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# Benefits for Seniors with a Low Income



## **Benefits for Seniors with a Low Income**

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# The Old Age Security program

The Old Age Security (OAS) program is the Government of Canada's largest pension program.

The OAS program is financed from the general revenues of the Government of Canada, which means you do not pay into it directly. In this way, the OAS program differs from the Canada Pension Plan (CPP), which is a contributory plan that people pay into when they work. The CPP provides a range of benefits to contributors and their families, including retirement, post-retirement, disability, survivor, and death benefits.

The OAS program and the CPP combined with retirement savings, investments, and private pension plans provide Canadians with one of the best retirement income systems in the world.

In addition to the OAS pension, there are three types of income-tested benefits that provide additional support to seniors with low incomes:

- the Guaranteed Income Supplement (GIS);
- the Allowance; and
- the Allowance for the Survivor.

This publication provides an overview of the OAS pension and detailed information about the GIS, the Allowance, and the Allowance for the Survivor.

For more information about the OAS program, visit [www.esdc.gc.ca/en/cpp/oas/index.page](http://www.esdc.gc.ca/en/cpp/oas/index.page) or contact us.

# The Old Age Security pension

The OAS pension is a monthly payment available to most seniors aged 65 and older who meet the legal status and residence requirements.

You can receive the OAS pension even if you are still working or have never worked.

## Who can receive the OAS pension?

### People residing in Canada

You must:

- be 65 or older;
- be a Canadian citizen or a legal resident of Canada at the time we approve your pension application; and
- have resided in Canada for at least 10 years after turning 18.

### People residing outside Canada

You must:

- be 65 or older;
- have been a Canadian citizen or legal resident of Canada on the day before you left Canada; and
- have resided in Canada for at least 20 years after turning 18.

## If neither scenario applies to you

You may still qualify for a pension from another country, from Canada, or from both if you have:

- lived in one of the countries with which Canada has a social security agreement in force; or
- contributed to the social security system of one of the countries with which Canada has a social security agreement in force.

To see the list of countries with which Canada has a social security agreement, visit [www.esdc.gc.ca/en/cpp/international/index.page](http://www.esdc.gc.ca/en/cpp/international/index.page).

## The Guaranteed Income Supplement

The GIS is an additional benefit that may be added to your OAS pension if you have a low income. You must apply for it.

To qualify for the GIS:

- you must reside in Canada;
- you must be in receipt of an OAS pension; and
- your annual income or in the case of a couple, your income combined with your spouse's or common law partner's income from the previous year, must be under a maximum amount specified for the year.

If you qualify for the GIS, the amount you receive will depend on your current **marital status** and your **income from the previous year**, excluding your OAS pension. Any OAS pension, GIS, Allowance and Allowance for the Survivor benefits you receive are not counted as income when we calculate your OAS benefits.

For the current maximum monthly GIS payments visit [www.servicecanada.gc.ca/eng/services/pensions/oas/payments/index.shtml](http://www.servicecanada.gc.ca/eng/services/pensions/oas/payments/index.shtml). The benefits amounts are reviewed four times a year (January, April, July and October).

Keep in mind that you can expect to receive the maximum GIS benefit amount only if you have no other source of income. The income used to calculate your GIS amount does not include the OAS pension nor the first \$3,500 of employment income.

**Note: Separated spouses or common-law partners**

If you and your spouse or common-law partner are both in receipt of the OAS pension and are living apart for reasons beyond your control (for example, if one of you has to live in a hospital or nursing home), each of you may be paid the GIS at the single rate if that gives you a higher monthly payment.

To find out whether you qualify for the GIS, or for more information, visit [www.servicecanada.gc.ca/eng/services/pensions/oas/payments/index.shtml](http://www.servicecanada.gc.ca/eng/services/pensions/oas/payments/index.shtml) or contact us.

## The Allowance

The Allowance is a benefit available to the spouses or common-law partners of GIS recipients.

