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Old Age Security Pension



Canada

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Canada's retirement income system

Canada has a public pension system that provides seniors with a secure, modest base of retirement income.

The two main public pension programs are:

- the Old Age Security (OAS) program; and
- the Canada Pension Plan (CPP).

The OAS program and CPP, combined with retirement savings, investments and private pension plans, provide Canadians with one of the best retirement income systems in the world.

The Old Age Security program

The OAS program is the Government of Canada's largest pension program.

You do not have to pay into the OAS program since it is funded through general tax revenues.

In addition to the OAS pension, there are three types of income-tested benefits that provide additional support to seniors with low incomes:

- the Guaranteed Income Supplement (GIS);
- the Allowance; and
- the Allowance for the Survivor.

The Old Age Security pension

The OAS pension is a monthly payment available to seniors aged 65 and older who meet the legal status and residence requirements. If you meet the requirements, you can receive the OAS pension even if you are still working or have never worked.

Who can receive the Old Age Security pension?

If you live in Canada

You must:

- be 65 or older;
- be a Canadian citizen or a legal resident of Canada at the time we approve your pension application; and
- have lived in Canada for at least 10 years after turning 18 years old.

If you live outside Canada

You must:

- be 65 or older;
- have been a Canadian citizen or legal resident of Canada on the day before you left Canada; and
- have lived in Canada for at least 20 years after turning 18 years old.

If you do not meet the requirements listed above, you may still qualify for a pension from another country, from Canada, or from both if you have:

- lived in one of the countries with which Canada has a social security agreement in force; or
- contributed to the social security system of one of the countries with which Canada has a social security agreement in force.

To see the list of countries with which Canada has a social security agreement, visit www.esdc.gc.ca/en/cpp/international/apply.page.

Applying for the Old Age Security pension

Automatic enrollment

Automatic enrollment has eliminated the need for many seniors to apply for the OAS pension.

If you are going to be automatically enrolled for your OAS pension, you will be notified by mail the month after you turn 64 years old. If you do not receive a letter within six months after turning 64, you have not been automatically enrolled. If you would like to start receiving your OAS pension at age 65, or a later date, you will need to complete an application form and submit it to Service Canada to receive your pension.

Deferring your Old Age Security pension

You do not have to start receiving your OAS pension when you turn 65. You can start receiving it any time after age 65. The longer you delay receiving it, the more money you will receive. Your monthly pension payment will be increased by 0.6 percent for every month you delay receiving it after age 65, up to a maximum of 36 percent at age 70.

If you choose to delay receiving your OAS pension after age 65:

- you will not be eligible for the Guaranteed Income Supplement (GIS) for low-income seniors during the period you are delaying your OAS pension; and
- your spouse or common-law partner will not be eligible for the Allowance for the period you are delaying your OAS pension. The Allowance is a monthly benefit available to the spouse or common-law partner of an OAS recipient who is eligible for the GIS.

To decide when to start receiving your OAS pension, you should consider your personal situation. It may affect other benefits that you, or your spouse or common-law partner could receive. You should take into account your:

- current and future sources of income;
- employment status now and in the future;
- health; and
- plans for retirement.

When should I apply?

If you were not selected for automatic enrollment, and if you want to start receiving your OAS pension, you should apply at least six months before your 65th birthday.

If you are already 65 and want to start receiving the OAS pension, send your application as soon as possible so you won't lose any payments.

If you are applying for your OAS pension after you turn 65, and you do not want to delay the receipt of your pension, we will give you a retroactive payment for up to 12 months. You may be eligible for retroactive payments covering a longer period if, due to a medical condition, you can show that you were unable to apply earlier or to ask someone to apply on your behalf.

If you are sentenced for two years or more in a federal prison you may still apply for your OAS pension. However, you will not receive pension payments while you are serving your sentence. You must notify Service Canada in writing of your release and your OAS pension payments will begin the month of your release.

For more information, visit Canada.ca/oas.

How do I apply?

You will need an OAS pension application kit, which consists of the *Application for the Old Age Security Pension* form (ISP3000) and the *Old Age Security Pension Information Sheet* (ISP3000A).

