

# RETIRING ON A LOW INCOME

## NEW PRESENTATION

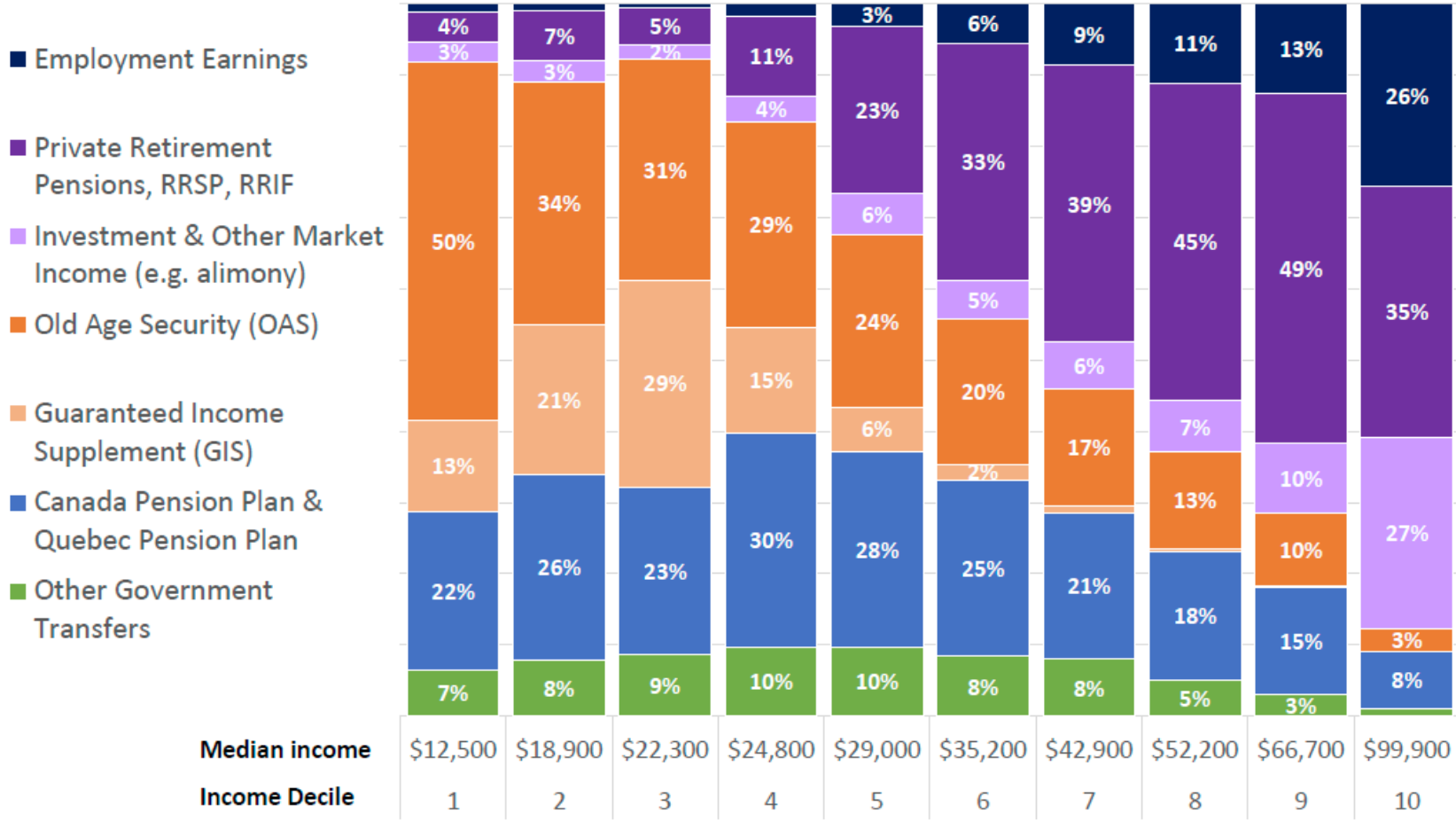
### What do seniors get? Module 1

8 May 2026

John Stapleton



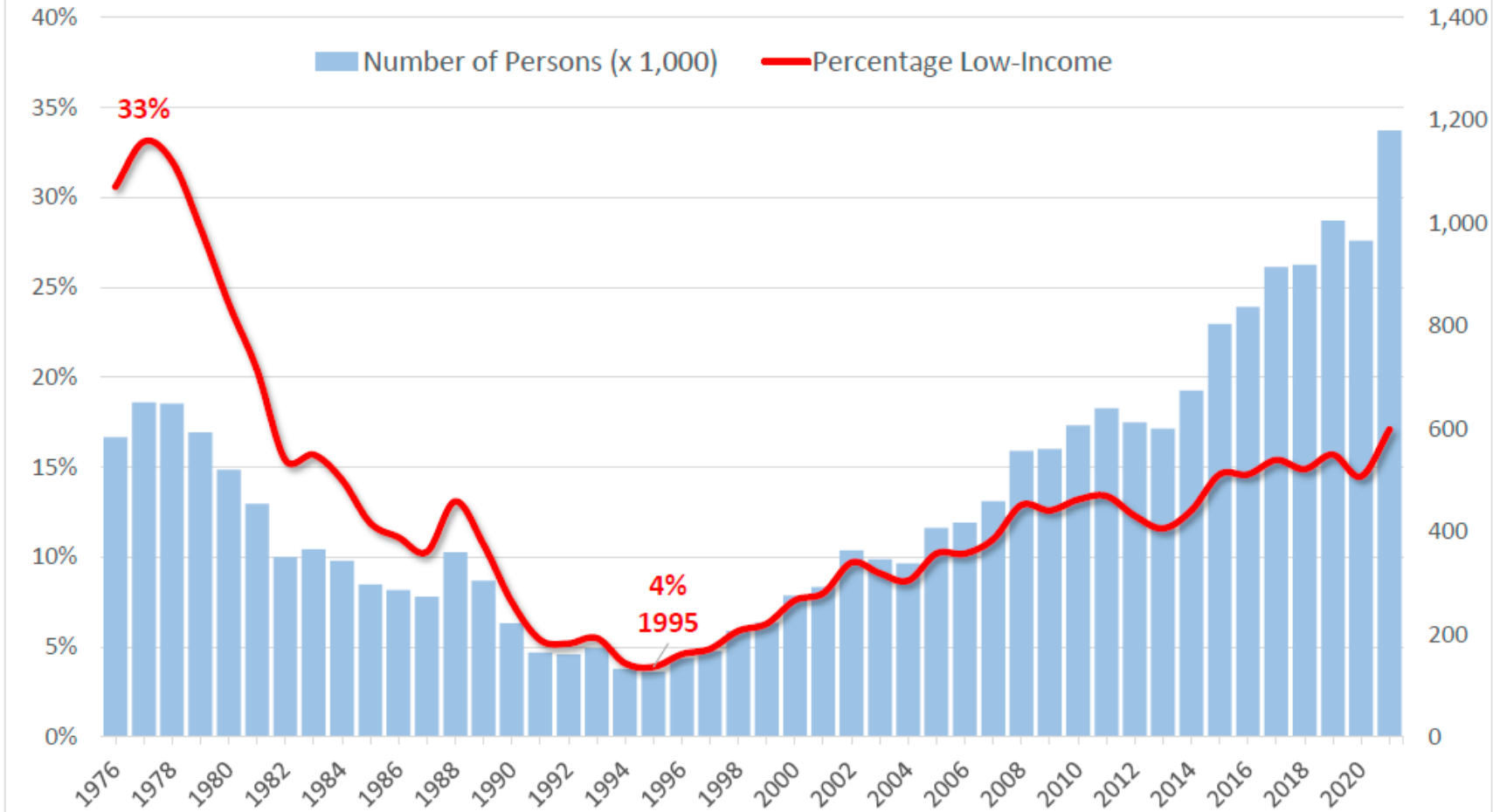
# Age 65 and Over, Income Composition by Individual Income Decile, Canada, 2020



Income sources by share of total individual income before-tax. Excludes persons with negative self-employment earnings.  
 Source: Statistics Canada, Canadian Income Survey 2020 microdata.

