



OLD AGE SECURITY

March 2004

The Allowance and the Allowance for the Survivor



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Social Development
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Canada

This booklet on the Allowance and the Allowance for the survivor contains general information only. In case of disputes, the wording and provisions of the *Old Age Security Act and Regulations* prevail.

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The Old Age Security program

The Old Age Security (OAS) program is the cornerstone of Canada's retirement income system. It is best known for its monthly pension for people 65 and older.

OAS is different from the Canada Pension Plan (CPP). The CPP is funded through contributions paid by workers and employers, and provides benefits to workers and their families. The OAS is funded from general government revenues.

OAS and the CPP combine with company pensions and private retirement investments to provide Canadians with one of the best retirement income systems in the world.

This booklet describes the Allowance and the Allowance for the survivor.

The OAS also offers:

> **The Old Age Security pension**

The Old Age Security pension is paid each month to most people over 65 who meet the residence requirements. For more information, see the booklet *Old Age Security Pension*.

> **The Guaranteed Income Supplement**

The Guaranteed Income Supplement provides extra money to pensioners with low incomes. To qualify for the Supplement, you must also be receiving the Old Age Security pension. For more information, see the booklet *Guaranteed Income Supplement*.





The Allowance and the Allowance for the survivor

The Allowance and the Allowance for the survivor are benefits for seniors aged 60 to 64 with low incomes. They are designed to bridge the gap until these people become eligible for the OAS pension. To receive the Allowance or the Allowance for the survivor, you must meet the requirements described later in this booklet.

> What is a “spouse”? What is a “common-law partner”?

For the purposes of OAS, a “spouse” is a person of the opposite sex to whom you are legally married. A “common-law partner” is a person of the same or opposite sex with whom you have been living in a conjugal relationship for at least one year.





Qualifying for the Allowance or the Allowance for the survivor

You may qualify for the **Allowance** if you have a low income and your spouse or common-law partner receives or is eligible for the Guaranteed Income Supplement.

You may qualify for the **Allowance for the survivor** if your spouse or common-law partner has died. (In the case of same-sex couples, you may qualify for the Allowance for the survivor if your partner died on or after January 1, 1998.)

In addition, to qualify for the Allowance or the Allowance for the survivor, you must:

1. be 60 to 64 years old;
2. be a Canadian citizen or legal resident when your benefit is approved (or have been one when you last lived in Canada); and
3. have lived in Canada for at least 10 years after turning 18.

To receive the Allowance, you must not be divorced or voluntarily separated from your spouse or common-law partner for more than three months.

If you have **not** lived in Canada for at least 10 years since you turned 18, but have lived or worked in a country that has an international social security agreement with Canada, you may still qualify. Call us for more information.

> Can I qualify if I applied before and was turned down?

If you have previously applied for the Allowance or the Allowance for the survivor (formerly the Spouse's Allowance and the Widowed Spouse's Allowance) but did not qualify, you can apply again. Your circumstances or income may have changed and you may qualify now.

Also, since July 1, 2000, changes to the legislation have made same-sex common-law partners eligible for the Allowance.

If you think you may now be eligible, call us at the toll-free number on page 30.



Applying for the Allowance and the Allowance for the survivor

> How do I get an application kit?

Normally, we will send you an application kit when our records show that you may be eligible for the Allowance. You should complete the application and return it to us as soon as possible. Since there are restrictions on retroactive payments, you could lose some benefits if you don't apply right away.

If your spouse or common-law partner has died, please contact us (see page 30). We will send you an application kit for the Allowance for the survivor. Again, you should complete and return it quickly. If you do not apply right away, you may miss some benefits.

If you haven't received an application kit, but you think you may qualify for the Allowance or the Allowance for the survivor, please contact us (see page 30).

> What if I need help?

If you need help completing your application, please call us. A service agent will answer your questions or make an appointment for you to come in to one of our offices to meet with an agent.

> Can I apply on behalf of someone else?

