

# Can I claim my parents as dependents? This tax season, more Americans are opting in



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USA TODAY

Most parents claim their children as dependents on their taxes, but now an increasing number of Americans are claiming their parents, according to a recent survey.

More than 54% of Americans aged 25 or older with a living parent said they're claiming their parents on their taxes this year, and 53% of them said they started doing so in the past two years, according to a [Caring.com survey](#) last month of more than 4,000 people.

[Poverty among older adults](#) at least 65 years old has grown faster than any other age group in the past few years as inflation has risen, Census Bureau data show. That's left many adult children supporting their parents and claiming them as dependents to save potentially thousands of dollars in taxes to help defray those costs.

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## How much does caregiving cost?

More than 48 million Americans are caregivers, providing [\\$470 billion](#) in unpaid care for their loved ones. That's doing everything from helping prepare meals and paying bills to assisting with medication and medical/nursing tasks to help parents, spouses and other loved ones live independently in their homes.

The average caregiver in the U.S. spent \$7,242 in out-of-pocket costs in 2021, according to AARP.

Many caregivers also are part of the so-called “sandwich generation,” simultaneously taking care of their parents and children. Of the 54% of Americans claiming their parents on their taxes this year, 74% have at least one child dependent, Caring.com said.

“As the Baby Boomer generation continues to age, we see how stretched thin the sandwich generation truly is,” says John Farrell, Caring.com’s director of financial planning and analysis. That’s why we’ve seen a jump in Americans also claiming parents as dependents, the study said.

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## How to claim a parent as a dependent

Check eligibility:

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## **Does my parent have to live with me?**

No. In most cases, you only must provide more than 50% of your parent's financial support and meet the other status and income criteria. They can live at another house, nursing home, senior living facility, or sometimes, even in another country. You can claim a parent if they are either a U.S. citizen, U.S. national, U.S. resident alien, or a resident of Canada or Mexico.

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## **What types of tax benefits can I receive?**

A handful of tax benefits you may be eligible for include:



Possibly. "It's important to approach this decision with careful consideration as it can greatly impact your tax situation," said Mark Jaeger, vice president of tax operations at filing software company TaxAct.

Your taxes will become more complicated. Adding a parent "requires additional documentation for tax filing, to support the claim," Jaeger said. TaxAct's recent report, *The State of Taxpayer Stress in America*, found that 58% of consumers already find tax filing to be a source of stress. "As taxes become more complex for consumers, we can assume that will cause additional stress," he said.

It can also affect your parent's eligibility for certain government benefits or assistance programs, he said.

It won't affect your parent's eligibility for Social Security retirement or disability benefits, which are based on their own work history and not outside financial support. However, it may affect income-based programs such as food

stamps and Supplemental Security Income (SSI) benefits, as the financial support you provide is considered unearned income and may exceed strict income limits. It's best to check with a tax professional or IRS rules and weigh what might get lost against the tax benefits.



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## How many older adults struggle financially?

Poverty among older adults rose to 14.1% in 2022 from 9.5% in 2020, the [Census Bureau](#) said. That's the biggest jump among all age groups, it said.

This [doesn't "bode well"](#) for the 4.4 million Americans turning 65" every year through 2027, said Ramsey Alwin, president and chief executive of the National Council on Aging, a nonprofit advocate for seniors.

Forty percent of those who claim parents as dependents are financially supporting their parents because their parents' savings, investments, and income, including Social Security payments, don't cover the current cost of living, Caring.com said.

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