

Accessing and Optimizing Pensions and Public Benefits

BRITISH COLUMBIA EDITION



NICE

National Initiative for the Care of the Elderly

Initiative nationale pour le soin des personnes âgées

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Ensemble pour le bien-être des aînés

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Both Canada and British Columbia have several programs in place to assist low-income seniors. Each program has specific eligibility and application requirements.

Canada Pension Plan (CPP)

The Canada Pension Plan is an earnings related social insurance program run by the federal government. Adults, 18 and over and legally employed, pay into the CPP, and receive the benefits later in life.

When Do I Receive My CPP?

When you retire (see below), become disabled, or die, monthly CPP benefits are paid back to you or your family, **only if you apply** to Service Canada.

- If you are between ages 60 and 65 and have stopped working (you earn less than a government specified amount in the month your benefit begins), you may apply for CPP.
 - This rule is being eliminated beginning in 2012 and you can collect CPP between age 60 and age 65 and continue to work.
- If you apply for CPP before age 65 you will lose eligibility for CPP disability benefits.
- If you apply for CPP before age 65, your pension will be reduced by 0.5% per month up to a maximum of 30%.
 - Starting in 2012, your CPP will be further reduced, for each month before age 65 that you start receiving your CPP payments.

CANADA PENSION PLAN

- If you are 65 or older, your CPP will be increased for each month after age 65 (and up to age 70) that you delay getting your CPP payments.

How Much Money Will I Get From CPP, and How Much Do I Contribute?

- The amount of money you receive is based on your past contributions.
 - Ask Service Canada to send you a statement of contributions showing your total contributions and an estimate of your pension at age 65.
- You must earn a minimum of \$3,500 a year before CPP deductions are made.
- If you earn less than \$3,500 a year, you will not pay into CPP and you will not be eligible to collect CPP benefits.

Can I Receive CPP and Still Work?

- As of 2010, you can work and receive CPP, but you cannot contribute to CPP.
- Starting in 2012, you can continue to make CPP contributions after age 65 if you are working and are receiving CPP in the new Post Retirement Benefit plan.

CANADA PENSION PLAN (CONTINUED)

Can I Receive CPP and Still Work? (continued)

- Starting in 2012, if you are under 65 and receiving CPP payments and working, you and your employer must contribute to CPP. Your contributions will go towards the Post Retirement Benefit plan.
- Your contributions to the Post Retirement Benefit will be added to your current retirement benefits. This will gradually increase your retirement income.

When Should I Start Collecting CPP?

Factors to consider:

- If you receive CPP before age 65, you will receive a lower amount.
- If you receive CPP after age 65, your CPP payments will be greater.
- If you will also qualify for Guaranteed Income Supplement (GIS) benefits upon retirement, you may wish to take CPP before age 65 even though you will be receiving a smaller amount because GIS is reduced based on your income. A smaller CPP means you may be entitled to more GIS.
 - CPP is taxable income. GIS is non-taxable income.

CANADA PENSION PLAN: CREDIT SPLITTING

How Do I Apply for CPP?

You must complete an application form at least 6 months before you want your CPP to begin. Contact **Service Canada** at: **1-800-277-9914** (toll-free) or **1-800-255-4786** (TTY).

What is Credit Splitting?

- If you are **divorced or separated**, CPP combines both of your contributions (credits) while you were together and splits them equally. If you have a lower number of credits, this may help you qualify for CPP or increase your benefits.
- You **must apply** for a CPP credit split.

Other Facts You Should Know:

- **Drop-out Provision.** Years in which you did not receive any income, or years where you earned the lowest amount can be removed from the calculation, thus increasing the amount of CPP you will receive.
- **Drop-out for Child Rearing Provision.** This is a special provision for people who had a lower income or no income while raising children under the age of 7. You **must apply** for this provision when you apply for CPP.

For more information about eligibility and for an application form, contact **Service Canada** at: **1-800-277-9914** (toll-free) or **1-800-255-4786** (TTY).

CANADA PENSION PLAN DISABILITY BENEFIT

CPP Disability Benefit

The CPP disability benefit is a monthly payment to people who can no longer work due to a disability.