You should apply for the Allowance if you meet **all** the following conditions:

- you are aged 60 to 64 (including the month of your 65<sup>th</sup> birthday);
- your spouse or common-law partner receives an OAS pension and is eligible for the GIS;
- you are a Canadian citizen or a legal resident of Canada;
- you reside in Canada and have resided in Canada for at least 10 years since the age of 18; and
- your annual income combined with your spouse's or common-law partner's income is less than the maximum amount. See our Web site for the current maximum amount.

The Allowance stops the month after your 65<sup>th</sup> birthday, when you may become eligible for the OAS pension and possibly the GIS.

In July 2016, the maximum monthly Allowance payment was \$1,088.90.



## The Allowance for the Survivor

The Allowance for the Survivor is available to people with low income living in Canada, whose spouse or common-law partner is deceased. It can supplement the Survivor's Pension that is paid to the surviving spouses or common-law partners of deceased Canada Pension Plan contributors.

You should apply for the Allowance for the Survivor if you meet **all** of the following conditions:

- you are aged 60 to 64 (including the month of your 65<sup>th</sup> birthday);
- you are a Canadian citizen or a legal resident of Canada;
- you reside in Canada and have resided in Canada for at least 10 years since the age of 18;
- your spouse or common-law partner has died and you have not remarried or entered into a common-law relationship; and
- your annual income is less than the maximum amount. See our Web site for the current maximum annual amount.

The Allowance for the Survivor stops the month after your 65<sup>th</sup> birthday, when you may become eligible for the OAS pension and possibly the GIS.

In July 2016, the maximum monthly Allowance for the Survivor payment was \$1,297.99.

# Residence requirements

To qualify for either the Allowance or the Allowance for the Survivor, you must be a Canadian citizen or a legal resident of Canada.

If you have **not** resided in Canada for at least 10 years since you turned 18, but have resided or worked in a country that has a social security agreement with Canada, you may still qualify for a partial benefit. Contact us for more information.

## Newcomers to Canada

### Sponsored immigrants

If you are a **sponsored immigrant**, you are not eligible to receive the GIS, the Allowance or the Allowance for the Survivor during your sponsorship period unless you have 10 years of residence in Canada after the age of 18, or your sponsorship agreement ends because your sponsor suffers personal bankruptcy, is imprisoned for more than six months, is convicted of abusing or dies.

### Non-sponsored immigrants

If you are a **non-sponsored immigrant**, your eligibility to these benefits will be based on the number of years you have resided in Canada after age 18.

# Applying for benefits

## Applying for the OAS pension and GIS

The new automatic enrollment has eliminated the need for many seniors to apply for the OAS pension. This new process started in April 2013.

If you are going to be automatically enrolled for your OAS pension, you will be notified by mail the month after you turn 64. If you do not receive a letter within six months of turning 64, you must complete an application form and submit it to Service Canada in order to receive your pension.

**You must apply for GIS.** You will not be automatically enrolled.

## Applying for the Allowance or Allowance for the Survivor

To receive the Allowance or the Allowance for the Survivor, you must apply in writing.

To continue receiving your benefits, you must renew your application each year (see “[Renewing your benefits](#)”). Your monthly payments may increase or decrease according to changes in your annual income and marital status.

## How do I apply?

### Guaranteed Income Supplement

- indicate on your OAS pension application form that you want to apply for the GIS (we will mail you a GIS application form); or
- complete and submit the *Application for the Guaranteed Income Supplement or Statement of Income for the Allowance or Allowance for the Survivor* form (ISP-3025) found on the **Old Age Security Forms page**, with your OAS pension application form; or
- request a GIS application form (ISP-3025) by calling 1-800-277-9914 (TTY: 1-800-255-4786); or
- pick up a GIS application form at a Service Canada Centre.

### Allowance or Allowance for the Survivor

Complete the Information Sheet for the *Allowance or Allowance for the Survivor* form (ISP-3008A) and the *Application for the Guaranteed Income Supplement or Statement of Income for the Allowance or Allowance for the Survivor* form (ISP-3025) found on the **Old Age Security Forms page**. Complete, sign and mail these forms to us.