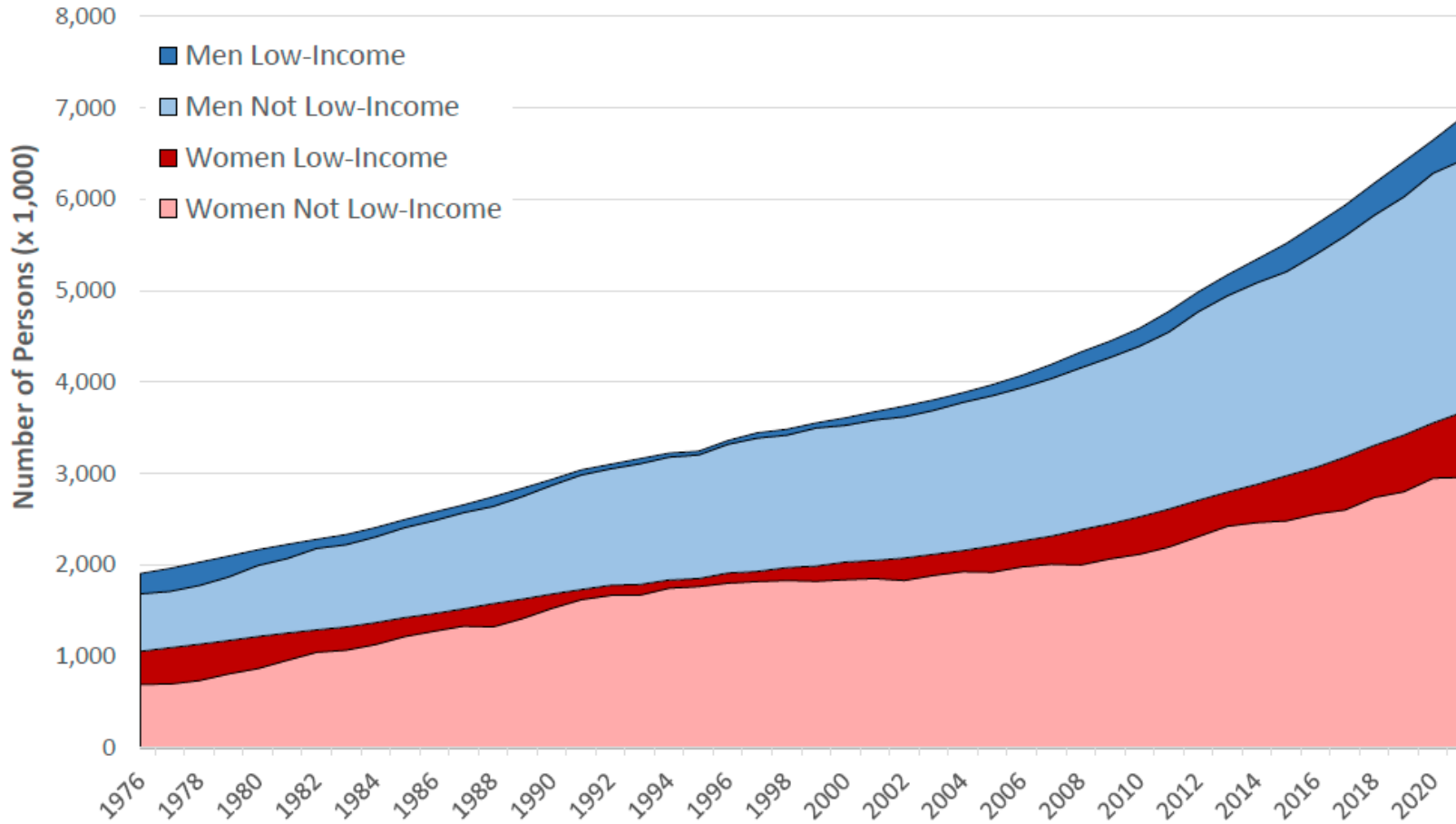


# Age 65 and Over, Low-Income Rates After-Tax (LIM-AT) Canada, 1976–2021



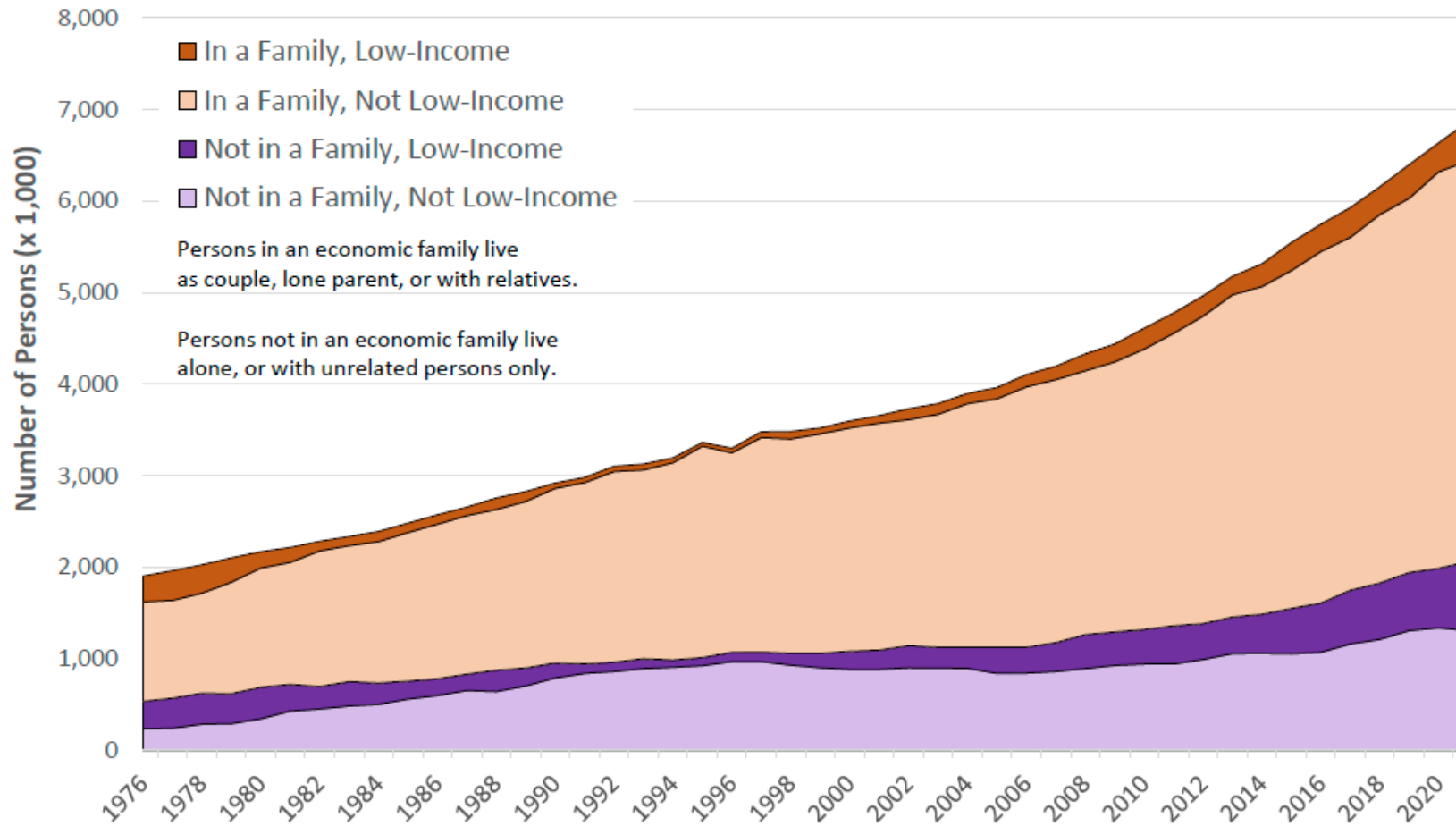
Source: Statistics Canada, Low income statistics by age, sex and economic family type, Table: 11-10-0135-01

