

More generous support for seniors and widows

Since 2015, we've made life easier and more affordable for Canadians as they age and save up for retirement.

We've lifted 50,000 seniors out of poverty in part by increasing the Guaranteed Income Supplement (GIS) for Canada's most vulnerable, single seniors. We reached a historic deal with the provinces and territories to enhance the Canada and Quebec Pension Plans (CPP/QPP), which will increase the pensions of future retirees by as much as 50 per cent.

We cancelled Stephen Harper's plan to raise the age of Old Age Security (OAS) and GIS eligibility from 65 to 67, which would have cut seniors' retirement incomes by thousands of dollars and kept them working longer, and plunged 100,000 seniors into severe poverty each year.¹

But we know there is still more work to do, and we will be there for our seniors every step of the way.

Increasing Old Age Security as Canadians age

Canadians are living longer than ever before, but as they age they face higher health care costs, and they're worried about their savings running out. The number of seniors who rely on GIS payments — a monthly benefit that goes to the poorest seniors — goes up with age.² Even with our significant investments, as many as 238,000 seniors still live in poverty.

A re-elected Liberal government will take meaningful action — working in partnership with provinces and territories — to further strengthen the supports that our seniors rely on every day.

- We will put up to \$729 more in the pockets of seniors each year, by increasing OAS benefits by ten per cent once they turn 75. This measure will help lift more than 20,000 seniors out of poverty, of whom two-thirds will be women. It also means more financial security for over three million seniors per year for the rest of their retirement.
- The increase will take effect in July 2020 and will be indexed to keep up with inflation. The full value of the benefit will be received by every senior who makes less than \$77,580 today.

More retirement security for widows

Losing a partner is a challenging time for anyone, but for seniors in retirement, this moment also comes with the additional loss of pension income. This can force surviving partners — most of whom are women — to reduce their standard of living or risk running out of savings.³

Today, pension plans like the CPP help support the surviving partner, but only partially — with 60 per cent of the value of their partner's pension going to the survivor.

A re-elected Liberal government will work with provinces and territories to give even more support to survivors when they need it most.

- We will give up to \$2,080 in additional benefits, every year, to those who've lost a loved one, by increasing the CPP and QPP survivor's benefit by 25 per cent.⁴
- The increase will give more money to over 1.2 million Canadians to help them make ends meet and give them the peace of mind that their savings won't run out.

Costing

The increase to OAS will cost \$1.63 billion in 2020-21, rising to \$2.56 billion in 2023-24. Further details regarding costing will be released over the course of the campaign.

¹<https://www.canada.ca/en/employment-social-development/programs/poverty-reduction/reports/strategy.html>

²Finne, Gray and Zhang (2013). "Guaranteed Income Supplement status among the retired population: an analysis of incidence", *Canadian Public Policy*, Vol. 39, Supplement, p. 65-79.

³Larochelle-Cote, Myles and Picot (2012). "What are the impacts of late-life widowhood or divorce on income replacement rates". *Analytic Paper, Economic Insights*. Catalogue no. 11-626-X. Ottawa: Statistics Canada

⁴Based on latest CPP/QPP data, July to September 2019: https://www.canada.ca/content/dam/canada/employment-social-development/migration/documents/assets/portfolio/docs/en/statistics/quarterly_report/isp-card-July-Sept2019EN.pdf