



JACQUES F. LIWANPO
CHARTERED ACCOUNTANT
CERTIFIED FINANCIAL PLANNER

Choose with confidence, get the CA and CFP advantage



Newsletter

February, 2013

Currently the Old Age Security (OAS) Pension is a monthly benefit available to Canadian applicants 65 years of age who meet the Canadian legal status and residence requirements. However, the Government of Canada is proposing to change the eligibility rules for the Old Age Security and Guaranteed Income Supplement payments. If you were born before 1957 this will not affect you, but for the rest of us it may mean changing the way we plan our retirement years.

Year of birth: 1957 or earlier

Anyone born in 1957 or earlier will be eligible for Old Age Security (OAS) and/or Guaranteed Income Supplement (GIS) benefits at the age of 65. In fact, everyone 54 or older as of March 31, 2012 (born before April 1, 1958) will not be affected by the change to the age of eligibility for the OAS or GIS benefits.



**OAS ... don't
let the
proposed
changes take
YOU by
surprise!**

In line with the increase in age of OAS/GIS eligibility, the ages at which the Allowance and the Allowance for the Survivor are provided will also gradually increase from 60-64 today to 62-66, starting in April 2023.

The eleven-year advance notification and the subsequent six-year phase-in period will allow those affected by these changes ample time to make adjustments to their retirement plans.

Proposed change to eligibility for the Old Age Security pension and the Guaranteed Income Supplement.

The Government of Canada has introduced measures to gradually increase the age of eligibility for the Old Age Security (OAS) pension and the Guaranteed Income Supplement (GIS) between the years 2023 and 2029, from 65 to 67. However, those currently receiving OAS benefits will not be affected by the changes.

Voluntary deferral of the Old Age Security pension

The Government of Canada also introduced a voluntary deferral of the Old Age Security (OAS) pension that will give people the option to defer take-up of their OAS pension by up to five years past the age of eligibility, and subsequently receive a higher, actuarially adjusted pension.



Choose with confidence, get the CA and CFP advantage

Newsletter

page 2/2

In line with the increase in age of OAS/GIS eligibility, the ages at which the Allowance and the Allowance for the Survivor are provided will also gradually increase from 60-64 today to 62-66, starting in April 2023.

| | | OAS/GIS Age of Eligibility by Date of Birth | | | | |
|----------------|-------------------------|---|-----------|------------|-----------|------------|
| | | 1958 | 1959 | 1960 | 1961 | 1962 |
| Month of Birth | OAS/GIS Eligibility Age | | | | | |
| | Jan. | 65 | 65 + 5 mo | 65 + 11 mo | 66 + 5 mo | 66 + 11 mo |
| Feb. – Mar. | 65 | 65 + 6 mo | 66 | 66 + 6 mo | 67 | |
| Apr. – May | 65 + 1 mo | 65 + 7 mo | 66 + 1 mo | 66 + 7 mo | 67 | |
| June – July | 65 + 2 mo | 65 + 8 mo | 66 + 2 mo | 66 + 8 mo | 67 | |
| Aug. – Sept. | 65 + 3 mo | 65 + 9 mo | 66 + 3 mo | 66 + 9 mo | 67 | |
| Oct. – Nov. | 65 + 4 mo | 65 + 10 mo | 66 + 4 mo | 66 + 10 mo | 67 | |
| Dec. | 65 + 5 mo | 65 + 11 mo | 66 + 5 mo | 66 + 11 mo | 67 | |

Note: mo = months.

Proactive enrolment for OAS benefits:

To improve services for seniors, the Government of Canada will start a proactive enrolment process that will remove the need for many seniors to apply for the OAS pension and the GIS. This means that eligible seniors will no longer need to complete an OAS pension or GIS application.

Proactive enrolment will be implemented in a phased-in approach from 2013 to 2016. People who are eligible for proactive enrolment will be notified personally by mail. Service Canada will continue to send applications to those seniors who cannot be proactively enrolled for OAS benefits. Applications are also available on the Service Canada website. Further information on proactive enrolment will be provided as it becomes available.