Evaluation of the Old Age Security Program

PHASE 2

Allowances and Pension Deferral

The Old Age Security program includes the Old Age Security pension, the Guaranteed Income Supplement and the Allowances.

- ► The Old Age Security pension provides a basic pension to nearly all seniors.
- ► The Guaranteed Income Supplement is a supplement for low-income seniors.
- ► The Allowances are benefits for low-income 60 to 64 year-old widows, widowers or spouses of Guaranteed Income Supplement recipients.

KEY FINDINGS



The program contributed to reduce the proportion of seniors with low income. Only 4% of seniors had income below Statistics Canada's Low Income Cut-Off in 2015.



The Allowances address an important need for recipients as benefits represent 36% of their income on average. Who is benefitting? Most recipients are women and have:

- ► Very low income
- ► Low levels of education
- ► Limited attachment to the labour market



There are many low-income 60 to 64 year-olds whose marital status or age of spouse makes them ineligible for the Allowances. However, the Provincial and Territorial Governments are responsible for income security for low-income individuals under the age of 65.



Awareness of pension deferral is low, as is the proportion of seniors who chose to defer. About a quarter of 60 to 64 year-olds are aware of this option and 4% of the first cohort of eligible seniors chose to defer.



About 80% of the first cohort of eligible seniors worked during the deferral period, and nearly 60% had income above \$75,000.





RECOMMENDATIONS

- The Department should take into account the evaluation findings to inform its analysis on the Allowances.
- ★ The Department should continue to promote awareness of OAS pension deferral.

The full Evaluation of the Old Age Security Program: Phase 2 is available at:

https://www.canada.ca/en/employment-social-development/corporate/reports/evaluations/oas-program-phase-02.html



