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February 26, 2019

The Honorable Autumn Burke
Chair, Assembly Committee on Revenue and Taxation
1020 N Street, Room 167A
Sacramento, CA 95814

Re: AB 2136 (Petrie-Norris) - Personal income tax credit: family caregiver – SPONSOR

Dear Assemblymember Burke:

On behalf of 3.3 million AARP members in California, I am writing in support of AB 2136, which will create a \$5,000 maximum, annual tax credit for family caregivers, effective January 1, 2021.

AARP research shows that in California 4.7 million family caregivers are caring for an older parent or loved one -- helping their loved ones to live independently and keeping them out of costly institutions such as nursing homes.

Most people who need long-term support services rely on family, friends, partners, and other unpaid caregivers to help with daily activities such as meal-preparation, bathing, and dressing. Family support is therefore a key factor in allowing older Californians to remain living in their homes and communities as they age.

Unfortunately, this family assistance often comes at a substantial cost to the caregivers themselves, negatively affecting their health and their finances. AARP research released in 2016 showed that the average family caregiver spent \$6,954 annually out-of-pocket due to caregiving, and that those caring for adults with dementia reported spending an average of \$10,697. Many family caregivers report dipping into savings, cutting back on personal spending, saving less for retirement, or even taking out loans to make ends meet. More than half of family caregivers reported a work-related strain, such as having to take unpaid time off. In fact, if family caregivers were no longer available, the economic cost to California's healthcare and long-term care system would increase astronomically.

AARP believes that helping older and disabled Californians live independently in their homes for as long as they want – and supporting the family or friends who make this possible – is just good sense.

AARP
Real Possibilities

In order to successfully address the surging population of older adults who need long-term services and support, the state must develop methods to both encourage and support families who assist their aging and/or disabled relatives.

Providing a tax credit to help offset their significant out-of-pocket expenditures is one method to help family caregivers continue to care for their loved ones in their homes and communities, by relieving them of some of the financial burden.

If you have any questions about AARP's sponsorship of AB 2136, please contact Nina Weiler-Harwell, Ph.D., Associate State Director, at (916) 556-3027 or nweiler@aarp.org.

Sincerely,

A handwritten signature in black ink that reads "Nancy McPherson". The signature is written in a cursive, flowing style.

Nancy McPherson
State Director

Cc: Assemblymember Jim Patterson
Members, Assembly Committee on Appropriations