



The Seniors Benefit

Securing the Future

Projected Benefit Levels

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Canada

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The Seniors Benefit: What it is

- ◆ The Seniors Benefit will **replace the existing OAS/GIS benefits in 2001.**
- ◆ The new benefit will be **completely tax free** and will incorporate the existing age and pension income tax credits.
- ◆ Benefits will be delivered in a **single monthly payment.** Payments to couples will be made in separate and equal cheques to each spouse.
- ◆ GIS recipients will receive an **additional \$120 per year.**
- ◆ The Spouse's Allowance Program will remain in place and payments will be **increased by \$120 per year.**
- ◆ For couples, the amount of the payment will be determined on the basis of the **combined income of spouses**, as is now and has always been the case with the GIS.
- ◆ Both the benefit levels and the threshold at which benefits begin to be reduced will be **fully indexed to inflation.**
- ◆ Seniors will only have to **apply once** for the benefit when they turn 65. The level of benefits will be automatically recalculated each year, based on the previous year's tax return.

The government has made a commitment that in any change to the public pension system, the OAS/GIS payments of today's seniors would be fully protected.

Everyone 60 or over on December 31, 1995 and their spouses, no matter what age, will be guaranteed no less than current pension payments. Many will receive more under the new system. Seniors will have a choice between moving to the new system or maintaining their monthly OAS/GIS payments, as currently structured – whichever is more advantageous to them.

The actual choice between the Seniors Benefit and OAS/GIS will need to be made only when the Seniors Benefit is about to be introduced in 2001, not now. In the months before the new benefit is implemented, the government will provide information to all seniors, based on their own situations, to assist them in making the best choice.

The following tables show projected benefit levels in 2001.

For those who have not reached age 60 by December 31, 1995, and will come under the Seniors Benefit at age 65, Table 1 shows projected benefit levels of the Seniors Benefit in 2001.

For those who have reached age 60 by December 31, 1995, and have a choice of maintaining OAS/GIS payments or moving to the Seniors Benefit, Tables 2A, 2B, and 2C – for singles, one-income couples and two-income couples – provide the Senior Benefit and the after tax-value of OAS in 2001.

Projected Levels of the Seniors Benefit in 2001

For those who have not reached age 60 by December 31, 1995, this table shows projected benefit levels under the Seniors Benefit in 2001.

To determine your projected benefit, simply find the benefit level from column 2 (single seniors) or column 3 (couples) that corresponds to the income level that is closest to your anticipated income in 2001 from all sources other than OAS/GIS.

Table 1
Projected levels of the Seniors Benefit in 2001

Income	Tax-free Seniors Benefit for single seniors	Tax-free Seniors Benefit for senior couples
	(dollars per year)	
0	11,420	18,440
2,000	10,420	17,440
4,000	9,420	16,440
6,000	8,420	15,440
8,000	7,420	14,440
10,000	6,420	13,440
12,000	5,420	12,440
14,000	5,160	11,440
16,000	5,160	10,440
18,000	5,160	10,320
20,000	5,160	10,320
22,000	5,160	10,320
24,000	5,160	10,320
26,000	5,150	10,310
28,000	4,750	9,910
30,000	4,350	9,510
32,000	3,950	9,110
34,000	3,550	8,710
36,000	3,150	8,310
38,000	2,750	7,910
40,000	2,350	7,510
42,000	1,950	7,110
44,000	1,550	6,710
46,000	1,150	6,310
48,000	750	5,910
50,000	350	5,510

Table 1 (cont'd)
Projected levels of the Seniors Benefit in 2001

Income	Tax-free Seniors Benefit for single seniors	Tax-free Seniors Benefit for senior couples
	(dollars per year)	
52,000	0	5,110
54,000	0	4,710
56,000	0	4,310
58,000	0	3,910
60,000	0	3,510
62,000	0	3,110
64,000	0	2,710
66,000	0	2,310
68,000	0	1,910
70,000	0	1,510
72,000	0	1,110
74,000	0	710
76,000	0	310
78,000 and above	0	0

Structure of the Seniors Benefit. The maximum benefit is \$11,420 (\$18,440 for a couple), \$120 more than the projected maximum value of OAS/GIS in 2001. The benefit is reduced by 50 cents for each dollar of income until it reaches \$5,160 per senior which is equal to the level of current OAS payments adjusted for projected inflation to the year 2001. Beginning at an income level of \$25,921, the benefit is reduced by 20 cents for each dollar of additional income.

Projected Benefits for Those Age 60 and Over

For those who have reached age 60 by December 31, 1995, the following tables – for singles, one-income couples and two-income couples – provide the Seniors Benefit and the after-tax value of OAS in 2001.

To determine your expected benefit, simply read across from the income level that is closest to your anticipated income in 2001 from all sources other than OAS/GIS.