Normally, individuals must apply for the Allowance and the Allowance for the survivor on their own behalf. If you are applying for someone else, please contact us for more information.



> What documents will I need to provide?

Depending on your situation, you will have to provide some or all of the following documents:

Seniors with a spouse or common-law partner who receives or is eligible for the Guaranteed Income Supplement	Seniors whose spouse or common-law partner has died
<ul style="list-style-type: none">• Birth/baptismal certificate• Marriage certificate/statutory declaration and proof of cohabitation• Citizenship/immigration documents	<ul style="list-style-type: none">• Birth/baptismal certificate• Marriage certificate/statutory declaration and proof of cohabitation• Citizenship/immigration documents• Death certificate of spouse or common-law partner

Birth or baptismal certificate — Normally, you have to submit a birth or baptismal certificate to prove that you are between 60 and 64 years of age. You do not have to send these documents if you have already applied for a Canada Pension Plan benefit and provided us with proof of your age at that time. If you cannot

obtain one of these certificates, call us for information about other documents that you may be able to use instead.

Marriage certificate or statutory declaration and proof of cohabitation — If you are married, you must provide a marriage certificate. Common-law couples must sign a “statutory declaration” and prove that they have been living together for at least one year. See below for more details.

Couples married in Canada — If you don’t have your marriage certificate, there are two ways to get it:

- You can get a certificate from the institution in which you were married.
- You can contact the Registrar of Vital Statistics in the capital city of the province or territory in which you were married.

Couples married outside Canada — If you don’t know how to get a copy of your marriage certificate, call us.

Common-law relationships —

You must provide a statutory declaration that gives the date when you and your partner began living together. Call us for a copy of this form and for help to complete the declaration.

You must also provide **objective** proof that you and your partner have been living in a conjugal or marriage-like relationship for at least 12 months. Some examples of documents that you could use are listed below. The documents you choose should indicate your marital status or give your shared address.

Documents you can use to prove cohabitation:

- tax returns
- Guaranteed Income Supplement applications
- joint bank accounts
- wills
- investments
- bills

If you have any questions about proving your common-law relationship, please call us.

Citizenship or immigration documents — If you were not born in Canada, you must prove your legal status in Canada by showing us your citizenship or immigration documents. If you have not lived continuously in Canada since the age of 18, you must submit proof of all the dates when you arrived in or left Canada. Usually, you do this with a passport.

The application kit contains more detailed information about these requirements.





How we calculate your benefits

The Allowance is based on your income for the previous year plus that of your spouse or common-law partner. The Allowance for the survivor is based on your previous year's income.

The following chart shows the maximum monthly benefits you can receive as of January 1, 2004. Benefits are based on annual income, excluding the Old Age Security pension and the Guaranteed Income Supplement.

These amounts may rise four times per year to keep up with inflation.

Maximum monthly benefit (January – March 2004)

Allowance	\$820.48
Allowance for the survivor	\$905.83

Most seniors get less than the maximum amounts because they have income from other sources.

> What do you consider to be income?

When applying for the Allowance or the Allowance for the survivor, you must report the following income:

- Canada Pension Plan or Quebec Pension Plan benefits
- private pension income and superannuation
- foreign pension income
- RRSPs that you cashed
- Employment Insurance benefits
- interest on any savings
- any capital gains or dividends
- income from any rental properties
- any employment income
- income from other sources

Old Age Security pension payments and Guaranteed Income Supplement benefits do **not** count as income. Consult the application form for more details about what to include as income.



> What happens if my/our income drops?

In some situations, such as when you stop working or when your other pension income drops, we can calculate your benefits by estimating your income for **this** year, instead of using last year's income. If you or your spouse or common-law partner have a lower income this year, you should let us know. Your benefits may increase.

> What if we separate?

If you and your spouse or common-law partner separate voluntarily for more than three months, your Allowance will end. If you and your spouse are separated for reasons beyond your control (for example, if one of you has to live in a hospital or nursing home), please call us for more information.

