Pre-Budget Submission Federal Budget 2026

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Canadian Centre for Caregiving Excellence | Centre canadien d'excellence pour les aidants

Summary of Recommendations

Budget recommendations from the Canadian Centre for Caregiving Excellence in advance of Budget 2026:

1. Introduce immediate, low-cost policy reforms as a downpayment on the forthcoming National Caregiving Strategy.

2. Convert the Canada Caregiver Credit from a non-refundable tax credit to a refundable tax-free benefit of a minimum of $1250.

3. Exempt current and future provincial caregiver benefits and related payments from federal taxes and eligibility calculations.

Introduction

The Canadian Centre for Caregiving Excellence (CCCE) is a program of the Azrieli Foundation. We are pan-Canadian in approach and focused on making Canada the best place in the world to give and receive care. We are a convenor, a funder, and an advocacy organization, bringing together aging, illness, health care, and disability sectors to build a care movement in Canada. Our first whitepaper *Giving Care* maps the state of care in Canada and points the way to policy solutions to help caregivers, care providers, and care recipients. Our recent data report *Caring in Canada 2026: Survey Insights from caregivers and care providers across* Canada shows the pressures and challenges caregivers and care providers face as well as their priorities for policy reform. *A National Caregiving Strategy for Canada*, released in February 2025, is the outcome of a policy conversation with caregivers and care providers from coast to coast to coast. It points the way forward on tangible and doable policy reforms that would address the present and future needs of millions of Canadians in every part of the country.

Urgent Need for Reform

Caregiving touches the lives of nearly every Canadian. One in four Canadians is a caregiver, and half of us will take on this role at some point in our lifetimes. Half of all Canadian women are caregivers today. Caregivers are the glue holding together our economy, our communities, and our society. They support seniors to age at home, enable people with disabilities to enjoy full and productive lives, and help Canadians with mental health and addictions challenges on their path to recovery. They regularly interact with federal and provincial health, social services, and tax systems, among many other areas of government responsibility.

Caregivers are the unseen backbone of our economy. We cannot meet the generational challenge of unpredictable trade tariffs and economic disruption without addressing the nearly $1.5 billion in lost productivity and equivalent of 500 000 full-time employees out of the labour market due to insufficient support for caregivers. In 2021, nearly half of Canadian caregivers reported some form of absenteeism at their workplace in order to meet the needs of the people they support. Leaving this economic value on the table is like fighting a trade war with one arm behind our backs.

Caregivers, care providers, and care recipients are in crisis. Our recent National Caregiving Survey report, *Caring in Canada 2026*, confirmed that caregivers are struggling with mental, physical, and financial distress. Care providers like Personal Support Workers and Direct Support Professionals are facing abuse and discrimination while being dramatically undercompensated for the vital work they do.

- Over 60% of caregivers and 54% of care providers say they do not feel supported by their government, and nearly half are disappointed with government inaction on care so far.
- Nearly half of all caregivers experienced financial strain due to their caregiving responsibilities.
- 20% of caregivers reported spending $1000 or more every month on out-of-pocket care responsibilities.
- Over a quarter of caregivers have stopped saving due to their care-related financial pressures, putting their long-term financial security at risk.
- More than a third of caregivers reported lost productivity or earnings.
- Over three-quarters (77%) of paid care providers say they have considered leaving the care economy in the last twelve months.

Recommendations

1. Introduce immediate, low-cost policy reforms as a downpayment on the National Caregiving Strategy

The government committed to developing a National Caregiving Strategy during the last federal election campaign. The platform commitment includes a specific focus on, "…early recognition of caregivers, simplified and increased access to government benefits and services, and better coordinating on emotional, financial, and practical support with the provinces and territories…ensur[ing] caregivers are treated with dignity". This commitment flows from a previous commitment in Budget 2024 to develop a National Caregiving Strategy.

As of May 2026, the federal government has made no announcements about policy, timelines, or funding for the National Caregiving Strategy. Given the clear commitments from their government, caregivers across Canada are expecting real change that will help them help the people they love. Since no updates have been communicated, Budget 2026 must include short-term, low-cost measures to support caregivers immediately while longer-term decisions are made about more impactful policy initiatives in the National Caregiving Strategy.

