

Community Dispatch

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Canada Votes! – Income Security for Seniors

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VOTES!

“Just one question...”

This publication is intended to help you engage with local candidates in the federal election on October 14, 2008. It's all about social issues that impact your community; questions that matter to you; and the role that the federal government can choose to take in addressing them.

Questions raise issues. Questions require candidates to develop a clear position on where they stand. In this document, we cover thirteen social issues affecting communities nationwide today, provide sample questions you can ask your candidates, and include links to more information. By getting involved, you help shape the kind of community in which you live – all it takes is just **one question**.

Income Security for Seniors

As a growing proportion of the population ages, income security for seniors is quickly becoming a major issue. Over the last few decades, the overall poverty rate of seniors has declined, but the federal government could choose to make several policy changes in order to improve the financial security of seniors.

Seniors who retire without an employer pension often find themselves in precarious financial circumstances. Old Age Security (OAS) pays about \$6,000 per year; Canada Pension Plan (CPP) retirement benefits are a maximum of \$10,000 and an average of \$5,700; and the Guaranteed Income Supplement (GIS) pays a maximum of \$7,600 for a single person. A typical income for a senior who is completely dependent on public pensions hovers around \$15,000. Eighty percent have an income below \$20,000.

About half of Canadian seniors rely on public pensions because they have no employer pension. Unfortunately, the GIS is reduced when seniors receive their CPP or RRSP funds, so they get little benefit from even modest savings. This problem will get worse because pension coverage is declining in the private sector.

Over the last 24 years, OAS has not been increased (except for cost of living). GIS was increased about \$36 per month (\$432 per year) starting in 2005. Recent changes in the tax system, such as increases to the age credit and pension-income splitting are of no value to the poorest of seniors.

The federal government can choose to assist the poorest of seniors through some straightforward solutions, such as allowing seniors to spend some of their RRSPs without reducing their GIS, increasing GIS benefits, retroactively paying full benefits for CPP when seniors apply late, and ensuring that each senior is receiving all the benefits they are entitled to; OAS, GIS and CPP.

We can choose to elect a candidate that has a plan to address issues affecting seniors.

Reduced restrictions on RRSP spending and increases to the Guaranteed Income Supplement will give seniors more income security so they are better able to adequately support themselves as they age.

For More Information:

National Seniors Council
www.seniorscouncil.gc.ca

Canadian Social Research Links
www.canadiansocialresearch.net/seniors.htm

Advocacy Centre for the Elderly
www.advocacycentreelderly.org

Sources

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Income Security for Seniors: Key Points & Questions

Many seniors live in poverty due to inadequate resources to cover their living costs.

Despite some increased out-reach by government, tens of thousands of poor seniors,

overwhelmingly women, are not receiving their entitled benefits.

What will your party do to ensure that seniors dependent on the public system are financially secure?

How does your party plan to engage seniors on issues that matter to them?

How will your party make sure that the public pension plan is sustainable for the future?

Canada Votes Papers 2008 is a pan-Canadian collaboration between SPARC BC, Community Social Planning Council of Toronto, Community Development Halton, Human Development Council St. John, and Canadian Council on Social Development. Social planning organizations across the country are helping to strengthen communities and work on social justice issues. We also recognize the need to work together around key issues affecting our communities. We have come together to provide this publication on the federal election because we believe that democracy works best when citizens engage in dialogue on important issues.

Canada Votes papers outline key social issues and related questions that are important in this election. Asking questions is a way to make sure these issues are on the public agenda. By reading this publication and passing it on, by asking questions and talking about the issues, and especially by voting on October 14, 2008, you can help shape the kind of community in which you want to live.

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