

CHILD CARE EXPENSES

What are Child Care Expenses

Child care expenses are amounts you paid to have someone look after an eligible child so that you could:

- earn income from employment;
- carry on a business;
- attend school; or
- carry on research or similar work, for which you received a grant.

Child Care Expenses Eligible for Deduction :

- caregivers providing child care services;
- day nursery schools and daycare centres;
- educational institutions, for the part of the fees that relate to child care services;
- day camps and day sports schools where the primary goal of the camp is to care for children (an institution offering a sports study program is not a sports school); or
- boarding schools, overnight sports schools, or camps where lodging is involved

Who is an Eligible Child :

1. The child for whom the expenses were paid for must be 16 years or less in the tax year
2. The child must be either
 - a. Your child or your spouse's child; or
 - b. A child who is dependent on you or your spouse; and this child must have income less than the basic personal credit (\$10,822)

The deduction amount and who claims it?

Lower income spouse deducts the **MINIMUM** of:

- A. Amount of child care expenses
- B. $\frac{2}{3}$ * earned income of the lower income spouse
- C. \$ 7,000 per child <7
\$ 4,000 per $7 \leq \text{child} \leq 16$
\$ 10,000 per for a child of any age eligible for the disability credit

earned income

= *employment income with benefits (no deductions)*
+ *Business income (no losses) + scholarships + research grants*

The **lower income spouse** (or common law partner) claims this expense; unless the parent is a single parent.