CCCE recommends starting with a package of low-cost, immediate actions that meet pressing needs today:

- Making the Canada Caregiving Credit refundable (see below).
- Exempting current and future provincial caregiver benefits and related payments from federal taxes and eligibility calculations (see below).
- Medical Expenses Tax Credit and Refundable Medical Expense Supplement (RMES) – clarify that all respite and home care expenses are eligible, double the credit rate from 15% to 30%, decrease the minimum spending threshold to increase eligibility, increase RMES from $1399 to $5000, and publish a clear and transparent schedule of allowable expenses.
- Student loans – make federal component flexible for young caregivers and interest-free when taking a break from school due to care responsibilities.
- Military and veteran caregivers – ensure seamless transition of health records between Canadian Forces and provincial health systems,

immediate provincial healthcare eligibility for the whole family when the Forces member is redeployed, interprovincial mobility of eligibility for social services and rationed therapies (ie., autism supports and respite), automatic Veterans Affairs caseworker for complex cases, allow caregiver to seek Veterans Affairs Canada Caregiver Recognition Benefit on behalf of veterans.

Millions of Canadians are struggling and looking to their government for support as they care for others. Taken together, these policy initiatives can be the bedrock upon which a comprehensive National Caregiving Strategy is built.

CCCE convened a year-long national conversation with a broad variety of caregivers, care providers, experts, leaders, and researchers on what should be included in the Strategy. The initiatives above are taken from that consultation process. CCCE looks forward to working with the government to develop the National Caregiving Strategy and ensure necessary budget allocations.

2. Convert the Canada Caregiver Credit from a non-refundable tax credit to a refundable tax-free benefit of a minimum of $1250.

The Canada Caregiver Credit (CCC) is a non-refundable tax credit that can be claimed if a person supports a spouse, common-law partner, or dependant with a physical or mental impairment.[i] Many features of the CCC make it difficult to access and prevent it from supporting caregivers that need financial support.

Eligible caregivers can claim two amounts under the CCC - $2,499 as the amount for spouse, common-law partner or dependent, and $7,999 as the caregiver amount for providing care to someone age 18 or older. Claiming both amounts could result in a maximum of $1,200 of value in non-refundable credits through the CCC.[ii]

Since the CCC is non-refundable, it can only lower the tax a person pays rather than contributing to a cash-in-hand tax refund. This means it only benefits people who have tax owing on their net income and therefore does not benefit caregivers with lower incomes.[iii]

The federal government should support caregivers by reforming the Canada Caregiver Credit to a refundable credit and adjusting the full amount to a minimum of $1250. It would directly impact the lives of many caregivers who do not typically have taxes owing and who face significant financial strain. The federal government committed to implementing this change in 2021 and it was featured in the Mandate Letter issued by the Prime Minister to the Minister of Finance in the same year.

Enacting this change to the CCC is a necessary first step that can form the basis of a comprehensive and fully funded National Caregiving Strategy. Best estimates using publicly available data suggest that this amendment to the CCC would cost approximately $75 million per year using current uptake figures.

3. Exempt current and future provincial caregiver benefits and related payments from federal taxes and eligibility calculations.

Four provinces – Nova Scotia, Newfoundland, Prince Edward Island, and Quebec – provide some form of monthly caregiving cash payment to eligible caregivers in their jurisdiction. New Brunswick is in the process of developing their own monthly caregiver benefit. Amounts vary by province, but all three models are quite restrictive on eligibility to help preserve the integrity of the program. Low uptake is plaguing all three provincial benefit programs.

We have heard from provincial authorities that uptake is significantly lower than expected because the benefits are subject to federal income tax and eligibility calculations for other needs-based supports. Consequently, caregivers are worried about losing eligibility for other supports and programs if they receive the caregiver benefit, despite overwhelmingly reporting high levels of financial distress. Exempting current and future provincial caregiver benefits from federal taxes and eligibility calculations will increase uptake in the programs and open the door to urgently needed financial support for this population.

Other provinces are beginning serious policy discussions about paying caregivers for some of the time they spend supporting their loved ones. This would recognize the hard work caregivers do and help ease some of the financial stress that accompanies their responsibilities due to high out-of-pocket expenses and lower earning potential. Exempting such payments from federal tax and eligibility calculations would encourage provinces to implement this policy and deliver some much-needed financial relief for caregivers.

Contact

James Janeiro
Chief Policy and Government Relations Officer
Canadian Centre for Caregiving Excellence
416-671-3581
james@canadiancaregiving.org
https://canadiancaregiving.org/

[i] Government of Canada. "Canada Caregiver Amount." https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/canada-caregiver-amount.html.
[ii] Government of Canada. "Canada Caregiver Amount." https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/canada-caregiver-amount.html. l
[iii] Government of Canada. "Consolidation of Caregiver Credits." https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/federal-government-budgets/budget-2017-building-a-strong-middle-class/consolidation-caregiver-credits.html.