You can also call us at 1-800-277-9914 (TTY: 1-800-255-4786) and we will send you the form. Complete the application and return it to us as soon as possible.

## What if I apply late?

If you apply after you turn 65, Service Canada can only pay retroactive payments of the OAS benefits for up to 12 months (11 months plus the month you apply). However, if you were incapable of applying, retroactive payments covering a longer period may be granted.

## Can someone else contact Service Canada on my behalf?

If you want to authorize a person to communicate with Service Canada on your behalf, you will need to print the *Consent to Communicate Information to an Authorized Person* form (ISP-1603OAS), complete it, and mail it to Service Canada.

This form does not provide authority for the person to apply for benefits on your behalf, change your payment address, or request/change the voluntary tax withhold.

If an individual is incapable of managing his/her own affairs, another person or agency (a Trustee or someone with a Power of Attorney) may be appointed to act on the individual's behalf. See [How to act as a third-party administrator for OAS and CPP benefits](#).

## What documents will I need to provide?

If you are applying for the first time for the GIS, the Allowance or the Allowance for the Survivor, you must provide the following documents, depending on your marital status.

### If you are married

- a marriage certificate
  - **If you were married in Canada** you can get it
    - from the church in which you were married; or
    - from the Registrar of Vital Statistics in the capital city of the province or territory in which you were married.
  - **If you were married outside Canada** and you don't know how to obtain your certificate, contact us.

### If you are in a common-law relationship

- a statutory declaration using the *Statutory Declaration of Common-Law Union* form (ISP-3104) outlining the date when you and your partner began living together. Contact us if you need help to complete the declaration.
- documents that prove that you have been living together for at least 12 months. These documents should indicate your marital status or give your shared address, such as:
  - income tax and benefit returns;
  - joint bank account statements;
  - bills;
  - wills; or
  - investments.

If you are applying for the **Allowance**, you will also need to provide your citizenship or immigration documents.

If you are applying for the **Allowance for the Survivor**, you will also need to provide:

- your citizenship or immigration documents; and
- the death certificate of your spouse or common-law partner.

## **Citizenship or immigration documents**

If you were not born in Canada, you must prove your legal status in Canada with your citizenship or immigration documents. If you have not lived continuously in Canada since the age of 18, you must submit proof of **all** the dates you arrived in or left Canada for periods of over six months. You can do this by providing your passports, visas, airline, ship, and bus tickets, and other requested documents that prove your residence history in Canada.

Contact us for other examples of acceptable proof.

## **What kinds of income do I have to report?**

When applying for the GIS, the Allowance, or the Allowance for the Survivor, you, or in the case of a couple you and your spouse or common-law partner, must report your income and deductions.

If you file an income tax return each year, Service Canada will obtain your income information from the Canadian Revenue Agency. If you do not file taxes, or if Service Canada send you a Statement of Income to complete, then you must report the following:

- Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) benefits;
- Other pension income, such as private pensions, superannuation, annuities, Registered Retirement Income Fund (RRIF) or foreign pension income;
- Registered Retirement Savings Plan (RRSPs) that you cashed during the year;
- Employment Insurance benefits;
- Interest and other investment income;
- Capital gains and taxable Canadian dividends;
- Net income from any rental properties;
- Net employment income minus the following deductions:
  - your CPP or QPP contributions, your Employment Insurance premiums and up to \$3,500 of employment earnings;
- Net self-employment income minus the following deductions:
  - your CPP or QPP contributions on self-employment and your Employment Insurance premiums;
- Other income from sources such as workers' compensation payments, alimony; and
- Other deductions such as union dues, Registered Retirement Savings Plan (RRSP) deductions, moving expenses and other employment expenses.



Benefits from the OAS program are **not** considered income for this purpose.

**Note**

If you and your spouse or common-law partner are both in receipt of the OAS pension and are living apart for reasons beyond your control (for example, if one of you has to live in a hospital or nursing home), your GIS benefit could be calculated at the single rate rather than the married rate if it is to your advantage.

