THE PROOF SERIES

A SENIOR'S SIMPLE GUIDE TO CPP, OAS & GIS

Benefits Proof

CPP, OAS, GIS and every dollar you are owed — in plain language, with big type and a few laughs.



John Marshall

PROUDLY CANADIAN



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FREE SAMPLE CHAPTER

By John Marshall

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MEET YOUR BENEFITS

The Three-Legged Stool

Canada's retirement income for seniors stands on three legs: CPP, OAS, and GIS. Understand each leg and you will know exactly what money is yours.

CPP: earned pension › OAS: residency pension › GIS: low-income top-up › Know your mix

1. Leg one: CPP — The Canada Pension Plan is the pension you built through work. Almost every job in Canada outside Quebec takes CPP contributions from your pay, and the longer and more you contributed, the bigger this monthly cheque.

2. Leg two: OAS — Old Age Security is the residency pension. You do not need a work history for it — you need years of living in Canada after age 18. Most people can start it at 65.

3. Leg three: GIS — The Guaranteed Income Supplement tops up OAS for seniors with low income. It is the leg people miss most often, and it can add hundreds of dollars a month for those who qualify.

4. Why it matters — Most retired Canadians receive a mix of two or three of these. Knowing which legs you stand on is the first step to claiming every dollar you are owed.

TALE

E STORY

Marjorie, 71, thought her only pension was CPP — until a friend asked about her OAS.
Two applications later she was receiving an extra monthly cheque she had missed for a year.

!

Quebec runs its own twin of CPP called the QPP (Quebec Pension Plan). The rules in this book apply to CPP, but QPP works in a very similar way.

Take care: Nobody will automatically hand you all three benefits. Some start on their own, some need an application — this book shows you which is which.

MEET YOUR BENEFITS

CPP: The Pension You Earned

If you worked in Canada, you paid into the Canada Pension Plan — and it is now paying you back. This is your money, earned one paycheque at a time.

Worked in Canada › Contributed each payday › Pension for life › Choose your start date

1. Taken from your pay — From age 18 to 70, nearly every job deducts CPP contributions from your wages, and your employer matches them. If you were self-employed, you paid both halves yourself.

2. Bigger contributions, bigger pension — Your CPP retirement amount is based on how much you earned and contributed over your working years, with your lowest-earning years partly dropped from the calculation.

3. It lasts for life — CPP pays every month for as long as you live, and it rises with inflation each January. You cannot outlive it, which is exactly the point.

4. One decision: when to start — You can begin CPP any time between 60 and 70. The amount changes with your start date — the next section walks through that choice page by page.

TALE

E STORY

Doug, 68, found an old pay stub from 1978 and did the math: 'I have been paying into this since bell-bottoms were fashionable.

It had better pay me back.' It does.

! CPP also includes disability and survivor benefits, not just the retirement pension. If you became disabled before 65, a different CPP benefit may have applied.

Take care: CPP is separate from your employer's pension or your RRSP. Think of it as the foundation — workplace pensions and savings sit on top of it.



MEET YOUR BENEFITS

OAS: The Residency Pension

Old Age Security rewards years of living in Canada — no work history required. If Canada has been your home, this pension is likely waiting for you.

Live in Canada › Count years after 18 › Eligible at 65 › Confirm your enrolment

1. Residency, not work — OAS is based on how long you lived in Canada after turning 18, not on jobs or earnings. Homemakers, newcomers who arrived decades ago, and lifelong workers can all qualify.

2. Usually starts at 65 — Most people become eligible at 65. Service Canada now enrols many people automatically, but not everyone — always confirm rather than assume.

3. Funded from general taxes — Unlike CPP, nobody deducts OAS from your pay. It comes from federal tax revenue, which is why the rules are about residency rather than contributions.

4. It can be deferred too — Like CPP, you can delay OAS past 65 — up to age 70 — for a larger monthly amount. There is a full page on that choice later.

TALE

E STORY

Aiko, 69, moved to Canada at 30 and assumed OAS was 'for people born here.' Her 39 years of residence qualified her for nearly the full pension.

! You generally need at least 10 years of Canadian residence after age 18 to receive OAS while living in Canada, and 20 years to receive it while living abroad.

Take care: High-income seniors may see some OAS recovered through the tax system — the 'clawback.' A later page explains it plainly.

