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Beyond tax relief: Making eldercare affordable for families

Dr Ooi Sue Chern 22 Oct 2026, 09:00 am



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WHEN an ageing parent can no longer bathe independently, manage medication or prepare meals, the challenge extends beyond caregiving.

For many Malaysian families, the immediate concern becomes financial survival. Caregiver costs, transport to medical appointments, medical supplies and dai assistance can quickly overwhelm even carefully planned household budgets.

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Budget 2027 offers welcome support. Tabled on Oct 9, it proposes an allocation of RM1.3 billion for senior citizen assistance, expected to benefit nearly 200,000 recipients.

Monthly care assistance for bedridden persons with disabilities and chronically ill patients is also set to increase from RM500 to RM600. These measures reflect a growing recognition of the challenges facing an ageing population in Malaysia.

Several proposed tax measures may further ease the burden. From Jan 1, 2027, qualifying services at registered elderly-care centres charging up to RM96,000 annually per older person would be exempt from service tax.

The service tax rate for taxable elderly-care services would fall from 8% to 6%. Income tax relief for the care of parents and grandparents would also cover a broader range of caregiving expenses.

These initiatives deserve recognition. However, they also highlight a larger question: Do these measures go far enough for families already struggling to meet the costs of care?

Tax reliefs can help but their benefits are uneven. Households with little or no taxable income gain little from deductions because they have limited tax liability to offset.

Even for middle-income earners, recurring caregiving expenses can quickly exceed annual tax-relief limits. Likewise, a service tax exemption can reduce the caregiving bill but it does not address the underlying cost of care.

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Public support should reflect both care needs and what families can afford, taking existing assistance into account. Occasional help with meals and household tasks entails different costs from daily assistance with bathing, dressing, mobility and medication.

Household circumstances matter too. Families supporting both ageing parents and school-going children face different financial pressures from retired couples.

Caregivers may also have to reduce working hours or leave employment, losing income just as care expenses rise.

The government should review whether existing assistance adequately addresses

the gap between care needs and a household's ability to pay. Where significant gaps remain, targeted caregiving-assistance pilots could be introduced and carefully evaluated.

Singapore's Home Caregiving Grant illustrates an alternative approach. Eligible households caring for people with moderate to severe disabilities receive S$200 (RM638.71) to S$600 a month, with payment amounts determined by household income per person and property criteria.

While Malaysia's fiscal realities differ, the principle is relevant: support should be linked not only to what care is needed but also to what families can afford. Such assistance should complement existing community-based services, including the Social Welfare Department's "Khidmat Bantu di Rumah" programme, which provides older persons with practical help and companionship through volunteers.

Family caregivers also need practical support. Affordable respite care can provide temporary relief, enabling caregivers to rest, attend medical appointments, maintain employment or manage family responsibilities.

Expanded access to day-care centres and home-care services would likewise give families greater flexibility while respecting the preferences of older persons who wish to age in familiar surroundings.

Given limited public resources, any new programme should be subject to rigorous evaluation. Policymakers should publish data on programme costs, household out-of-pocket expenses and care outcomes. Such evidence would help determine which interventions deliver the greatest benefit and ensure accountability for public spending.

As Malaysia ages, eldercare cannot remain solely a family responsibility. Tax incentives help but families need access to appropriate care without financial hardship.

Budget 2027 lays important foundations. The next step is to ensure support reaches families when they need it, making affordable, dignified eldercare a reality rather than an aspiration.

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