## Receiving Old Age Security benefits

Once we approve your application for the **Guaranteed Income Supplement**, we will add the Supplement to your OAS pension payment each month.

Your **Allowance and Allowance for the Survivor** payments will begin during one of the following months, whichever is latest:

- the month after you meet the eligibility requirements;
- the month after your 60<sup>th</sup> birthday;
- 11 months prior to the date we received your application (if you applied after your 60<sup>th</sup> birthday);
- the same month your spouse or common-law partner starts receiving the Guaranteed Income Supplement (in the case of the Allowance); or
- the month after your spouse or common-law partner dies (in the case of the Allowance for the Survivor).

## **When will I receive my payments each month?**

Signing up for direct deposit will ensure your payment is automatically deposited into your bank account on the third-from-last banking day of each month. Otherwise, your payment will be sent to you by mail, usually during the last three banking days of each month.

For more information or to sign up for direct deposit, visit [www.esdc.gc.ca/en/service\\_canada/direct\\_deposit.page](http://www.esdc.gc.ca/en/service_canada/direct_deposit.page) or contact us.

## **What should I do if I move?**

If you are moving, you need to tell us your new address and postal code as soon as possible. This will allow us to update our records and make sure your payment gets to you on time. Even if we deposit your payments directly into your bank account, we need to know your new address so that we can send you your yearly T4A (OAS) income tax slip.

To change your address and direct deposit information, visit [www.esdc.gc.ca/en/msca/index.page](http://www.esdc.gc.ca/en/msca/index.page) or contact us.

## **Can I receive my benefits outside Canada?**

If you are receiving the GIS, the Allowance, or the Allowance for the Survivor and you spend more than six months in a row outside Canada, we can only send your benefit payments outside Canada for the month you left and for six months after that. For example, if you leave Canada in January, we would send payments until the end of July. After July, the payments would stop. The OAS pension can continue to be paid outside Canada but you must have lived in Canada for at least 20 years after age 18.

If you stay outside the country for a longer period and then return to reside in Canada, contact us, and we will review your eligibility for these benefits.

## **Will I get cost-of-living increases?**

Yes. We will increase your benefit payments to reflect increases in the cost of living, as measured by the Consumer Price Index. Benefits are reviewed four times a year (January, April, July and October). Your monthly payment will not decrease if the cost of living goes down.

## **What happens if my income drops?**

In some situations, such as when you stop working or when your other pension income stops or decreases, we can calculate your GIS, Allowance, or Allowance for the Survivor benefits by using your estimated income for the current year, instead of using last year's income. If you or your spouse or common-law partner has a lower income this year, you should let us know. Your benefits may increase.

## **Can my benefits ever stop?**

Yes. We stop paying your GIS, Allowance, or Allowance for the Survivor if one of the following events occurs:

- You have not filed an individual Income Tax and Benefit Return with the Canada Revenue Agency by April 30, or if, by the end of June each year, we have not received the information about your net income (or in the case of a couple, your combined net income) for the previous year;

- you have reached the age of 65, (Allowance and Allowance for the Survivor payments stop the month after your 65<sup>th</sup> birthday when you may be eligible for the Old Age Security pension);
- you leave Canada for more than six consecutive months;
- your net income (or in the case of a couple, your combined net income) is above the maximum annual income;
- you are incarcerated in a federal penitentiary for two years or longer;
- you die (it is important that someone notify us about your death to avoid overpayments);
- you received the Allowance for the Survivor because your spouse or common-law partner died, but you have since remarried or begun a common-law relationship;
- you received the Allowance and you divorce or separate from your spouse or common-law partner (in the case of the Allowance); and
- your spouse or common-law partner is no longer eligible for the Guaranteed Income Supplement or dies (in the case of the Allowance).

**Note: Spouses or common-law partners of incarcerated individuals**

The spouse or common-law partner of an incarcerated individual may be entitled to GIS or Allowance benefits during the incarceration period, provided other eligibility factors are met.

