

HAVE YOU CLAIMED YOUR ELIGIBLE MEDICAL EXPENSES?

The medical expense tax credit allows you to claim eligible medical expenses that you incur for yourself, your spouse (or common-law partner) or your (or your spouse or common-law partner's) children who were under age 18 and dependent on you for support. You can claim eligible medical expenses to the extent that the amounts incurred exceed the lesser of \$2,109 (for 2012) and 3% of your net income. In addition, you can claim medical expenses incurred for certain other dependent relatives. In this case, your claim for each person is limited to the eligible amounts paid in excess of the lesser of 3% of the dependant's net income and the 2012 threshold amount of \$2,109.

Many individuals often assume that they will not be eligible for the medical expense tax credit due to the high minimum threshold that is applicable to eligible expenses. Be careful to not make this mistake and ensure you gather all of your eligible medical receipts together, as there are many different expenses that can be claimed. Expenses that are sometimes overlooked include premiums you paid for a health services plan through payroll deductions or for a medical insurance plan to travel. A non-exhaustive list of eligible medical expenses is provided on the Canada Revenue Agency (CRA) website. You should note that effective for the 2012 taxation year, blood coagulation monitors that are prescribed by a doctor are now considered eligible medical expenses. This type of expenditure includes disposable peripherals such as pricking devices, lancets and test strips for a person who requires anti-coagulation therapy.

Due to the fact that large medical expenses may not be incurred evenly throughout the year, or may not be confined to one calendar year, you may select any 12-month period ending in the tax year and claim the expenses paid in that period. Taking advantage of this rule could help you to exceed the minimum threshold if you would not otherwise do so, and it will help to maximize your credit for a tax year.

Note that we have made reference only to the federal income tax rules and that the rules may vary by province and territory.