You can get the kit by:

- visiting www.servicecanada.gc.ca/fi-if/index.jsp?app=prfl&frm=isp3000;
- visiting a Service Canada Centre; or
- calling (toll-free) 1-800-277-9914.

Mail your completed application to the address provided in the kit.

Can someone else contact Service Canada on my behalf?

If you want to authorize someone to communicate with Service Canada on your behalf, you will need to print the *Consent to Communicate Information to an Authorized Person* form (ISP16030AS), complete it, and mail it to Service Canada.

This form does not allow the person to apply for benefits on your behalf, change your payment address, or request/change the withholding of tax.

If you cannot manage your own affairs, another person or agency (a Trustee or someone with a Power of Attorney) may be appointed to act on your behalf. Visit Canada/oas.

What documents will I need to provide?

If you were not born in Canada, you must prove your legal status in Canada with your citizenship or immigration documents. If you have not lived continuously in Canada after turning age 18, you must submit proof of all the dates you arrived in or left Canada for periods of over six months. You can do this by providing your passports, visas, airline, ship, and bus tickets, and other documents that prove your residence history in Canada.

When official documents are not available, you may submit other documents such as school and census records, letters from employers, and contracts (mortgage, lease, etc.). Contact us for more examples of acceptable proof.

If you no longer have your original immigration documents, Service Canada may be able to obtain information from Immigration, Refugees and Citizenship Canada on your behalf. To do so, you must complete, sign and return the *Consent to Exchange Information with Citizenship and Immigration Canada* (ISP3210) with your OAS application.

If you have already provided these documents to us, you do not have to provide them again.

The application kit contains more details about these requirements.

How much will I receive?

The amount you will receive (whether you qualify for a full pension or a partial pension) depends on how long you have lived in Canada.

Also, OAS benefits are adjusted four times a year (January, April, July and October) based on the Consumer Price Index. As of October 2016, the maximum monthly OAS pension amount was \$578.53. For the most up-to-date benefit amounts, visit www.esdc.gc.ca/en/cpp/oas/payments.page.

Full pension

You may qualify for a full Old Age Security pension in one of two ways:

1. You resided in Canada for at least 40 years after turning age 18, or
2. You were born on or before July 1, 1952, and
 - on July 1, 1977, you resided in Canada; or
 - on July 1, 1977, you did not reside in Canada but after turning age 18, you resided in Canada for a period of time prior to July 1, 1977; or
 - on July 1, 1977, you possessed a valid Canadian immigration visa.

In addition, you must have lived in Canada continuously for the 10 years immediately before the approval of your OAS pension. If you were absent from Canada during this 10-year period, you may still qualify for a full pension if:

- you lived in Canada for at least one year immediately before the approval of your OAS pension, and
- you had prior periods of time living in Canada that were equal to at least three times the amount of time you were living outside Canada during this 10-year period.

Contact Service Canada to find out if you qualify.

Partial pension

If you do not qualify for the full OAS pension, and do not want to wait until you do, you may qualify for a partial pension.

To qualify for a partial pension, you must have lived in Canada for at least 10 years after turning age 18.

If you have lived in Canada for one full year, you may qualify for a partial OAS pension under an international social security agreement.

A social security agreement coordinates the pension programs of two countries for people who have lived or worked in both countries. Canada has international social security agreements with many countries that offer comparable pension programs.

If you have lived or worked in another country, you may be eligible for social security benefits, either from that country, from Canada or from both countries. Visit www.esdc.gc.ca/en/cpp/international/index.page for more information.

What to expect after applying

How will I be notified of a decision?

If you are eligible for the OAS pension, we will send you a letter informing you of the decision and when your payments will begin. This letter will be mailed to you about one month before you receive your first payment.

When will my pension payments begin?

Your pension payments will begin during one of the following months, whichever is latest:

- the month after you meet the residence and legal status requirements;
- the month after your 65th birthday; or
- the month you asked for your OAS pension to start in and that you meet all eligibility requirements.