# Age 65 and Over Population by Low-Income Status (LIM-AT) and Gender, Canada, 1976–2021



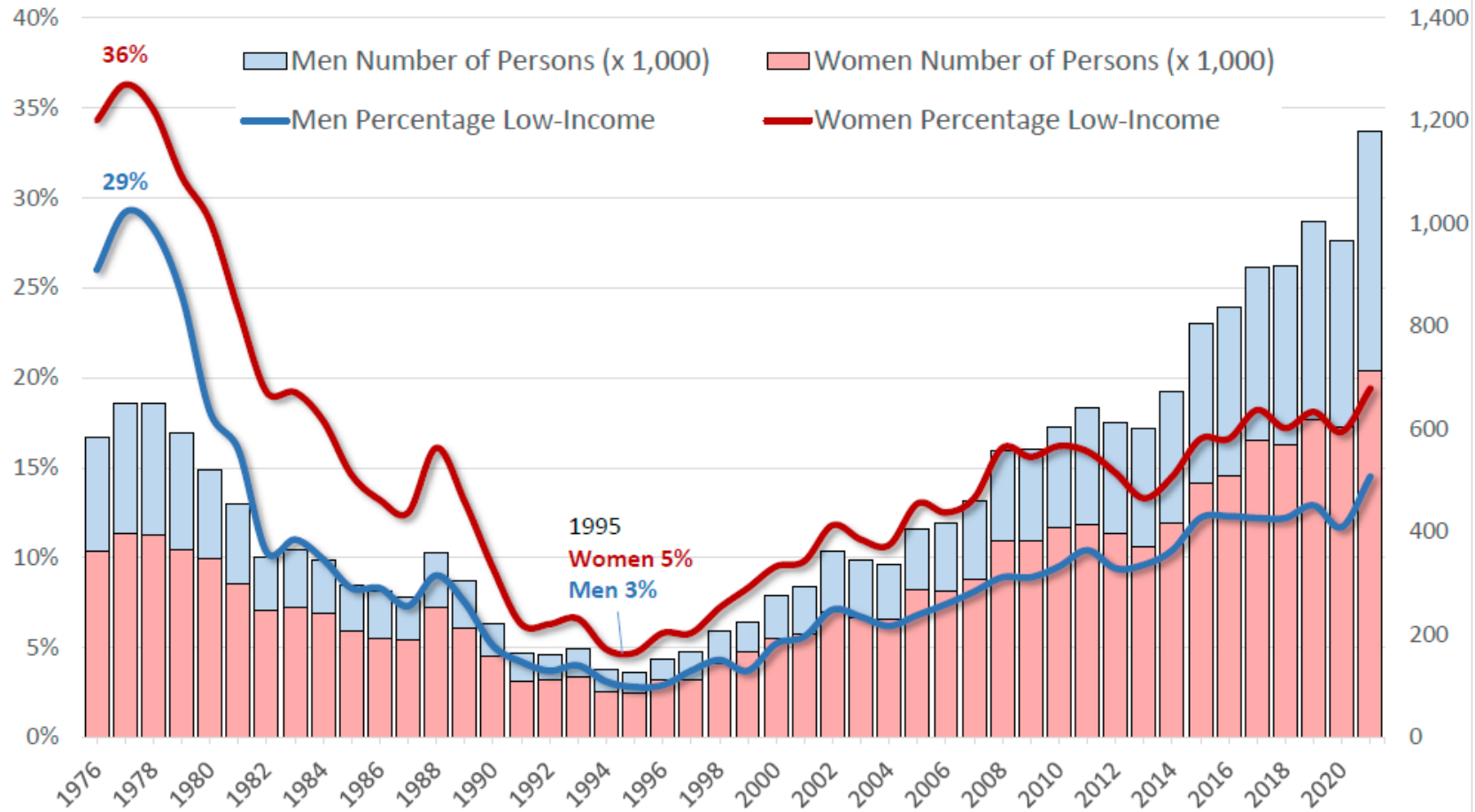
Low-income measure after-tax (LIM-AT). Source: Statistics Canada, Low income statistics by age, sex and economic family type, Table: 11-10-0135-01