You Are Eligible if:

- You are under 65.
- You cannot work on a regular basis.
- You contributed to CPP for at least 4 of the last 6 years **OR**
- You contributed to CPP for the last 3 out of 6 years **AND** you contributed to CPP for a minimum of 25 years.

How Do I Apply for the CPP Disability Benefit?

You must complete an application form by contacting **Service Canada** at: **1-800-277-9914** (toll-free) or **1-800-255-4786** (TTY).

Tips:

- Apply for CPP disability benefits as soon as you have a serious disability.
- A CPP disability pension is greater than a CPP retirement pension.
- Try to get legal advice if this is your situation.

CPP SURVIVOR BENEFITS & OLD AGE SECURITY (OAS)

CPP Survivor Benefits

Payments made to the deceased CPP contributor's spouse, common-law partner or dependent children. There are three types of benefits:

1. **Death benefit** - a single, one-time payment
2. **Survivor's pension** - a monthly pension
3. **Children's benefit** - a monthly benefit

How Do I Apply for the CPP Survivor Benefits?

You must complete an application form. Contact **Service Canada** at: 1-800-277-9914 (toll-free) or 1-800-255-4786 (TTY).

Tips:

- Apply as soon as possible after the contributor's death.
- If you are widowed more than once, only one survivor's pension will be paid.

Old Age Security (OAS)

- A taxable monthly payment available to Canadians aged 65 or over who have lived in Canada for a certain period of time after age 18.
 - Residence in a number of other countries can count as residency for OAS (Contact **Service Canada** for more information: 1-800-454-8731).

OLD AGE SECURITY (OAS)

Who is Eligible for OAS?

You are eligible for OAS if you are 65 years old or over and:

1. Living in Canada:
 - a. You are a Canadian Citizen or legal resident of Canada on the day before your application is approved **and**
 - b. You lived in Canada for a minimum of 10 years after age 18.
2. Living outside of Canada:
 - a. You are a Canadian Citizen or legal resident of Canada on the day before you stopped living in Canada **and**
 - b. You lived in Canada for a minimum of 20 years after age 18.

If none of the above applies to you, you may be eligible for **International Benefits**. Contact **Service Canada** for more information. If you live in Canada or the United States call: 1-800-454-8731 (TTY: 1-800-255-4786). If you live outside of Canada or the United States call: 1-613-957-1954 (collect calls accepted).

How Do I Apply for OAS?

You must complete an application form. Contact **Service Canada** at: 1-800-277-9914 (toll-free) or 1-800-255-4786 (TTY).

GUARANTEED INCOME SUPPLEMENT

Guaranteed Income Supplement (GIS): Do I Qualify?

These payments are made to low-income seniors in addition to OAS. Eligibility depends on:

- You must qualify for the OAS.
- Your income or the combined income of you and your spouse/common-law partner must fall below a specific amount specified by the government.

How Do I Apply for GIS?

- You must complete an application form.
Contact **Service Canada** at: **1-800-277-9914** (toll-free) or **1-800-255-4786** (TTY).
- If you did not qualify for the GIS benefit in the past, but you think you might be eligible now, you should apply as soon as possible.

Tips:

- You do not pay income tax on the GIS payments you receive.
- You must renew your GIS each year when you file your taxes.
- If your wages are greater than \$3,500/year, the government will deduct 50 cents of every additional dollar you earn excluding self-employed earnings.

What Happens If I Marry, Separate or My Partner Dies?

- Let Service Canada know because it may affect your benefits.
- If you are separated for reasons beyond your control (for example, if one of you has to live in a hospital or nursing home), you might be considered a single person and receive a higher monthly payment.

THE ALLOWANCE & THE ALLOWANCE FOR THE SURVIVOR

The Allowance

This provides money to a low-income senior who has a spouse that qualifies for OAS and GIS. You are eligible if:

- You are 60 to 64 years of age
- You are a Canadian Citizen or legal resident of Canada at the time your application for the Allowance is approved.
- You have lived in Canada for a minimum of 10 years after age 18
 - If you have not lived in Canada for a minimum of 10 years, you may still be eligible for the Allowance in the form of International Benefits.

How Do I Apply for The Allowance?

- Contact **Service Canada** at: **1-800-277-9914** (toll-free) or **1-800-255-4786** (TTY) to request an application kit.

