

CARP Submission to the Senate Social Affairs Committee re: Bill C-29



Senate Social Affairs Committee
Senate of Canada
Room 1019, Chambers Bldg
Ottawa, ON

Dear Senate Committee Members:

CARP is a national non-profit, non-partisan association with 300,000 members across Canada, most of whom are retired, with above average education, income and net worth.

CARP believes that all Canadians should be able to retire knowing they have the financial stability to afford housing, medication, food, and basic necessities. CARP unconditionally supports the proposed amendments to the *Old Age Security Act* contained within Bill C-29. The rationale for reducing GIS supplements to married or common law couples was savings incurred through joint consumption. This rationale does not apply to married and common law couples who do not reside in the same dwelling and the cost of basic necessities. The change will effectively ensure that couples with no yearly income, excluding OAS pension and GIS, will receive OAS/GIS payments totalling \$2,885.24 as opposed to \$2,197.40,

While CARP is supportive of the proposed amendments, there is a real need for significant enhancements to the GIS. A single senior in Canada with no income can expect a yearly payment of \$13,184.40 through the OAS and GIS. Based on 2014 numbers, the Fraser Institute estimates the poverty line for a single-person household to be \$13,310.00.¹ We are guaranteeing an income below the poverty line for single seniors. The problem is exacerbated when one considers the significant increases to seniors' cost of living. For example, in Ontario last year, hydro prices for the average consumer rose by over 15%. The situation is unsustainable for seniors without other sources of income and the result will be an increased proportion of seniors living in poverty. Canada has to do better. CARP would urge the Senate to consider taking up this cause and ensuring that vulnerable seniors can focus on living the golden years of their lives, instead of worrying about where their next meal will come from.

¹ Fraser Institute. (January, 2016). *An Introduction to the State of Poverty in Canada*. Located online at [<https://www.fraserinstitute.org/sites/default/files/an-introduction-to-the-state-of-poverty-in-canada.pdf>]

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Thank you for the opportunity to raise these very important concerns on behalf of our members in Ontario. We look forward to hearing from you.

Sincerely,

A handwritten signature in blue ink that reads 'Wanda Morris'.

A handwritten signature in blue ink that reads 'Wade Poziomka'.

Wanda Morris

Wade Poziomka

VP of Advocacy

Director of Policy