# Age 65 and Over Population by Low-Income Status (LIM-AT) and Economic Family Status, Canada, 1976–2021



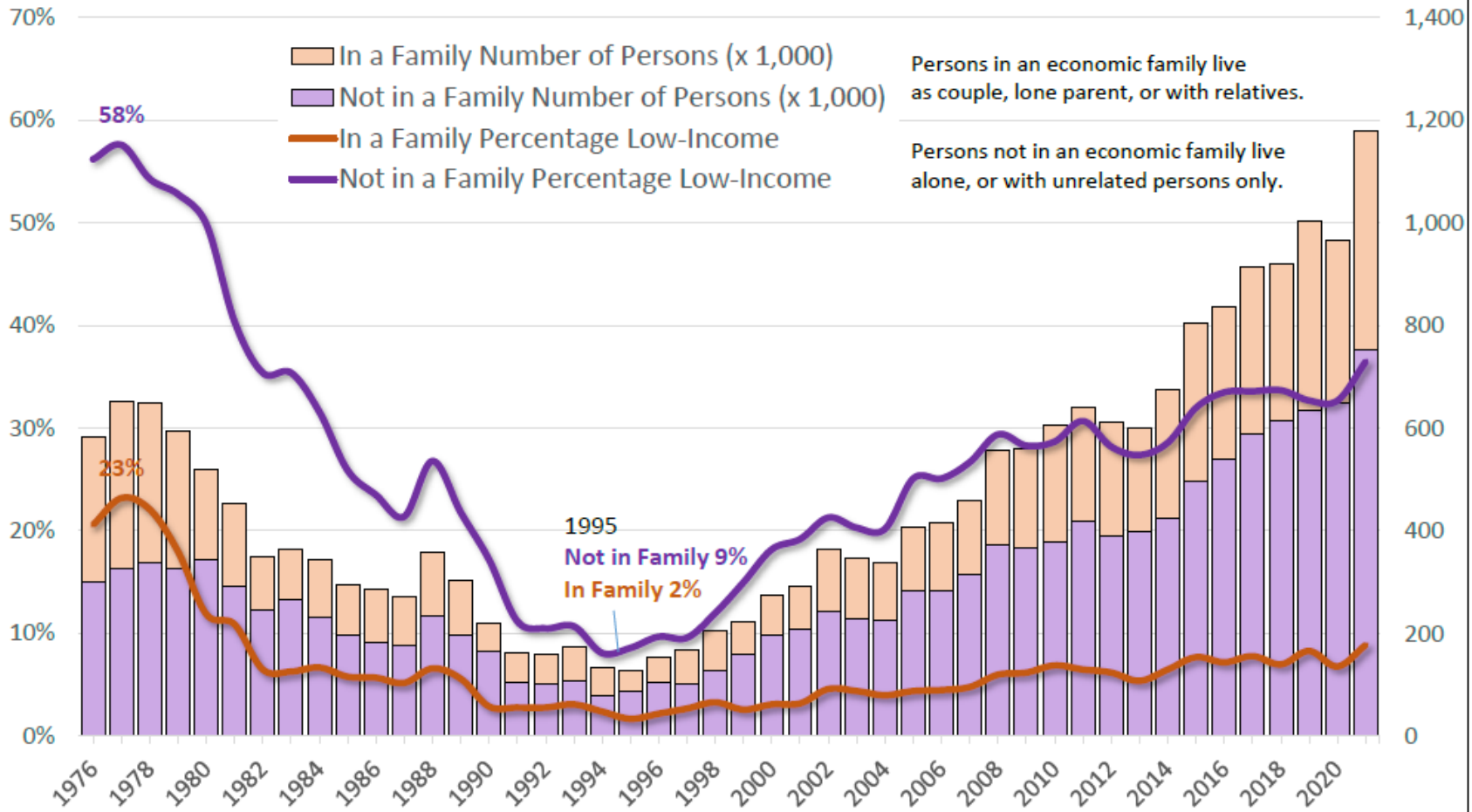
Low-income measure after-tax (LIM-AT). Source: Statistics Canada, Low income statistics by age, sex and economic family type, Table: 11-10-0135-01