The Allowance for the Survivor

Money given to a low-income senior who is a widow or widower. You may be eligible for the Allowance for the Survivor if:

- You are a widow or widower. Single, separated or divorced individuals are not eligible.
- You are 60 to 64 years of age.
- You are a Canadian Citizen or legal resident of Canada at the time your application for the Allowance for the Survivor is approved.

THE ALLOWANCE FOR THE SURVIVOR & GST/HST CREDIT

- You have lived in Canada for a minimum of 10 years after age 18
 - If you have not lived in Canada for a minimum of 10 years, you may still be eligible for the Allowance for the Survivor in the form of International Benefits.

How Do I Apply for the Allowance for the Survivor?

- You must apply. If your spouse or common-law partner has died, contact **Service Canada** at: **1-800-277-9914** (toll-free) or **1-800-255-4786** (TTY) to request an application kit.

GST/HST Credit

A tax-free payment for people with low or modest incomes. To be eligible for the credit, you must be:

- A resident of Canada, **and**
- Age 19 or older, unless you are a parent or married or living common-law

How Do I Apply?

- You must file an income tax return every year, even if you have no income.
- On page 1 of your return, check “Yes” when it asks you whether you are applying for the GST/HST Credit.
- If you have a spouse or common-law partner, only **one** of you can apply for the credit.
- For detailed instructions contact the **Canada Revenue Agency** at **1-800-959-1953**.

FEDERAL ASSISTANCE FOR LOW-INCOME HOMEOWNERS & LANDLORDS

Two Federal Programs that Assist Low-Income Homeowners and Landlords Include:

1. Homeowner Residential Rehabilitation Assistance Program

- A program to help low-income homeowners pay for necessary home repairs.

2. Home Adaptations for Seniors' Independence

- A program to help low-income homeowners and landlords pay for small changes (handrails, grab bars in the bathroom, etc) to assist seniors aged 65 or over with the activities of daily living.

For more information about these two programs, and for applications, please call the **Canada Mortgage and Housing Corporation** toll-free at: **1-800-668-2642**.

BRITISH COLUMBIA INCOME SUPPORT BENEFITS

Senior's Supplement

Seniors with low-incomes may receive additional financial support from the province. You may be eligible if:

1. You are 65 or older and a British Columbia resident
2. You receive OAS and GIS or the federal Allowance
3. You have an income less than the amount guaranteed by the province

How Do I Apply?

No application is necessary. Eligible seniors automatically receive the supplement. For more information call the **Senior's Supplement Program** at 1-866-866-0800 (toll-free).

Dividing Your Pensions If You are Divorced or Separated

Under the Family Relations Act (FRA), both partners are entitled to a share of the pensions earned during the marriage, but pension sharing is not automatic. You may be eligible if:

- You have a divorce order or separation agreement that states the pensions are to be divided. Speak to a lawyer about how this might apply to you.

How Do I Apply?

- You must apply to each pension plan separately and ask for a division of the pensions. For more information contact the Public Service Pension Centre toll-free at 1-800-561-7930 and/or your private pension plan distributors.

BRITISH COLUMBIA INCOME SUPPORT BENEFITS (CONTINUED)

BC Employment and Assistance (BCEA)

BCEA provides short-term assistance to people who are temporarily unable to work. BCEA will give you money and help you find work to support yourself. You may be eligible if you are:

- Not working or earning very little
- Waiting for other income
- Unable to work, **or**
- In **immediate** need of food, shelter or medical attention
- Disabled and qualify for long-term financial and disability assistance

How Do I Apply?

You must fill out an application. For more information contact the **Ministry of Social Development** toll-free at 1-866-866-0800.

Hardship Assistance

Temporary financial and employment assistance for people who do not qualify for BCEA. You may be eligible if you:

1. Can prove that you were unable to get funding from all other funding sources, **and**
2. Agree to join an Employment Plan that may help you find a job.

HARDSHIP ASSISTANCE (CONTINUED) & BC PROPERTY TAX ASSISTANCE PROGRAMS

How Do I Apply?

For more information on eligibility and how to apply call the **Ministry of Social Development** at: **1-866-866-0800** (toll-free in BC).

