



Update from Canada's Minister of Seniors, Deb Schulte

Seniors across Canada tell me they are worried about their financial security and outliving their savings. Some older seniors share how their lives and needs have changed as they have aged—and so has their financial situation. In [Budget 2021](#) we took action to help relieve these stresses.

To help strengthen Canadians' financial security later in life we propose to:

1. Issue a one-time \$500 payment in August 2021 directly to seniors who are aged 75 and older as of June 2022.
2. Permanently increase the Old Age Security (OAS) pension by 10 per cent for seniors aged 75 and older in July 2022, providing \$766 over the first year to pensioners receiving the full benefit.

This is the first permanent increase to the OAS pension since 1973, other than adjustments due to inflation.

Older seniors face increased financial pressures

The OAS increase targets older seniors' increased needs and vulnerability as they age. Those pressures include:

- **Higher health-care expenses.** Out-of-pocket health-care expenses of seniors aged 80 and above are more than \$700 a year higher, on average, than those of seniors aged 65-74.
 - **The onset of illness or disability.** Close to half of all seniors above the age of 75 have a disability. As a result, they need more supports and face increased costs.
 - **Few older seniors are able to supplement their income with paid work.** While many younger seniors choose to remain employed, few seniors work beyond age 75. Those who do have a median employment income of only \$720
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a year.

- **A higher risk of widowhood.** Among seniors over 75, four in ten are widowed. Losing a spouse is not only traumatic, but it can increase financial instability, particularly for senior women.

Increasing Old Age Security for older seniors builds on the work we have done to support all seniors.

For the youngest seniors, we restored the age of eligibility for Old Age Security to 65 from 67.

For the most vulnerable seniors, we increased the Guaranteed Income Supplement by 10 per cent for singles. We also increased and enhanced the GIS earnings exemption that helped low-income seniors keep more of the money they earn.

For future retirees, we are gradually increasing the Canada Pension Plan's maximum yearly benefit by 50 per cent, a change that was mirrored by the Quebec Pension Plan. To help everyone, we are increasing how much you can earn before paying federal income taxes. When fully implemented in 2023, singles will save close to \$300 and couples will save nearly \$600 every year.

No single measure solves every challenge, but together these policies are making a real difference in Canadians' retirement income security

