

**Highlights 2018 Federal Budget Feb. 27, 2018 – Seniors Issues**

[www.budget.gc.ca/2018/home-accueil-en.html](http://www.budget.gc.ca/2018/home-accueil-en.html)

**Improvements to the Guaranteed Income Supplement, which provides greater income security for low-income seniors, especially senior women.**

Retirement is meant to be the reward after a lifetime of hard work, but for too many senior women in Canada, it simply means financial hardship. Senior women are 1.5 times as likely to live in poverty as senior men. To give Canadian seniors greater security and a better quality of life, in 2016, the Government boosted the Guaranteed Income Supplement paid to lowincome single seniors. This enhancement gives those seniors most in need as much as $947 more each year, and is helping to lift 13,000 vulnerable seniors—12,000 of them senior women—out of poverty.

**A More Secure Retirement**

Every Canadian deserves a secure retirement, free of financial worries. Canada’s public pensions—the Old Age Security (OAS) program and the Canada and Quebec Pension Plans—play an important role in giving Canadians confidence that they can retire in dignity. The Government is committed to strengthening public pensions and to improving the quality of life for seniors now, and for generations to come. Since 2016, the Government has:

* Increased Guaranteed Income Supplement (GIS) payments by up to $947 per year for single recipients, which is helping nearly 900,000 lowincome seniors, of which 70 per cent are women.
* Ensured that senior couples who receive GIS and Allowance benefits and have to live apart—because of long-term care requirements, for example—can receive higher benefits based on their individual incomes.
* Restored the eligibility age for OAS and GIS benefits to 65, putting thousands of dollars back in the pockets of Canadians as they become seniors.

In June 2016, the Government reached an historic agreement with provinces to enhance the Canada Pension Plan (CPP). The CPP Enhancement, which will begin to be phased in as of January 2019, means more money for Canadians when they retire, so that they can worry less about their savings and focus more on enjoying time with their families. With the action taken by Quebec to enhance the Quebec Pension Plan in a similar fashion, all Canadian workers can now look forward to a safer and more secure retirement.

**What the CPP Enhancement Will Mean for You**

The CPP Enhancement will give Canadian workers greater income security when they retire, and offers a number of advantages over other types of savings:

* It will provide a secure, predictable benefit in retirement, so Canadians can worry less about outliving their savings, and be less anxious about the safety of their investments.
* Benefits will be indexed, which means that they will keep up with the cost of living.
* It is a good fit for both experienced workers and young people entering Canada’s changing job market for the first time. The Enhancement will help to fill the gap left by declining workplace pension coverage, and will be portable across jobs and provinces.

The CPP Enhancement will be phased in gradually starting in 2019 and will raise the maximum CPP retirement benefit by up to 50 per cent over time. This translates into an increase in the current maximum retirement benefit of more than $7,000, from $13,610 to nearly $21,000 in today’s dollar terms.

Building on this achievement, in December 2017, federal and provincial Ministers reached a unanimous agreement in principle to take the following actions, beginning in 2019:

* Increase retirement benefits under the CPP Enhancement both for parents who take time off work to care for young children, and for persons with severe and prolonged disabilities. For the purposes of calculating the retirement pension, parents and persons with disabilities will be credited with an amount linked to their previous earnings for periods spent out of the workforce, or periods with low earnings.
* Raise survivor’s pensions for individuals under age 45 who lose their spouse, by providing a full survivor’s pension instead of the current reduced pension that is linked to the age of the widow or widower.
* Provide a top-up disability benefit to retirement pension recipients under the age of 65 who are disabled and meet eligibility requirements.
* Increase the death benefit to its maximum value of $2,500 for all eligible contributors.

The Government intends to introduce legislation to implement the agreement reached by Ministers, along with technical and consequential amendments. The proposed changes would not result in an increase to contribution rates.

**Protecting Canadians’ Pensions**

In recent years, we have seen companies, such as Sears Canada, entering the insolvency process with substantial unfunded pension liabilities. As a result, workers and pensioners, who have paid into pension plans over their careers, are faced with unexpected financial losses that impact their retirement security.

All Canadians deserve more peace of mind when it comes to their retirement and companies must act in good faith towards their employees. At the same time, we recognize the challenges facing courts as they try to maximize recovery in bankruptcies that affect not just workers and pensioners, but also small businesses, lenders, and other creditors which are owed money. Our government is committed to finding a balanced way forward.

That’s why, over the coming months, we will be looking to obtain feedback from pensioners, workers, and companies. We will take a whole-of government, evidence-based approach towards addressing retirement security for all Canadians.

**A Community-Based Approach to Dementia**

More than 400,000 Canadian seniors live with dementia, including Alzheimer’s disease. Women are disproportionately affected, making up two-thirds of this population. Many women also take on the caregiving responsibilities for family members living with dementia. Budget 2018 proposes to provide $20 million over five years, starting in 2018–19, and $4 million per year ongoing, to the Public Health Agency of Canada to support community-based projects

that address the challenges of dementia. Projects could include programs that provide mental health supports and information about self-care for family caregivers, or initiatives that help Canadians locate resources in their communities quickly, including information about best practices for providing care for people living with dementia. This new funding will help to improve the quality of life of people living with dementia and ensure that caregivers— who are predominantly women—have access to the resources they need, including mental health supports.