# Age 65 and Over, Low-Income Rates After-Tax (LIM-AT) by Gender, Canada, 1976–2021



Source: Statistics Canada, Low income statistics by age, sex and economic family type, Table: 11-10-0135-01

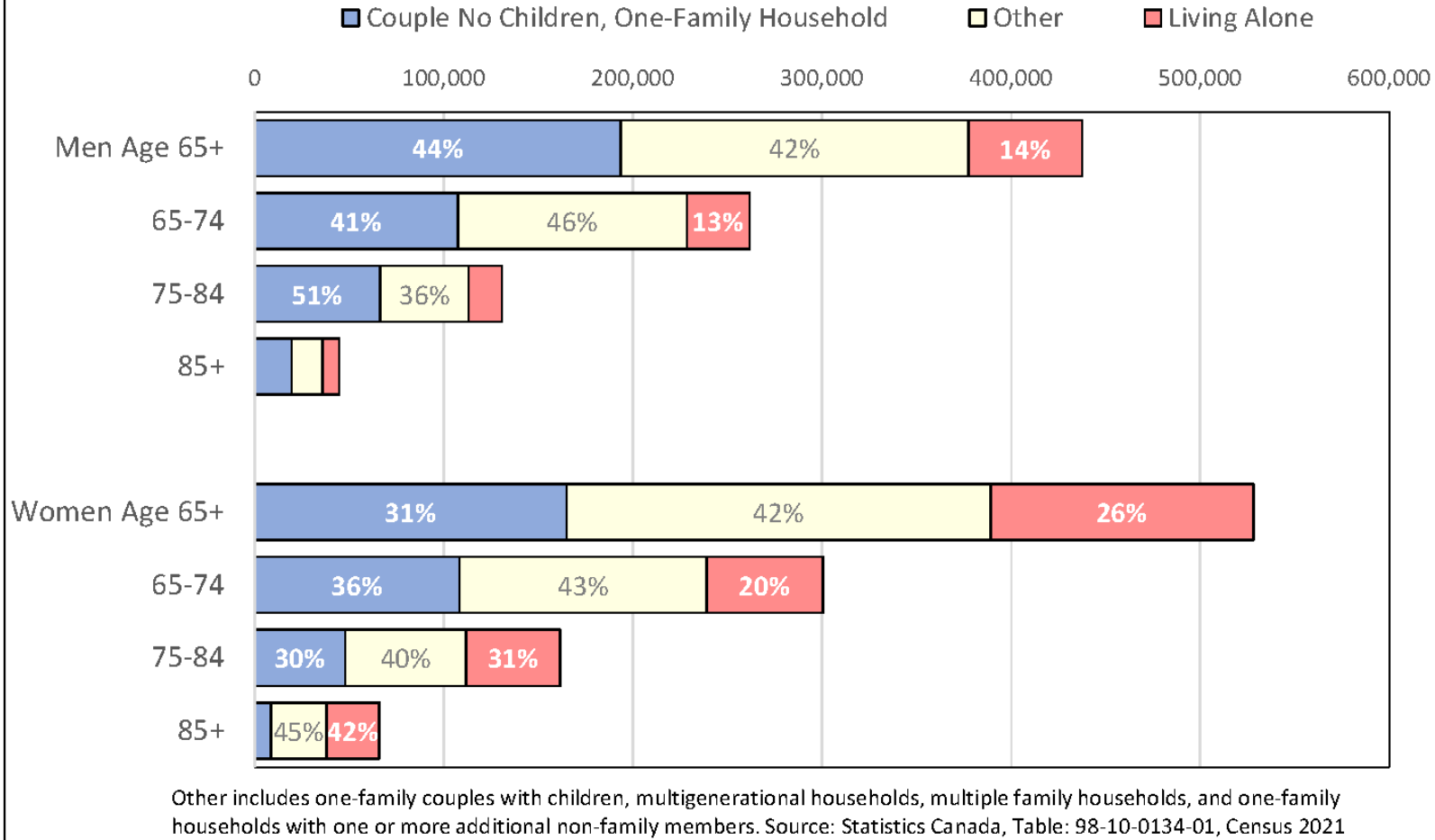
# Age 65 and Over, Low-Income Rates After-Tax (LIM-AT) by Family Status, Canada, 1976–2021