BC PROPERTY TAX ASSISTANCE PROGRAMS

Property Tax Deferral: 55 and Older, Surviving spouse, Person with a Disability

A low-interest government loan that assists qualified homeowners in British Columbia pay their annual property taxes. This loan is a deferral and the money must be paid back.

You may be eligible if you:

1. Own your home
2. Are 55 or older **OR** a surviving spouse **OR** a person with a disability
3. Are a Canadian citizen or permanent resident
4. Lived in BC for one full year before you apply
5. Apply for the home you live in
6. Have 25% or more equity in your home
7. Have a current fire insurance policy on your home

BC PROPERTY TAX ASSISTANCE PROGRAMS (CONTINUED) & HOME OWNER GRANTS

How Do I Apply?

You must fill out an application form. For more information call the **Tax Deferral Program** at **250-387-0555** (Victoria), **604-660-2421** (Vancouver), **1-800-663-7867** (elsewhere in BC).

BC HOME OWNER GRANTS

1) Basic Home Owner Grant

Government assistance to help lower your property tax. You may be eligible if:

- a. You are a Canadian citizen or landed immigrant and you live in British Columbia
- b. The home is your principal residence
- c. You are the owner or occupant of the home
- d. Spouses who live together qualify for one grant
- e. Spouses who are legally separated can both apply for the grant

How Do I Apply?

You must fill out an application. For more information call the **Home Owner Grant Administration Section** at **1-888-355-2700** (toll-free anywhere in BC).

2) Additional Home Owner Grant

Government assistance to further reduce your property tax. You may be eligible if:

BC HOME OWNER GRANTS (CONTINUED) & BC TAX CREDITS

- a. You or the joint homeowner is 65 or older.
- b. You receive a disability allowance from Employment and Assistance.
- c. You are permanently disabled or your spouse or relative (who lives with you) is permanently disabled.
- d. You are:
 - A veteran or a veteran's spouse who served in World War I, World War II or the Korean War and is receiving an allowance, **or**
 - The surviving spouse of a deceased veteran who received the allowance at the time of death (Veterans and spouses must provide a confirmation letter from Veterans Affairs Canada).

How Do I Apply?

- You must fill out an application. For more information contact the **Home Owner Grant Administration** at: 250-356-8904, 250-387-8166 (Victoria), or 1-888-355-2700 (toll-free anywhere in BC).

BC Low Income Climate Action Tax Credit

Tax free payments for people with low incomes to help cover the cost of carbon taxes.

You may be eligible if you are:

- 19 or older;
- Have (or had) a spouse/common law partner; **OR**

BC TAX CREDITS (CONTINUED) & SHELTER AID FOR ELDERLY RENTERS

- Are (or were) a parent and live (or lived) with your child.
- If you have a spouse/common law partner, only one of you will get the credit.

How Do I Apply?

You must file an income tax and benefit return form. For detailed instructions contact the **Canada Revenue Agency** at 1-800-959-2221.

Shelter Aid for Elderly Renters (SAFER)

Monthly payments to help low-income seniors pay their rent. You may be eligible if:

1. You are 60 or older.
2. You lived in BC for 12 continuous months before you applied.
3. You are a Canadian Citizen **OR** have permission to take up permanent residence in Canada **OR** are a Convention Refugee.
4. You pay more than 30% of your total (before tax) monthly household income on rent.

How Do I Apply?

You must fill out a yearly application. For more information call **B.C. Housing** at 604-433-2218 or 1-800-257-7756 (toll-free).

BC Extended Family Program

- Monthly benefit payments and services to family members raising grandchildren or other relatives under age 19. You may be eligible if:
 1. You are a relative or a person with a strong relationship with the child
 2. The child's parents or legal guardian must agree to put their child in your care
 3. The child's parents are temporarily unable to care for their child
 4. Other programs and services were unable to keep the parent and child together

How Do I Apply?

- A parent must request this program and only the child's legal guardian can start an application. For more information call the **Ministry of Children and Family Development** at **1-877-387-7027**.

This is one of the series of Financial Literacy for Older Adults pocket tools. For more information about NICE tools or related training events, please visit **www.nicenet.ca**

Disclaimer

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