**Supporting a Healthy Seniors Pilot Project in New Brunswick**

Canada’s population is aging—the most recent demographic information from Statistics Canada shows that approximately 17 per cent of the Canadian population are age 65 or older, up from about 15 per cent five years earlier.

Notably, women make up the majority of the Canadian population over the age of 65. Senior women face different challenges than senior men—women tend to live longer than men, and as such more senior women live alone than their male counterparts. In addition, the responsibility of care for aging spouses and parents predominantly falls on women.

As Canada’s population continues to age, we need to be prepared for the challenges that seniors, especially senior women, face. That is why Budget 2018 proposes to provide $75 million in 2018–19 through the Public Health Agency of Canada to support the Healthy Seniors Pilot Project in New Brunswick. New Brunswick is uniquely suited to undertake this pilot project as its population is aging faster than the rest of Canada. A higher proportion of New Brunswick’s population is over the age of 65—compared to other provinces—and the province is home to a measurably higher proportion of women over the age of 65, relative to the Canadian average.

The Healthy Seniors Pilot Project will support a range of research initiatives to examine how governments can better support seniors in their home, communities and care facilities. This project will help us better understand the gendered impacts of an aging population, improve the quality of life for our senior citizens, and help us lay the groundwork for the dissemination of best practices in supporting healthy aging for all Canadians.

**Enhancing the Community Volunteer Income Tax Program**

The Community Volunteer Income Tax Program is a great example of what can be achieved when community organizations come together to help Canadians. Through this program, community organizations host tax preparation clinics and arrange for volunteers to prepare income tax and benefit returns for individuals free of charge with modest or low incomes. Last year, over 700,000 individuals were helped by over 2,800 participating organizations.

Through Budget 2018, the Government proposes to double the size of the program, helping hundreds of thousands more individuals complete their taxes and access benefits to which they are entitled. This expansion will include funding for additional “year-round” benefit clinics and more outreach activities to vulnerable population segments including seniors, newcomers, people with disabilities, youth and Indigenous communities.

Restored the **eligibility age for Old Age Security and Guaranteed Income Supplement** benefits to 65, putting thousands of dollars back in the pockets of Canadians as they become seniors.

**Policy Landscape**

Low-income Canadians face many challenges that can limit their opportunities to get ahead. The Government of Canada provides a number of benefits to reduce barriers to improved well-being and success for these individuals.

The federal government also supports low-income seniors through the **Guaranteed Income Supplement** (GIS), a non-taxable benefit, which includes a top-up benefit for vulnerable seniors who rely almost exclusively on income from the Old Age Security program. In total, the GIS program benefits nearly two million seniors. Budget 2016 increased the GIS top-up benefit for single seniors by up to $947 annually, helping nearly 900,000 low-income seniors, 70 per cent of whom are women.

**Vulnerability to emergencies and natural disasters**

10 population groups were found to be particularly susceptible to harm due to emergencies or

disasters: seniors; persons with disability; Indigenous Peoples; medically dependent persons;

low-income persons; children and youth; persons with low literacy levels; women; transient

populations; and new immigrants and cultural minorities. Impacts of Budget 2018 Investments

Public education for **cannabis** will benefit all Canadians as the Government works to legalize and strictly regulate and restrict cannabis in order to keep it out of the hands of Canadian youth and keep profits away from criminals and organized crime. Budget 2018’s proposed investments in the Mental Health Commission of Canada and the Canadian Centre on Substance Use and Addiction will help us better understand what cannabis use looks like in Canada. Funding for the Substance Use and Addictions Program will support organizations that are best placed to communicate with their communities. Priorities for the Substance Use and Addictions Program have always included populations with a higher risk associated with cannabis use, such as those who initiate use early (youth), those who use frequently, those who use before driving, those who use during pregnancy, and seniors.

To support people living with **dementia** and their caregivers, investments are proposed to support community-based projects that provide mental health supports and information about self-care for family caregivers, tools to help locate resources quickly, including information about best practices for providing care for people living with dementia, and tools to combat stigma associated with dementia. This will disproportionately benefit the women who are diagnosed with dementia, as well as their caregivers.

**Improving Direct Services to Canadians**

Under the **Community Volunteer Income Tax Program** (CVITP), the CRA works with local community organization volunteers to help with the completion of tax returns for eligible Canadians, such as Indigenous Peoples, newcomers, seniors, low-income earners and people with disabilities, allowing these individuals to receive the benefits to which they are entitled (e.g., the Canada Child Benefit and the Goods and Services Tax/Harmonized Sales Tax Credit).

Elderly benefits, which are comprised of Old Age Security, Guaranteed Income Supplement and Allowance payments to qualifying seniors, are projected to grow from $50.9 billion in 2017–18 to $67.0 billion in 2022–23, or approximately 5.6 per cent per year. The expected increase in elderly benefits is due to projected consumer price inflation, to which benefits are

fully indexed, and a projected increase in the population of seniors.