



February 6, 2020

## **INCOME TAX MEDICAL DEDUCTION - FOR PREMIUMS PAID FOR OUT OF COUNTRY / PROVINCE MEDICAL INSURANCE**

It has been brought to our attention that RWC members may not be utilizing this deduction.

If you and/or your spouse purchase Out of the Country Medical Insurance, we understand that the premium amount may be considered a medical expense under the income tax provisions.

This would apply to RWC members covered under the OPG plan as well as any other RWC members who purchase their own out of country coverage.

Also, when medical expenses are reimbursed by an insurance plan, the portion not reimbursed can be claimed.

We understand that medical expenses for the taxpayer, the taxpayer's spouse or common-law partner, and dependent children under 18 are claimed on line 330 of the federal tax return. Only expenses in excess of the lesser of \$2,352 for 2019 or 3% of net income can be claimed for the federal tax credit.

The lowest tax rate is applied to the medical expenses to determine the amount of the tax credit. Due to the way the credit is calculated, a couple will normally get a higher credit by combining the medical expenses of both spouses on one tax return - the one with the lowest net income (either spouse), unless the income is so low that there would be no tax to offset the credit.

As we all know, filling out our taxes can be difficult at times, so you should contact your financial planner or Canada Revenue Service to seek advice so as to maximise your return.

In Solidarity,

Peter Kelly  
President - Retired Workers' Chapter  
Power Workers' Union

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