For information on payment amounts, visit

www.esdc.gc.ca/en/cpp/oas/payments.page.

When will I receive my payments each month?

If you sign up for direct deposit, your payment is automatically deposited into your bank account on the third-from-last banking day of each month, otherwise it will be sent to you by mail, usually during the last three banking days of each month.

If you are automatically enrolled for the OAS pension and if you currently receive a CPP benefit by direct deposit, we will deposit your OAS pension payments to the same account.

For more information or to sign up for direct deposit, visit www.esdc.gc.ca/en/service_canada/direct_deposit.page or contact us.

Can I receive my pension outside Canada?

Yes. Usually, we can send your pension payment outside the country if you:

- lived in Canada for at least 20 years after turning age 18; or
- lived or worked in a country that has a social security agreement in force with Canada and you meet the 20-year residence requirement under the provisions of that agreement.

If you do not meet either of the above requirements, we can only send your pension payments outside Canada for the month you left and for six months after that.

Example

If you left Canada in January, we would send your payments until the end of July. After July, the payments would stop.

If you return to Canada after being away for more than six months, every additional year in Canada will be counted in order for you to reach your 20 years of residence to receive your OAS pension outside the country.

If you plan to be absent from Canada for more than six months, you must call us. You should also let us know when you return to Canada so that we can restart your pension payments, beginning the month you return. It is important to let Service Canada know this information to ensure that you receive the amount you are entitled to, and also to avoid potential penalties and having to repay any amount that you were not entitled to receive.

Will my pension ever stop?

Yes. Your pension will stop if you ask to have it stopped or when you die. (It is important for someone to notify us of your death to avoid overpayments.) If you lived in Canada for less than 20 years after turning age 18, it will stop if you leave Canada for more than six months.

Your pension will also stop if you are in a federal prison serving a sentence of two years or more. You must notify Service Canada in writing of your release and your payments will start again the month you are released.

Is my OAS pension taxable?

Yes. Like most other retirement income, your OAS pension is taxable.

By the end of February each year, you will receive a T4A (OAS) tax information slip (or an NR4-OAS tax information slip if you are not living in Canada) showing the amount of OAS pension you received the previous year.

You can voluntarily ask Service Canada to deduct income tax from your pension payment each month. Visit www.servicecanada.gc.ca/fi-if/index.jsp?app=prfl&frm=isp3520cpp to print and fill out the Request for Voluntary Federal Income Tax Deductions.

If you do not request monthly tax deductions, you may have to pay your income tax in quarterly installments. For more information, contact the Canada Revenue Agency www.cra-arc.gc.ca/cntct/tso-bsf-eng.html.

Taxes for those living outside Canada

If you are a non-resident of Canada, for income tax purposes, your OAS pension may be subject to non-resident tax. This tax can be up to 25 percent of the gross benefit amount. The tax rate depends on the country you live in. For more information, contact the Canada Revenue Agency.

Is there a maximum income I can earn while receiving my OAS pension?

Yes. If your annual income is higher than the income threshold for the previous tax year, you may be subject to the OAS Recovery Tax, and you may have to repay part of your OAS pension. The OAS Recovery Tax requires that OAS pensioners repay their OAS pension at a rate of 15 percent of their income above a certain threshold.

Each year, the maximum income amount is adjusted to account for inflation. For the latest amounts, visit www.esdc.gc.ca/en/cpp/oas/recovery_tax.page.

Contact the Canada Revenue Agency about taxes

For Canadian tax-related enquiries:

- 1-800-959-8281 (from Canada and the United States)
- 1-800-665-0354 (TTY: if you have a hearing or speech impairment and use a teletypewriter)

For international tax enquiries (including non-resident enquiries), contact the International Tax Services Office:

- 1-800-959-8281 (from Canada and the United States)
- 1-613-940-8495 (from all other countries, collect calls accepted)
- 1-800-665-0354 (TTY: if you have a hearing or speech impairment and use a teletypewriter from Canada and the United States)

Or write to:

International and Ottawa Tax Services Office
Canada Revenue Agency
Post Office Box 9769, Station T
Ottawa ON K1G 3Y4
CANADA

Guaranteed Income Supplement, Allowance, and Allowance for the Survivor

In addition to the OAS pension, seniors with a low income may qualify for other OAS benefits, such as the Guaranteed Income Supplement (GIS), the Allowance, or the Allowance for the Survivor.

