

# Fact Sheet

## Information for seniors

### Guaranteed Income Supplement or Allowance renewal process

In most cases, you will be able to renew your Guaranteed Income Supplement (GIS) and Allowance benefits by filing your return with the Canada Revenue Agency (CRA). This results in less paperwork for you and saves the government time and money.

Your revised GIS or Allowance monthly payments, based on your 2006 income, begin in July 2007. This gives us time to send Human Resources and Social Development Canada (HRSDC) the information they need to calculate the monthly payment based on the information you will provide in your 2006 income tax return.

### Do you have to file a return to renew the GIS or the Allowance?

No. If you have no legal requirement to file a return and do not plan to claim any tax benefits, you can choose not to file. However, if you choose not to file a return, you must fill in a GIS or Allowance renewal application form and send it to HRSDC. See the *T1S-A Income Tax and Benefit Guide* or the *General Income Tax and Benefit Guide* for details on who should file a return.

### What happens if you choose to file a 2006 return?

In most cases, you will automatically renew your GIS or Allowance benefits by filing an income tax return by April 30, 2007. However, in some cases HRSDC will need more information and will mail you a GIS or Allowance renewal application form. If you receive a form, you must complete it and send it back to HRSDC even if you file a 2006 return.

When calculating the GIS or Allowance payments that start in July, HRSDC considers information from both the tax return and the renewal application form. HRSDC will also determine if, in the future, your GIS or Allowance benefits can be based on the return alone.

### What happens if you do not file a 2006 return?

If you do not file a return, you must use a renewal application form to tell HRSDC how much income you had for 2006 to continue receiving, if entitled, your GIS or Allowance payments in July 2007. If you do not receive a renewal application form in the mail by April 15, 2007, you should call HRSDC at the telephone number provided below.

If you want to receive or continue to receive the goods and services tax/harmonized sales tax (GST/HST) credit and other related sales tax credits such as the Newfoundland Harmonized Sales Tax Credit, Newfoundland and Labrador Seniors' Benefit, and the Saskatchewan Sales Tax Credit, you must file a 2006 income tax and benefit return and check the "Yes" box in the GST/HST application area on page 1 of the return.

For information about the GIS or the Allowance, call HRSDC at **1-800-277-9914**. If you have a hearing or speech impairment and use a TDD/TTY device, call **1-800-255-4786**.



## What is the age amount and who can claim it?

If you are 65 or older on December 31, 2006, you may be able to claim this amount to reduce your income tax payable. To claim it, you have to file a return and complete line 301 on your federal Schedule 1 and line 5808 on your provincial or territorial Form 428. See the tax package for details.

You may also be able to claim all or part of your spouse's or common-law partner's age amount. See the tax package for details.

## Old Age Security repayment

You may have to repay all or a part of your Old Age Security (OAS) pension or net federal supplements if your net income before adjustments is more than \$62,144 for 2006. You can calculate the amount you have to repay on the *Federal Worksheet* in the forms book included in your tax package.

If you had an OAS repayment for 2005, tax may have been withheld from your monthly OAS pension for 2006. Similarly, if you have an OAS repayment for 2006, tax may be withheld starting with the July 2007 OAS payment.

## How can you avoid owing taxes on April 30, 2007?

If you owe tax at the end of the year, it's usually because not enough tax was withheld from your OAS income. To prevent this from happening the following year, call your Income Security Programs office to ask them to withhold more tax at source. You can call HRSDC at **1-800-277-9914**. Persons with hearing or speech impairments using TDD/TTY devices can call **1-800-255-4786**. You can also call your pension plan administrators to make the same request. In addition, employers will withhold more tax at source if they receive a request from their employees.

## When do you have to mature your registered retirement savings plan (RRSP)?

Your registered retirement savings plan (RRSP) must be converted to provide you with a retirement income by the end of the year in which you turn 69. Your conversion options are to either:

- cash in your RRSP and pay income tax in that year on the money you receive; or
- use the money in the plan to buy an annuity for life, an annuity spread over a number of years, or a registered retirement income fund.

For more information, see guide T4040, *RRSPs and Other Registered Plans for Retirement*. To get forms or publications, visit our Web site at **www.cra.gc.ca/forms** or call **1-800-959-2221**.

## When do you have to start receiving a pension from your registered pension plan (RPP)?

- You have to start receiving a pension from your RPP by the end of the year in which you turn 69.
- The maximum age at which you can accrue a current-year benefit under an RPP is 69.

For more information, visit our Web site at **www.cra.gc.ca** or see Information Circular IC72-13R8, *Employees' Pension Plans*. To get forms or publications, visit our Web site at **www.cra.gc.ca/forms** or call **1-800-959-2221**.

## Services for Seniors guide

*Services for Seniors* is a guide to more than 120 programs and services provided by the Government of Canada. It covers everything from income support to housing, health and safety issues.

For a free copy, call **1-800-O-Canada (1-800-622-6232)**. For TTY users, call **1-800-926-9105**. Visit **www.servicecanada.gc.ca** or your local Service Canada Centre. The guides are also available in alternative formats (large print, Braille, audio cassette or computer diskette) by calling **1-800-O-Canada**.

## **More information**

The Community Volunteer Income Tax Program is available for individuals who are unable to complete their own income tax and benefit returns themselves and are unable to pay for assistance. Specially trained volunteers can help eligible individuals complete their income tax and benefit returns if their income is low and their tax situation is simple.

If you would like to know more about the Community Volunteer Income Tax Program, visit our Web site at [www.cra.gc.ca/volunteer](http://www.cra.gc.ca/volunteer) or call us at **1-800-959-8281**.