MEET YOUR BENEFITS

GIS: A Top-Up When Money Is Tight

The Guaranteed Income Supplement is extra monthly money for lower-income seniors who receive OAS. It is one of Canada's best-kept secrets — and it should not be.

Low income + OAS › Apply once › File taxes yearly › Renews automatically

1. A top-up, not a pension — GIS is added on top of your OAS each month. The less other income you have, the more GIS you can receive, up to the current maximum.

2. You must apply — GIS never starts automatically. You apply once, and then it renews each year — but only if you file your income tax return, even if you owe nothing.

3. It can be substantial — For a single senior with little income beyond OAS, GIS can be the difference between scraping by and living decently. Check the current maximums on canada.ca.

4. Couples are assessed together — If you have a spouse or common-law partner, your combined income decides the GIS amount. Both partners apply separately.

TALE

E STORY

Harold, 77, skipped filing taxes for two years 'because I had no income.' His GIS stopped.

One filed return later, it was back — plus a lesson he now shares freely.

! Thousands of eligible seniors miss GIS simply because they never applied or stopped filing tax returns. Filing costs nothing and protects the benefit.

Take care: GIS is not taxable income. It does not count when the taxman calculates what you owe — a small kindness built into the design.

MEET YOUR BENEFITS

The Allowance: Help at 60 to 64

If you are 60 to 64 with low income and your spouse receives OAS and GIS, the Allowance may pay you a monthly benefit until you turn 65.

Aged 60 to 64 › Spouse gets OAS/GIS › Low household income › Bridge to 65

1. Who it is for — The Allowance goes to 60- to 64-year-olds whose spouse or common-law partner receives OAS and qualifies for GIS, and whose combined income is low.

2. A bridge to 65 — It stops at 65, when you become eligible for OAS and GIS in your own right. Think of it as a bridge benefit, not a permanent one.

3. Residency counts — Like OAS, it is based on years of Canadian residence after age 18 — generally at least 10 years since age 18.

4. Apply through Service Canada — It needs an application, just like GIS. If your household fits the picture, ask Service Canada whether the Allowance applies to you.

TALE

E STORY

Ruth, 62, had no pension of her own yet.

The Allowance gave her monthly income for three years until her OAS began at 65.

! There is also an Allowance for the Survivor for widowed 60- to 64-year-olds with low income — covered in the survivor pages ahead.

Take care: If your spouse is not yet receiving OAS, the Allowance usually cannot start. Timing within the couple matters.

MEET YOUR BENEFITS

Survivor Benefits After Loss

When a spouse or partner dies, several benefits can soften the financial blow: CPP survivor's pension, the CPP death benefit, and possibly the Allowance for the Survivor.

Report the death › Claim survivor's pension › Reassess your GIS › Ask about the Allowance

1. CPP survivor's pension — If your late spouse contributed to CPP, you may receive a monthly survivor's pension — even if you already collect your own CPP, with combined limits.

2. A one-time death benefit — CPP pays a lump-sum death benefit to the estate or eligible survivors. Confirm the current amount on canada.ca before counting on a figure.

3. OAS stops, GIS adjusts — The deceased person's OAS and GIS stop, but a surviving spouse should have their own GIS reassessed on their new, lower income — often it rises.

4. Tell Service Canada promptly — Report the death as soon as you can. Benefits are adjusted from the month after death, and quick reporting avoids overpayments you would have to repay.

TALE

STORY

After Frank passed, his wife Ethel, 74, assumed 'everything just stops.' One call later she had a survivor's pension and a higher GIS — and one less worry.

! Overpayments after a death are common and entirely fixable — but they are much easier to prevent with one phone call than to repay later.

Take care: If you are 60 to 64 and widowed with low income, ask about the Allowance for the Survivor. It exists precisely for this situation.

MEET YOUR BENEFITS

Beyond the Big Three

CPP, OAS, and GIS are the headliners, but the supporting cast matters too: provincial top-ups, the GST/HST credit, and help with specific costs.

Check your province › File taxes for credits › Ask about dental and drugs › Veterans: ask VAC

1. Provincial top-ups — Most provinces add their own seniors' benefits — help with property tax, rent, prescriptions, or dental care. Amounts and names differ by province, so check your province's seniors' benefits page.

2. GST/HST credit — This quarterly federal payment goes to lower-income Canadians automatically when you file your taxes. Seniors with modest incomes often qualify without realizing it.