To receive these benefits, you must apply.

What is the Guaranteed Income Supplement?

The GIS provides a monthly, non-taxable benefit to OAS pension recipients living in Canada who have a low income.

To be eligible to receive the GIS, you must be receiving the OAS pension. The amount you receive is based on your marital status and income.

To receive the GIS, your annual income must be below a specific amount. For the latest income amounts, visit www.esdc.gc.ca/en/cpp/oas/payments.page or contact us.

To find out if you qualify for the GIS, or for more information, visit Canada.ca/GIS or contact us.

What are the Allowance and the Allowance for the Survivor?

The Allowance and the Allowance for the Survivor are non-taxable benefits paid monthly to people with low income aged 60 to 64 (including the month of their 65th birthday).

The Allowance is available to the spouse or common-law partner of an OAS pension recipient who is eligible for the GIS. To be eligible, a couple's combined annual income must be below a specific amount.

For the most up to date benefit amounts, visit www.esdc.gc.ca/en/cpp/oas/payments.page.

To find out if you or your spouse (or common-law partner) qualifies for the Allowance or the Allowance for the Survivor, or for more information on these benefits, visit www.esdc.gc.ca/en/cpp/oas/allowance/index.page or contact us.

Other benefits

Could I be eligible for the Canada Pension Plan (CPP) and the Quebec Pension Plan (QPP)?

If you contributed to the CPP or the QPP in at least one year, you will be eligible for a retirement pension from one plan or the other as early as age 60.

The amount of your CPP retirement pension will depend on how much and for how long you have contributed to the CPP and on your age when you want your pension to start.

If you start your CPP retirement pension at age 65, you will get the full pension amount that you are eligible to receive. However, you can choose to start receiving a reduced pension as early as age 60 or an increased pension for every month you delay receiving it up to age 70.

For more information about CPP pension amounts and eligibility, visit Canada.ca/Canada-Pension-Plan.

You must apply to receive your CPP or QPP retirement pension.

Note: Post-Retirement Benefit

The Post-Retirement Benefit is a lifetime benefit that can increase your retirement income if you work while receiving the CPP retirement pension. Contributions are mandatory for working CPP retirement pension recipients under age 65 and their employers. At age 65, these workers can choose to stop contributing. There are no contributions after age 70. For more information, visit www.esdc.gc.ca/en/cpp/post_retirement/index.page.

The CPP and QPP also provide disability and survivor benefits. You must apply to receive these benefits.

For more information about the CPP, visit [Canada.ca/Canada-Pension-Plan](https://www.canada.ca/en/Canada-Pension-Plan) or contact us.

For more information about the QPP, contact Retraite Québec:

Online: www.retraitequebec.gouv.qc.ca/en/Pages/accueil.aspx

By phone: 1-800-463-5185

TTY: 1-800-603-3540

War Veterans Allowance

If you are a veteran, you may be entitled to receive benefits under the *War Veterans Allowance Act*. For more information, visit www.canada.ca/en/veterans-affairs-canada.html or call Veterans Affairs Canada at 1-866-522-2122.

Provincial, territorial and municipal programs

Your provincial, territorial and municipal governments may offer income assistance and services to seniors. For more information, visit [Canada.ca/Benefits-Finder](https://www.canada.ca/Canada.ca/Benefits-Finder).

The Government of Canada provides information on retirement planning, including useful tools such as the Canadian Retirement Income Calculator, at www.esdc.gc.ca/en/cpp/cric/page.

Contact us

Click Canada.ca

Call 1-800-277-9914 (from Canada and the United States)

1-613-957-1954 (from all other countries,
collect calls accepted)

1-800-255-4786 (TTY: if you have a hearing
or speech impairment and use a teletypewriter)

Visit a Service Canada Centre

Note: When you call

Please have your social insurance number ready.