The tables show the most advantageous benefit – the new Seniors Benefit or the after-tax value of OAS.

Note: The estimate of the after-tax value of OAS is based on a typical senior in an average province. Precise values will vary by province of residence, source of income, and in the case of two-income couples, the distribution of income between the spouses.

Making the choice: The actual choice between the Seniors Benefit and OAS will need to be made only when the Seniors Benefit is about to be introduced in 2001, not now. In the months before the new benefit is implemented, the government will provide benefit information to all seniors, based on their own situations, to assist them in making the best choice.

Table 2A
Projected benefits for single seniors in 2001

Income	Tax-free Seniors Benefit	Net benefit under OAS/GIS
	(dollars per year)	
0	11,420	
2,000	10,420	
4,000	9,420	
6,000	8,420	
8,000	7,420	
10,000	6,420	
12,000	5,420	
14,000	5,160	
16,000	5,160	
18,000	5,160	
20,000	5,160	
22,000	5,160	
24,000	5,160	
26,000	5,150	
28,000	4,750	
30,000	4,350	
32,000	3,950	
34,000	3,550	
36,000	3,150	
38,000		3,000
40,000		3,000
42,000		3,000
44,000		3,000
46,000		3,000
48,000		3,000
50,000		2,830

Table 2A (cont'd)*Projected benefits for single seniors in 2001*

Income	Tax-free Seniors Benefit	Net benefit under OAS/GIS
	(dollars per year)	
52,000		2,660
54,000		2,480
56,000		2,270
58,000		2,010
60,000		1,780
62,000		1,590
64,000		1,440
66,000		1,280
68,000		1,130
70,000		970
72,000		810
74,000		660
76,000		500
78,000		350
80,000		190
82,000		40
84,000 and above		0

Table 2B*Projected benefits for one-income¹ couples in 2001*

Couple's income	Tax-free Seniors Benefit	Net benefit under OAS/GIS
(dollars per year)		
0	18,440	
2,000	17,440	
4,000	16,440	
6,000	15,440	
8,000	14,440	
10,000	13,440	
12,000	12,440	
14,000	11,440	
16,000	10,440	
18,000	10,320	
20,000	10,320	
22,000	10,320	
24,000	10,320	
26,000	10,310	
28,000	9,910	
30,000	9,510	
32,000	9,110	
34,000	8,710	
36,000	8,310	
38,000	7,910	
40,000	7,510	
42,000	7,110	
44,000		6,900
46,000		6,900
48,000		6,900
50,000		6,730

Table 2B (cont'd)*Projected benefits for one-income¹ couples in 2001*

Couple's income	Tax-free Seniors Benefit	Net benefit under OAS/GIS
	(dollars per year)	
52,000		6,550
54,000		6,380
56,000		6,170
58,000		5,910
60,000		5,680
62,000		5,500
64,000		5,310
66,000		5,140
68,000		4,980
70,000		4,830
72,000		4,670
74,000		4,520
76,000		4,360
78,000		4,200
80,000		4,050
82,000		3,890
84,000		3,860
86,000 and above		3,860

¹ Assumes that all the income of the couple is in the hands of one spouse.

Table 2C*Projected benefits for two-income¹ couples in 2001*

Couple's income	Tax-free Seniors Benefit	Net benefit under OAS/GIS
	(dollars per year)	
0	18,440	
2,000	17,440	
4,000	16,440	
6,000	15,440	
8,000	14,440	
10,000	13,440	
12,000	12,440	
14,000	11,440	
16,000	10,440	
18,000	10,320	
20,000	10,320	
22,000	10,320	
24,000	10,320	
26,000	10,310	
28,000	9,910	
30,000	9,510	
32,000	9,110	
34,000	8,710	
36,000	8,310	
38,000	7,910	
40,000	7,510	
42,000		7,390
44,000		7,210
46,000		7,040
48,000		6,860
50,000		6,750
52,000		6,750
54,000		6,750
56,000		6,750
58,000		6,750
60,000		6,750

Table 2C (cont'd)
Projected benefits for two-income¹ couples in 2001

Couple's income	Tax-free Seniors benefit	Net benefit under OAS/GIS
	(dollars per year)	
62,000		6,700
64,000		6,580
66,000		6,460
68,000		6,350
70,000		6,230
72,000		6,120
74,000		6,000
76,000		6,000
78,000		6,000
80,000		6,000
82,000		5,900
84,000		5,800
86,000		5,690
88,000		5,590
90,000		5,480
92,000		5,370
94,000		5,220
96,000		5,070
98,000		4,910
100,000		4,780
102,000		4,670
104,000		4,560
106,000		4,470
108,000		4,380
110,000		4,280
112,000		4,190
114,000		4,100
116,000		4,000
118,000		3,910
120,000 and above		3,820

¹ Assumes that the couple's income is split 60/40 between the spouses.