

How equitable is that?

By Chris Drost

The Federal Government announced last year that pensioners age 75 and older would be receiving a 10 per cent increase in their Old Age Security payments starting in July. This is the first permanent increase in 50 years. For those age 65 to 74, the increase will be 2.8 per cent, reflecting quarterly indexation. But where does this leave low-income earners in the early retirement years?

The government website states that the 10 per cent increase for those age 75 plus is to help reduce the number of low-income earners during their retirement years. It states that in 2018, among OAS pensioners aged 75 and over, 59 per cent had incomes below \$30,000 compared to 52 per cent of those age 65 to 74. By 2020, 39 per cent of pensions aged 75 and over received the Guaranteed Income Supplement, compare to 29 per cent of those age 65 to 74. In 2020, among OAS pensioners age 75 and over, 57 per cent were women, compared to 52 per cent among those age 65 to 74.

This is all well and good, but the plan seems to dismiss the almost one-third of seniors age 65 to 74 who are living with incomes under \$30,000.

My question is this. Why, instead of giving a 10 per cent increase in OAS based on age, does the government not give a cross-the-board increase to all eligible seniors, age 65 and older, or at least make it based on income? For those seniors living on very low incomes below \$30,000, it seems to be a slap in the face that those age 75 and up are receiving a 10 per cent increase, while they are not.

Giving only seniors in a certain age category the same increase may seem equitable at first glance, but if you look a little deeper, it is very regressive. It means that almost one third of our younger seniors are having to grapple with huge increases in day-to-day living costs, with no help in sight. They stand by and watch substantial increases going to families with children and older seniors, while no help is coming their way.

Whether seniors own or rent their own home, the fact is that once they are retired, their income is likely fixed. There is no where to get those extra dollars needed to pay for things other than through their own personal savings, if they have any. In places like North Hastings, many of the pensioners, dare I say most, likely have no other pension other than the OAS and CPP.

Canada's inflation rate rose to 8.1 per cent in June. This is the highest since 1983, 39 years ago. Where is all this going? Are all but the wealthiest destined to living in poverty in retirement?

In May of 2021, the Canadian Association of Retired Persons, along with the National Association of Federal Retirees and Réseau FADQOQ called for the federal government to increase OAS to all eligible seniors, not just those age 75 and older. They stated that it is setting a precedent by creating two classes of seniors.

Let's hope the federal government listens.