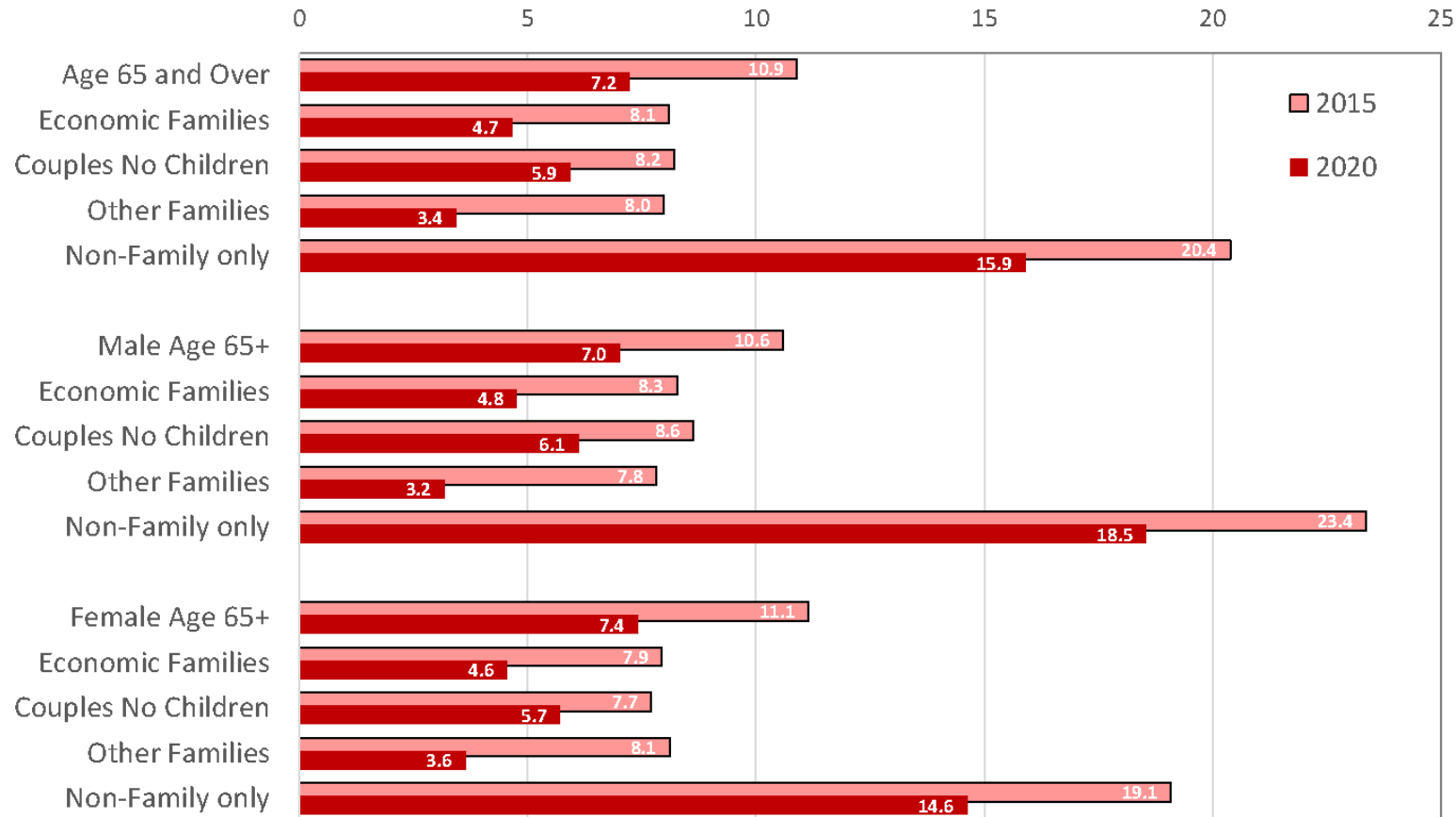
Source: Statistics Canada, Low income statistics by age, sex and economic family type, Table: 11-10-0135-01

# Age 65 and Over, Living Arrangements by Sex, 2021

## Toronto Census Metropolitan Area



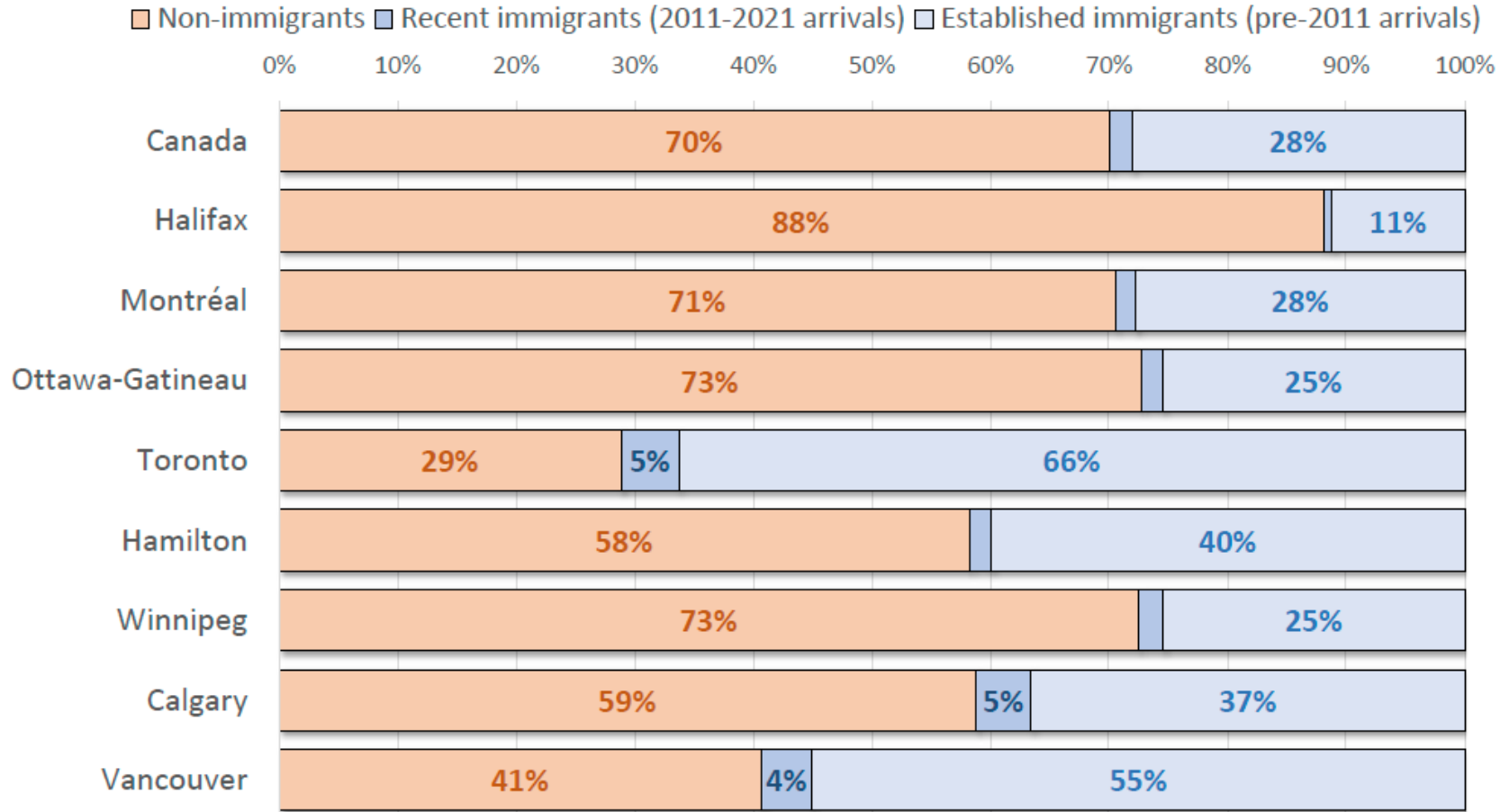
## Age 65 and Over Poverty Rates (MBM) by Sex and Living Arrangements, Toronto CMA, 2015/2020