> What if I remarry?

You qualified for the Allowance for the survivor because your spouse or common-law partner died. If you remarry, your Allowance for the survivor will end. It will also end if you live in a common-law relationship for at least one year. You must notify us of any changes.



Receiving the Allowance and the Allowance for the survivor

> When will my benefits begin?

Once we approve your application, your Allowance will begin the month after one of these dates, **whichever is latest**:

- your 60th birthday;
- when you meet the residence and income requirements; **or**
- when your spouse or common-law partner qualifies for the Guaranteed Income Supplement.

If you apply for the Allowance or the Allowance for the survivor sometime after becoming eligible for benefits, you can receive a retroactive payment of up to 11 months in addition to a payment for the month in which you apply.

> When will my payments arrive?

Payments usually arrive in the last three banking days of each month. If your payment is more than a week late, or if you lose it, please call us.

> **Can you send the payment to my bank?**

Yes. We can deposit your payment into your bank account through our direct deposit service. Although payment by cheque is still possible, direct deposit offers several advantages:

- Your deposit is always on time and you can immediately start using the money or earning interest.
- Your payment is never lost, stolen or damaged.
- Your payment is automatically deposited into your account if you are ill or away.

Call us to learn more about this free service. If you wish to sign up for the service by telephone, be sure to have the following information when you call:

Personal information

- your social insurance number
- your telephone number, including the area code
- your current home address, including the postal code

Banking information

- the name of your bank or financial institution
- the branch number of your bank
- your account number

If you have a chequing account, you can find the bank information on your cheques.

> What happens if I move?

If you are planning to move, please tell us your new address and postal code as soon as possible. This will allow us to update our records and make sure your payment gets to you on time. Even if your payments are deposited directly into your bank account, we need to know your new address so we can send you information and your yearly income tax slip or renewal form.

> Can I receive my Allowance or Allowance for the survivor benefits outside Canada?

The Government of Canada designed the Allowance and the Allowance for the survivor to support low-income seniors living in Canada. If you spend more than six months in a row outside Canada, we will make

payments for the month you leave and for six months after that. Then payments will stop.

For example, if you left Canada in January, we would send payments until the end of July. After July, the payments would stop.

If you stay outside Canada for a longer period, then return, you can always reapply when you come back to live in Canada.

> Will I get cost-of-living increases?

We will increase your pension payments to reflect increases in the cost of living as measured by the Consumer Price Index. We apply any increases every three months – in January, April, July and October.

Your monthly payment will not go down if the cost of living falls.

> Can my benefits stop?

We stop paying the Allowance and the Allowance for the survivor if one of the following occurs:

- You do not reapply for the benefit for the coming year.

- Your income, or the total income of you and your spouse or common-law partner, is above a certain level.
- You leave Canada for more than six months in a row (see page 17).
- If you qualified for the Allowance for the survivor because your spouse or common-law partner died, then you remarry or begin living in a common-law relationship.

And, of course, your benefits will end if you die.

> What happens if my spouse or partner dies?

If you are receiving the Allowance and your spouse or common-law partner dies, you will be switched to the Allowance for the survivor. Your benefits will then be calculated on the basis of your income alone.



> What happens when I turn 65?

At the age of 65, most people who receive the Allowance or the Allowance for the survivor have their benefit automatically changed to an Old Age Security pension. At this point you may also be eligible for the Guaranteed Income Supplement. See the booklets *Old Age Security Pension* and *Guaranteed Income Supplement* for more information.





Renewing your benefits

The Allowance and the Allowance for the survivor are based on annual income. Since your income can change from year to year, **you must renew your application for these benefits each year.**

In most cases, you can renew your Allowance or your Allowance for the survivor when you file your income tax and benefit return. If you file by the April 30th deadline, the Canada Revenue Agency will give us the income information we require.

If you do not file an income tax and benefit return, or if we need more information, we will send you a renewal form. If you receive a form from us, you must complete and return it as soon as you have all the necessary income information.

