



Pilgrim Accounting Inc.

PROFICENCY IN ACCOUNTING

NEWSLETTER

ARE YOU MISSING MEDICAL EXPENSES YOU COULD CLAIM?

As a certified tax specialist I am often asked what deductible expenses are most commonly overlooked by Canadians. My response is inevitably "medical expenses."

Perhaps it is because many people have some kind of health insurance, they fail to consider what fall outside of that, or what portion is not paid.

Perhaps because Provincial Health Insurance Plan covers major hospital expenses, they forget that additional health services that augment their primary care could be claimed.

There is also the sobering reality that with the growth of more and more contract employees across the country, fewer and fewer people have private health plans to cover dental appointments, eye check-ups, allergy tests and other services.

The biggest problem for most people is forgetting to keep receipts for medications and medical services they receive throughout the year. By December, they can no longer locate the dental checkup receipt from February or the physiotherapy treatment from May. Knowing what can be claimed and what is ineligible can also be confusing.

As a general rule, no medicine that you can purchase over the counter is deductible, even if you have a doctor's prescription for it. But you can claim whatever portion you have to pay of prescribed medicine, whether you pay the whole thing or it is partially covered by insurance.

You can also claim health-care premiums you pay to your insurance provider such as a group plan at work or a private health plan. One deduction a lot of new snowbirds miss is travel insurance. Purchasing additional health coverage for a winter in a warmer climate is a deductible medical expense.

Hearing aid batteries are also deductible expenses.

While some provinces allow you to claim alternative medicine services, others do not. This would include things like services from practitioners of Traditional Chinese Medicine (TCM). If the service was performed in Ontario or British Columbia, it is accepted, but in other provinces, it is not.

Some things people often want to claim but can't are medical alert devices and Meals on Wheels services. Cosmetic procedures are also not eligible, since they are ruled not medically essential.

But if the cosmetic or reconstructive surgery is needed because of an accident, it can be claimed.

Some of the other things that you can claim that are often forgotten are assisted breathing devices, air conditioners or air filters (prescriptions are needed), animals such as guide dogs, braces for a limb, catheters, dental implants, and laser eye surgery.



As a strategy, it is a good idea to keep all receipts related to your health and well-being in a file to give to your accountant at tax time to ensure that you do not miss something through lack of knowledge.

If you are travelling and incur health expenses in a different country or province, be sure to save those as well.

If an accident or illness means that you have to build a wheelchair ramp onto your home or incorporate other special construction projects to accommodate an illness, save your receipts for materials and labor as well.

When illness or accidents occur, there is a lot of stress involved as adjustments need to be made to cope with new situations. In the process, don't cheat yourself out of eligible medical deductions that could return some of your money back to your pocket.

Make sure at tax time that you seek help from a professional person who keeps up on changing tax regulations to ensure that you get all your eligible deductions.

Contact us for advice!

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