Non-family refers to persons living alone or with non-relatives only. Couples no children are one-family households with no additional persons. Market Basket Measure (MBM) uses income in the previous year. Source: Statistics Canada, Table: 98100114, Census 2021

# Age 65 and Over Immigrant Status, 2021

## Canada and Eight Census Metropolitan Areas



Immigrant refers to landed immigrants and permanent residents. Non-immigrant refers to persons born in Canada and non-permanent residents. Source: Statistics Canada, Census 2021 Table: 98100304

# New: 2022 - 2026

- Higher OAS for 75+: 10% increment : \$817.36 a month **\$74.31 higher than for those 65-74**
- Indexation –July 1, 2024– significant increases with CPI
- **No Indexation April to June 2024 and January to March 2025**
- **Small increase for January 2026 and April 2026**
- GAINS \$90 a month 2025-26 (Couples \$174 a month)
- and now indexed to CPI

Minimum wage increased to \$17.20 on October 1, 2024. \$17.60  
October 2025 - **\$17.95 on October 1, 2026**

# WHAT SENIORS GET IN ONTARIO, MONTHLY



## Program



## How does it work?



## Monthly Benefit

Canada Pension Plan (CPP)

If you paid in, you can get a pension.

Age 60: \$920  
Age 65: \$1,508

Old Age Security (OAS)

Most people 65+ get this. There are also some benefits for *low-income* spouses not yet 65.

Age 65: \$743.05

Guaranteed Income Supplement (GIS)

People with *low incomes* may get this.

Age 65: \$1,109.85  
for singles

Guaranteed Annual Income System (GAINS), Ontario only; Refundable Credits

If you are getting GIS but are still below the province's minimum income, you get extra money.

Age 65: \$90 a month

Income from savings

Money you put in an RRSP or TFSA

Private pensions

A pension from where you worked

Earnings

Money from working for wages or 'other'

# WHAT DOES “LOW INCOME” MEAN?

Will you be eligible for OAS?



Family picture when you are age 65



You will be low income if your yearly income  
(not counting OAS!) is under:

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**Single person**

\$22,512

**Couple**

\$29,760

- Both getting Old Age Security (OAS pension)

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**Couple**

\$53,952

- Only one partner getting OAS

- Other partner is under 65

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**Couple**

\$41,664

- One partner getting OAS

- Other partner is 60-64 and getting the Allowance

# GIS TAX-BACK

a.k.a. GIS Reduction

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What happens to your GIS when you earn other income?

