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## A Secure and Dignified Retirement for Canadians

After a lifetime of hard work, Canadians deserve a secure and dignified retirement, free of financial worries.

With Budget 2019, the Government is making new investments to help make retirement more financially secure for more Canadians—helping Canadian seniors keep more money in their pockets, receive the benefits they are entitled to, protect their workplace pensions and stay active and involved in their communities.

### Improving the Economic Security of Low-Income Seniors

To help low-income working seniors keep more of what they earn, Budget 2019 proposes to enhance the Guaranteed Income Supplement (GIS) earnings exemption, beginning with the July 2020-21 benefit year. The enhancement would:

- Extend eligibility for the earnings exemption to self-employment income.
- Provide a full or partial exemption on up to \$15,000 of annual employment and self-employment income for each GIS or Allowance recipient as well as their spouse, specifically by:
  - Increasing the amount of the full exemption from \$3,500 to \$5,000 per year for each GIS or Allowance recipient, as well as their spouse.
  - Introducing a partial exemption of 50 per cent, to apply on up to \$10,000 of annual employment and self-employment income beyond the new \$5,000 threshold for each GIS or Allowance recipient, as well as their spouse.

### Empowering Seniors in Their Communities

Too many Canadian seniors face isolation in their retirement years—a difficult situation sometimes made worse by ageism, poor health, reduced mobility, poverty and even abuse.

**Old Age Security** is a monthly payment available to most Canadians aged 65 or older.

The **Guaranteed Income Supplement (GIS)** provides a monthly non-taxable payment to Old Age Security pension recipients who have a low income, and are living in Canada.

The **Allowance** is available to certain individuals aged 60-64 who are married to—or in a common-law relationship with—a senior (65+) who is eligible to receive the GIS.

The **Allowance for the Survivor** is available to certain 60-64 year olds whose spouse or common-law partner has passed away.

The **GIS earnings exemption** effectively reduces the level of earned income used to calculate GIS and Allowance benefits, allowing low-income seniors to earn a specified amount of income before triggering a reduction in benefits.



The New Horizons for Seniors Program supports projects that improve the quality of life for Canada's vulnerable seniors, creating more opportunities for seniors to be active in their communities. The program includes support for local projects—like improvements to community kitchens where seniors help prepare community lunches—as well as projects that are national in scope and can benefit seniors across the country, like financial literacy classes, volunteer opportunities, and more.

Budget 2019 proposes significant additional funding of \$100 million over five years, with \$20 million per year ongoing, for the New Horizons for Seniors Program so that it can continue to improve seniors' quality of life and better promote their active participation in the community.

### **Making Sure Eligible Canadians Receive Their Pension Benefits**

The Canada Pension Plan (CPP) is a key pillar of Canada's retirement system—giving Canadian seniors peace of mind and a secure, predictable income.

While workers need to apply in order to receive their CPP pension, some eligible seniors either apply late or not at all, and miss out on receiving their pensions.

To help Canadian workers receive the full value of the pension to which they contributed, Budget 2019 proposes to proactively enroll CPP contributors who are 70 years old or older in 2020, but who have not yet applied to receive their retirement pension.

Since some Canadians may prefer not to receive a CPP retirement pension—as it could reduce federal and provincial income-tested benefits—Budget 2019 also proposes to extend the opt-out period from six months to a year. This will ensure that Canadians who choose not to receive a CPP retirement pension are not disadvantaged by proactive enrollment.

### **Protecting Canadians' Pensions**

Everyone deserves to have peace of mind when it comes to their retirement—especially people who have worked their whole lives to help a company try to stay afloat.

In recent years, however, the security of some workplace pensions has been challenged due to company bankruptcies. Following consultations with Canadians, Budget 2019 proposes to introduce new measures to enhance the security of workplace pensions in the event of corporate insolvency.

Among other safeguards, the proposed measures would:

- Make insolvency proceedings fairer, more transparent and more accessible for pensioners and workers, in part by requiring everyone involved to act in good faith, and by giving courts greater ability to review payments made to executives in the lead-up to insolvency.
- Set higher expectations for, and better oversight of, corporate behaviour: publicly traded, federally incorporated firms will be required to disclose their policies pertaining to workers and pensioners and executive compensation, or explain why such policies are not in place.

- Protect Canadians' hard-earned benefits by clarifying in federal pension law that if a pension plan is terminated, it must still provide the same pension benefits as when it was ongoing.

### **Building a More Secure Retirement for Canadians Since 2016**

The Government has a proven record of helping Canadian seniors have a more secure and dignified retirement. Since 2016, the Government has:

- Boosted benefits for nearly 900,000 low-income seniors and lifted about 57,000 seniors out of poverty through increases to the GIS top-up payments.
- Put thousands of dollars back in the pockets of Canadian seniors by restoring the eligibility age for Old Age Security and GIS benefits to 65.
- Increased benefits for couples who receive GIS and Allowance benefits and have to live apart for reasons beyond their control.
- Strengthened the CPP, in collaboration with provincial partners, which will raise the maximum CPP retirement benefit by up to 50 per cent over time. This will provide today's and future Canadian workers with greater income security when they retire.

In addition to improving the retirement income security of Canadians, the Government has also made other important investments in the lives of seniors, including:

- Appointing a Minister of Seniors to help the Government better understand the needs of Canadian seniors, and ensure that programs and services are designed to respond to those needs.
- \$40-billion for the 10-year National Housing Strategy, which will help ensure that vulnerable Canadians, including low-income seniors, have access to housing that meets their needs and that they can afford.
- \$6 billion over 10 years for home care, to allow provinces and territories to improve access to home, community and palliative care services.
- \$77 million in additional funding for the Enabling Accessibility Fund, to improve the safety and accessibility of community spaces.
- Making it easier to apply for Employment Insurance caregiving benefits, and introducing a new Employment Insurance caregiving benefit of up to 15 weeks to support individuals who are providing care to an adult family member who requires significant support in order to recover from critical illness or injury.