# Renewing your Old Age Security benefits

## Are my benefits renewed every year?

Using your income information from your federal Income Tax and Benefit Return, we will review your eligibility for the GIS, the Allowance and the Allowance for the Survivor every year. If you still qualify, your benefit will be automatically renewed. In July, you will receive a letter telling you either:

- that your benefit will be renewed;
- that your benefit will be stopped; or
- that your income information is required.

The amount of the GIS, Allowance, or Allowance for the Survivor is based on your current marital status and your income (or your income combined with your spouse's or common-law partner's income) from the previous year. Changes in marital status or income can change the amount of your benefits from year to year.

## Are my benefits taxable?

No. The GIS, the Allowance, and the Allowance for the Survivor are not taxable income. However, you still have to report these benefits on your income tax and benefit return.

## Other benefits

### Could I be eligible for other benefits?

#### Canada Pension Plan (CPP) and Quebec Pension Plan (QPP)

If you contributed to the CPP and/or the QPP in at least one year since January 1966, you are eligible for a retirement pension from one plan or the other.

The amount of your pension will depend on how much and for how long you have contributed to the CPP and on your age when you want your pension to start. If you take it before age 65, your pension will be reduced, at the most by 36% as of 2016 if you start receiving your retirement pension at the age of 60. If you take it after age 65, your pension may be larger, up to a maximum of an additional 42% at age 70. You must apply to receive your CPP or QPP retirement pension.

Your CPP Retirement Pension normally starts the month after your 65<sup>th</sup> birthday. However, you can start your pension as early as age 60.

#### **Note: Post-retirement benefit**

The Post-Retirement Benefit is a fully indexed lifetime benefit that can increase your retirement income if you work while receiving the CPP. Contributions are mandatory for working CPP retirement pension recipients under age 65 and their employers. Those 65 to 70 can choose not to contribute. For information, see [Canada Pension Plan Post-Retirement Benefit](#).

CPP or QPP disability and survivor benefits are also available if you or the deceased have made sufficient contributions and you meet other eligibility requirements. You must apply to receive these benefits.

For more information about the CPP, visit the Canada Pension Plan section of our website or contact us.

For more information about the QPP, contact la Retraite Québec:

**On the Web:** [www.retraitequebec.gouv.qc.ca/en/Pages/accueil.aspx](http://www.retraitequebec.gouv.qc.ca/en/Pages/accueil.aspx)

**By phone:** 1-800-463-5185

**TTY:** 1-800-603-3540

## War Veterans Allowance

If you are a veteran, you may be entitled to receive benefits under the *War Veterans Allowance Act*. For more information, call Veterans Affairs Canada at 1-866-522-2122 or visit [www.veterans.gc.ca/eng/](http://www.veterans.gc.ca/eng/).

## Provincial/territorial and municipal programs

Your provincial/territorial and municipal governments may offer income assistance and services to seniors. For more information, contact them directly or visit [www.seniors.gc.ca/eng/index.shtml](http://www.seniors.gc.ca/eng/index.shtml).

## Benefits finder and other retirement planning tools

You may use the interactive online Benefits Finder tool on [www.canadabenefits.gc.ca](http://www.canadabenefits.gc.ca) to help find other programs and benefits to which you may be entitled. Service Canada also provides a checklist for retirement planning and other useful tools, such as the Canadian Retirement Income Calculator at [www.esdc.gc.ca/en/cpp/cric.page](http://www.esdc.gc.ca/en/cpp/cric.page), which estimates your retirement income needs for the future.

## Contact us

**Click** [servicecanada.gc.ca](http://servicecanada.gc.ca)

**Call** 1-800-277-9914  
(from Canada and the United States)  
1-800-255-4786  
(TTY: if you have a hearing or speech impairment and use a teletypewriter)  
1-613-957-1954  
(from all other countries, collect calls accepted)

**Visit** a Service Canada Centre

**Note: When you call**

Please have your social insurance number ready when you call.