



HOUSE OF COMMONS

FOR IMMEDIATE RELEASE

Harper Government Sets the Record Straight on OAS

Ottawa, Ontario, February 3, 2012— Many seniors have been asking one question recently – will my Old Age Security cheque stay the same? Many Canadians close to retirement have also been asking whether Old Age Security will be there for them when they reach 65. The answer to both questions is yes.

The Harper Government is committed to protecting retirement income for today's seniors, and for future generations of retirees. Canadians receive retirement income from a variety of sources, including the Canada Pension Plan and Old Age Security. The Canada Pension Plan is funded by premiums from each of our paycheques and it is on a safe, secure, and sustainable path. Old Age Security, on the other hand, is funded from general government revenue and is not sustainable in its current form.

“Our Government is committed to seniors. We have increased the GIS for vulnerable seniors by \$600 per year; introduced pension income splitting; increased the age credit; introduced the tax-free savings account, and the Pooled Retirement Pension Plan,” said the Honourable Lynne Yelich, Minister of State for Western Economic Diversification and Member of Parliament for Blackstrap. “As a result of our actions, seniors can individually earn approximately \$19,000 per year before paying federal taxes”.

In 1975 there were seven working taxpayers for every senior. Because our population is getting older, today there are only four working-age Canadians for each senior. By 2030, the total number of seniors will nearly double, leaving only two working-age Canadians for each senior. Amidst these changing demographics, the annual cost of the Old Age Security program is projected to increase from \$36 billion in 2010 to \$108 billion in 2030.

If changes are not made to the Old Age Security program, it will become unsustainable in the long-term. Failure to make important decisions now will put the program in jeopardy for future generations.

“Any changes to Old Age Security will not affect anyone currently receiving benefits, nor will they affect any individual now nearing retirement”, said Yelich. “Other Canadians, who are not near retirement, will receive substantial notice of changes to Old Age Security, to ensure they have ample time to plan for their future.”

Our Government will take responsible action to ensure financial stability for future generations of seniors and give them confidence that Old Age Security will be sustainable and available to them in their retirement.

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For more information:

Jerra Byrne
Director of Communications
613-954-8097

*Hon. Lynne Yelich, Privy Council
Minister of State (Western Economic Diversification)
Member of Parliament (Blackstrap)*