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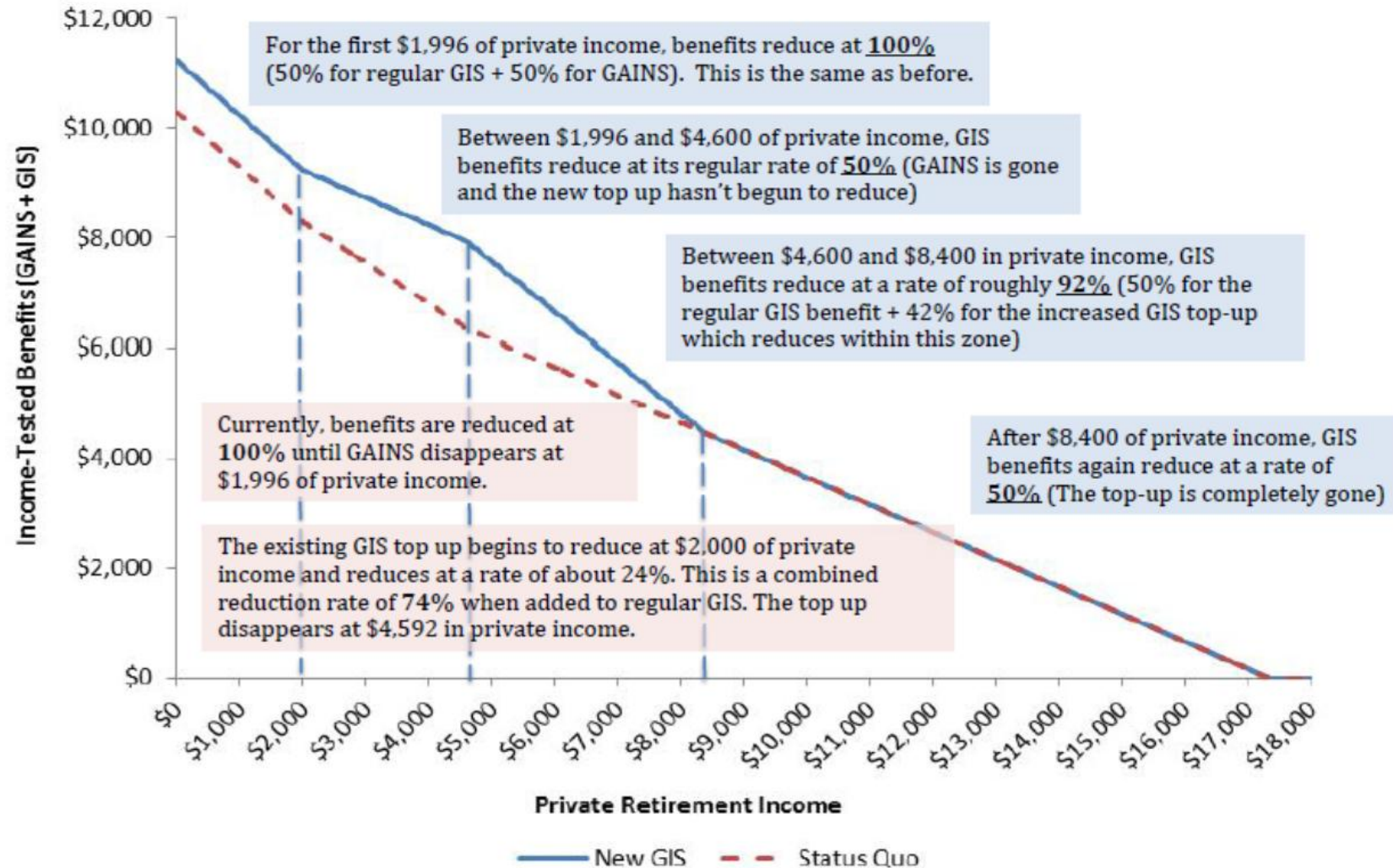
The tax-back is 50% on GIS and (a further 25% on the GIS supplement for a real rate of 59% - 50% on earnings only) on all net income from:

- RRSP cash outs
- Pensions
- CPP
- Investment INCOME
- Wage Earnings after \$5,000 a year (50% recovery only)
- Honorariums

**Note:** Income from OAS does not affect the amount of GIS you receive

# Why and Where the GIS clawback exceeds 50% to an overall 59% for non-earners

+25% in GIS supplement zone (2016 graph)



# CHANGES IN 2020

Good news

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You can keep more of your GIS when  
you earn income

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Earnings exemption went to \$5,000 from \$3,500

Extended to self-employed

Tax-back/clawback rate reduced to 50% overall, allowing  
more seniors to earn more money before losing GIS

Reduces overall recovery rate from 75% in GIS  
supplement zone to 50% for earners

# TINA'S STORY

An example

Single mother receives social assistance from age 18 to 30

Went back to school

Worked as a part-time nurse's assistant from age 30 to 50

Became disabled with MS and received Ontario Disability (ODSP)

Now she is turning 65



# WHAT WILL TINA HAVE AT AGE 65?



Source



Average monthly income



Max payout p/m

Canada Pension Plan (CPP)	\$364	\$1,508
Old Age Security (OAS)	\$743.05	\$743.05
Guaranteed Income Supplement (GIS)	\$766.93.(why?)	\$1,109.85
Guaranteed Annual Income System	\$0 (her net income for GIS is over \$4,000)	\$90.00
Income from savings	\$10	
Private pensions	\$90	
Refundable tax credits	\$198	
Total average monthly income	$\$2,171.98 \times 12 =$	<b>Total yearly income: \$26,063.76</b>

# New OAS/GIS FORM

New starting 2019: If you want GIS, don't tick the box!

## Section C Applying for the Guaranteed Income Supplement

If your OAS pension is approved and you reside in Canada, you may also be eligible for the Guaranteed Income Supplement (GIS), a non-taxable amount added to your monthly OAS pension. The GIS amount depends on your marital status and net annual income or, in the case of a couple, the combined net annual income.

When you apply for the GIS, Service Canada will obtain your income information from the Canada Revenue Agency to determine if you are eligible. Even if you are not immediately eligible, we will review your income every year and your GIS benefit will be automatically paid if you become eligible, as long as you file your income tax return annually with the Canada Revenue Agency.

**C1** To apply for the GIS, complete questions C2 to C10 below.

If you do not want to apply for the GIS, check this box  and go to Section D.



Image by Drawn to the Sea

DON'T TICK THE BOX

LEAVE THE BOX TO THE TICKS!!!

# New OAS/GIS FORM

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New starting 2019: If you want GIS, don't tick the box!

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A tick box on the OAS/GIS form:

If you are low income – **Don't tick the box**

If you are unsure – **Don't tick the box**

No need to worry... **Don't tick the box**

Fill it out – answer all questions

File your taxes

# APPLICATION FOR THE GUARANTEED INCOME SUPPLEMENT

In Ontario

For postal codes beginning with "L, M or N"

Service Canada

PO Box 5100 Station D Scarborough ON

M1R 5C8

CANADA

For postal codes beginning with "K or P"

Service Canada

PO Box 2013 Station Main Timmins ON

P4N 8C8

CANADA



**GIS not affected**

Old Age Security (OAS)

Tax Free Savings Accounts (TFSA) cash outs

RDSP withdrawals

Refundable Tax Credits you get with your income tax refund – child benefits, Trillium, Working Income Tax Benefits, GST credits

# Thank You

Questions