



## California Caregiving Policy Talking Points

**Overview:** More than 53 million Americans serve as caregivers, and many are juggling care for both children and aging relatives, with over 80% anticipating long-term caregiving responsibilities. That is why SHRM encourages the introduction of legislation in California to establish a family caregiver tax credit, similar to policies that currently exist in several other states. California does not currently offer a state caregiver tax credit, although the Legislature has considered similar proposals in prior sessions.

A California caregiver tax credit would provide targeted financial relief to working individuals who are caring for a family member, helping offset out-of-pocket expenses such as home care, transportation, medical equipment, and other care-related costs. By easing these financial pressures, the policy would help more individuals remain in the workforce while continuing to provide care at home.

California previously allowed a non-refundable long-term care tax credit for eligible caregivers from 2000 to 2005. The credit provided \$500 for each qualifying individual who had been certified as needing long-term care. A qualifying individual could include the taxpayer, the taxpayer's spouse, or a dependent, and eligibility was limited to individuals with an adjusted gross income of \$100,000 or less.

**SHRM POV:** SHRM supports policies that help working caregivers remain connected to the workforce while balancing caregiving responsibilities. Caregiving affects every sector and role across the workforce, and without adequate support, employees may reduce their hours, take extended leave, or exit the workforce entirely, disrupting business continuity and increasing employer costs.

### **Key Talking Points:**

- **State Momentum on Family Caregiver Tax Credits:** Several states, including Georgia, Missouri, Montana, New Jersey, North Dakota, and South Carolina, have implemented caregiver tax credits to help offset out-of-pocket care expenses, and others are exploring similar policies. This growing trend reflects a broader recognition that supporting family caregivers helps individuals remain in the workforce while strengthening economic stability.
- **Caregiving's Impact on the Workforce and Employers:** Today, 73% of workers have caregiving responsibilities, and many report that these obligations affect their ability to remain fully engaged at work. For employers, this translates into increased absenteeism, turnover, and productivity challenges, with an estimated \$44 billion in annual costs nationwide.



- **Enhancing Patient Outcomes:** Supporting caregivers, including through tax credits, directly improves patient health and well-being. Caregivers often manage medication, daily routines, and provide emotional support—all critical to recovery and quality of life. Financial relief via tax credits enables caregivers to access necessary resources, such as medical equipment or home modifications, further enhancing patient outcomes.
- **Reducing Burnout and Stress:** The emotional and physical demands on caregivers are substantial. Tax credits can alleviate financial pressure, enabling caregivers to afford respite care, counseling, or training. This support helps mitigate burnout, ensuring caregivers remain effective, resilient, and able to provide sustained care.
- **Promoting Continuity of Care:** Financial strain is a leading cause of caregiver turnover and disruptions in care. Tax credits incentivize and empower caregivers to continue their responsibilities, reducing the risk of unnecessary hospitalizations or institutionalizations, and maintaining consistent care for vulnerable populations.
- **Strengthening Health System Efficiency:** Empowering caregivers with financial support, such as tax credits, reduces overall healthcare costs by preventing avoidable admissions and promoting home-based care. This improves resource allocation and fosters a collaborative care environment, ultimately benefiting both caregivers and the broader health system.
- **Workplace Flexibility Drives Retention and Workforce Stability:** Employers benefit from a policy environment that enables flexibility, including flexible scheduling, voluntary paid leave, and practical caregiving benefits that reduce turnover, improve engagement, and help employers retain experienced talent in a tight labor market.
- **Expanding Access to Affordable Caregiving Supports is Essential for Today's Workforce:** Which is why SHRM backs policies that encourage employer-facilitated benefits, including flexible and tax-advantaged options that help workers manage care responsibilities while allowing employers to offer meaningful support without added administrative complexity.

### Share Your Story:

- Briefly describe how caregiving affects your workplace, including how flexibility and supportive benefits help retain employees; keep it concise, protect privacy, and reinforce the need for practical solutions that help caregivers stay in the workforce.

If you have any questions regarding SHRM's position on this issue, please contact Mike Rose ([mike.rose@shrm.org](mailto:mike.rose@shrm.org)) or Sean McIntosh ([sean.mcintosh@shrm.org](mailto:sean.mcintosh@shrm.org)).