

**CCoA Master Plan for Aging Special Committee  
Master Plan for Aging Recommendation**

**Family Caregiver Supports**

**Issue statement:** Close to 5 million Californians serve as informal or family caregivers for an older adult or adult over age 18 with long-term service and support (LTSS) needs. Caregivers strive to balance employment and caregiving obligations while managing complicated medical tasks and seeking appropriate services when they are available.<sup>i</sup> National studies find that family caregivers lose over \$650,000 over a lifetime due to time away from work, fewer opportunities for salary increases, and lower retirement earnings.<sup>ii</sup> At the same time, in 2017, AARP estimated that the nation’s 41 million unpaid family caregivers provided \$470 billion worth of care.<sup>iii</sup> Additionally, even when family caregivers are paid through the In-Home Supportive Services (IHSS) program, if the caregiver is a spouse or parent, they are not eligible pursuant to Internal Revenue Code section 2131 (b)(3)<sup>iv</sup> to participate in the Social Security or Medicare programs.

As the numbers of older adults and persons with disabilities increases, the number of family members called upon to provide both paid and unpaid care will increase too, highlighting the need for a system of supports that reflects the value these caregivers provide, as well as equitable pay and benefits.

**MPA Framework Goals**

**Goal 1:** Services & Supports. We will live where we choose as we age and have the help we and our families need to do so.

**Goal 3:** Health & Well-being. We will live in communities and have access to services and care that optimize health and quality of life.

**Recommendation:** Ensure appropriate supports and resources are available to both paid and unpaid family caregivers. Services and service providers need to reflect the diversity of the state, including age, race, ethnicity, gender, sexual orientation, gender identity and physical ability.

**Target Population:** Caregivers, older adults, and individuals with disabilities

**Detailed Recommendation:**

- Provide ongoing funding for the Caregiver Resource Centers that aligns with the increasing demand for caregiver support.
- Compensate paid caregivers with a living wage and financial incentives, e.g., a tiered wage scale based on level of care/services provided (paramedical).

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- Develop incentives for parent and spouse caregivers in the IHSS system, e.g., tax credits or work credit; change state law to allow spouse and parent providers access to unemployment benefits and advocate to change federal law to allow these providers to participate in and have access to Social Security and Medicare benefits.
- Require caregiver assessments for all older and disabled Medi-Cal managed care beneficiaries. An assessment would serve as a cue for both the family caregiver and managed care provider that caregiver resources and supports may be needed.

**Prioritization: High**

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<sup>i</sup> California Task Force on Family Caregiving. Picking Up the Pace of Change in California. 2018.

<sup>ii</sup> The Women’s Institute for a Secure Retirement. The Effects of Caregiving. 2012.

<sup>iii</sup> AARP Public Policy Institute. Valuing the Invaluable: 2019 Update. Charting a Path Forward. November, 2019.

<sup>iv</sup> The Federal Insurance Contribution Act (FICA) requires employers to withhold taxes from the wages an individual receives for employment. The employer matches the amount of these withholdings, which together are used to fund the employee’s future Social Security and Medicare benefits. The Internal Revenue Code (IRC) section 3121 (b) defines “employment” as any service an employee performs for an employer. The IRC contains an exception to this definition for family employment (IRC section 3121(b) (3)). The “family employment exception” applies to service in a private home “in the employ of an individual’s son, daughter, or spouse.” In those cases, according to the IRS, no actual employment relationship exists.