Each July, you will receive a letter that tells you the amount of your new monthly payment.

If you do not reapply for the Allowance or the Allowance for the survivor in the spring, or if your income is higher than a certain level, your payments will end in July of that year. Your benefits will also stop when you reach 65 and become eligible for the Old Age Security pension.





Filing your income tax and benefit return

Neither the Allowance nor the Allowance for the survivor is considered taxable income. However, you must still report them on your tax return.





Appealing a decision

If you disagree with a decision that affects your Allowance or Allowance for the survivor, you have the right to an explanation.

Call us first and we can usually settle the matter. If you are not satisfied with our response, you can request a “reconsideration.” To do this, you must send a letter to the Regional Director of Income Security Programs as soon as possible after receiving notice of our decision. You can call us for the mailing address for your region or look up the address on our Web site.

In your letter, tell the Regional Director:

- your name;
- your address;
- your social insurance number; and
- your reason(s) for requesting a reconsideration.

If you are not satisfied with the Regional Director’s response, you can appeal the decision to a Review Tribunal.



Protecting your privacy

Your privacy is protected by law.

The *Old Age Security Act* and *Regulations* ensure that only specific agencies authorized by the Minister of Social Development are entitled to review the relevant parts of your records. Personal information in your file cannot be given to other agencies or individuals without your consent.

The *Access to Information Act* also prevents the release of information about you without your consent. There are two exceptions: information can be released if it has already been made public or if the release is allowed under the *Privacy Act*. The government can use information only for the purpose for which it was collected, except to comply with a warrant or subpoena or to enforce a law.

> **Can I have access to information on my file?**

You have the right to review information about you that is kept on file by the Government of Canada.

To help Canadians find information about themselves, the Government of Canada publishes *Info Source: Sources of Federal Government Information*.

To make a request, you must fill out an information request form. These forms and *Info Source* are available in government offices open to the public, such as Human Resource Centres of Canada. They are also available at public libraries, at most rural post offices, at Canadian missions abroad and on the Internet. You can find the *Info Source* Web site at: <http://infosource.gc.ca>.





Other public retirement benefits

If you contributed to either the Canada Pension Plan or the Quebec Pension Plan in at least one year since January 1966, you may be eligible for a retirement pension at the age of 65.

If you have retired or substantially reduced your hours of work, you could qualify for a reduced retirement pension as early as the age of 60 if you have made sufficient contributions.

Disability and survivor benefits are also available under both plans if sufficient contributions have been made.

You must apply to receive any of these benefits.

Call us for more information about the Canada Pension Plan.

For more information on the Quebec Pension Plan, contact:

La Régie des rentes du Québec
P.O. Box 5200
Québec, QC G1K 7S9

Employment Insurance

You may be eligible for benefits under the Employment Insurance program. Please contact your local Human Resources office.

War Veterans Allowances

You may also be entitled to benefits from other federal programs such as War Veterans Allowances. Contact Veterans Affairs Canada for more information.

Provincial and municipal programs

Your provincial and municipal governments may offer income assistance and services to seniors. For more information, please contact these governments directly.





Other publications

(available in print and/or online)

Canada Pension Plan

- *Annual Report*
- *Retirement Pension*
- *Disability Benefits*
- *Survivor Benefits*
- *Credit Splitting Upon Divorce or Separation*

Old Age Security

- *Old Age Security Pension*
- *Guaranteed Income Supplement*

General

- *Canada's Retirement Income System*
- *Overview (of the Canada Pension Plan and Old Age Security programs)*

Fact sheets on social security agreements are also available.

> Contact us



1 800 277-9914 (toll-free)

 **1 800 255-4786**

(if you use a TTY machine)



On the Internet or by email,
please visit:

www.sdc.gc.ca/isp

**** Our lines are busiest at the beginning and end of the month. If your inquiry can wait, it's best to call at other times. Please have your social insurance number ready.***



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