cost of LTC. However, the onus is on family caregivers to find and access these.

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