3. Help with specific costs — Dental programs, prescription coverage, and home-heating help exist at federal and provincial levels. They change often, so ask Service Canada or your province what's current.

4. Veterans' benefits — If you or your late spouse served in the military or RCMP, Veterans Affairs Canada offers benefits many families never claim. It is always worth asking.

TALE

Sam, 73, discovered his province's senior's property-tax grant three years late.

'It was sitting there the whole time,' he said, 'like money in a coat pocket.'

!

Provincial benefits are the most commonly missed of all, because they are advertised the least. A yearly check of your province's seniors' page pays off.

Take care: Never pay anyone to 'find your benefits' for you. Every legitimate benefit is free to claim, and the helpers in this book's last section charge nothing.

MEET YOUR BENEFITS

Your Personal Benefits Map

Time to draw your own map: which benefits you already receive, which you should apply for, and when each one starts. One page, total clarity.

List current benefits › Mark age milestones › Spot the gaps › Review every year

1. List what you get now — Write down every benefit currently arriving: CPP, OAS, GIS, provincial credits. Note each amount and the day it lands — this is your baseline.

2. Mark your milestones — Note your 60th, 65th, and 70th birthdays. Each unlocks choices: CPP at 60, OAS and GIS at 65, final deferral deadlines at 70.

3. Spot the gaps — Receiving OAS but never applied for GIS? Turning 60 with low income and an OAS-receiving spouse? Gaps on this page become to-do items.

4. Revisit yearly — Income changes, rules change, provinces add programs. Spend twenty minutes each year re-checking this map — it is the highest-paid twenty minutes in retirement.

TALE

E STORY

Gladys, 70, keeps her benefits map taped inside a kitchen cupboard.

'My financial plan,' she calls it, 'right next to the tea.' It has never steered her wrong.

!

Keep this map with your tax papers. When you call Service Canada with a question, having your list in front of you makes the call twice as fast.

Take care: Benefits interact: starting CPP early can slightly reduce GIS later, since GIS counts most income. The full picture matters more than any single benefit.

CPP BASICS

How CPP Contributions Work

Every paycheque you earned in Canada likely sent a slice to the Canada Pension Plan. Here is what happened to that money and why it is coming back to you.

Earn in Canada › Contribute yearly › Years are banked › Pension for life

1. A slice of every pay — Between age 18 and 70, employees contribute a percentage of earnings between a minimum and maximum threshold, and employers match it dollar for dollar.

2. Self-employed pay double — If you worked for yourself, you paid both the employee and employer shares. It stung at the time — but it also built a bigger pension.

3. Years have limits — Each year has a maximum pensionable earning; income above it is not contributed on. Your lowest-earning years are partly dropped when benefits are calculated.

4. It is invested for you — Contributions are pooled and invested by the CPP Investment Board, one of the world's largest pension funds. Your pension does not depend on any single employer's fortunes.

TALE

STORY

Tony, 66, ran a restaurant for 30 years and grumbled about CPP deductions every April.

'Now,' he says, 'that grumble arrives monthly, in my bank account.'

! Contribution rates and maximums change yearly. Your personal record — the Statement of Contributions — is what matters, and the next page shows how to read it.

Take care: If you worked only in Quebec, you contributed to the QPP instead. The two plans coordinate, so split careers still add up.

CPP BASICS

Reading Your Statement of Contributions

Your Statement of Contributions is your CPP report card: every year you contributed, and how much. It takes five minutes to check, and it can catch costly errors.

Log in or call › Review every year › Spot the gaps › Fix errors early

1. Get it online — Log in to My Service Canada Account and open your CPP Statement of Contributions. Every year of earnings and contributions is listed there.

2. Or request it by phone — No computer? Call Service Canada and ask them to mail your statement. It arrives in a couple of weeks, free.

3. Scan for gaps and errors — Look for years you know you worked but show zero earnings, or employers you don't recognize. Mistakes are rare but they do happen.

4. Fix errors before you apply — If something looks wrong, contact Service Canada with old T4s or pay records. Corrections are far easier before your pension is calculated.

TALE

LIFE STORY

Nancy, 64, spotted two missing years from a long-ago part-time job.

Her corrected record raised her estimate — 'found money,' she calls it, 'from 1989.'

!

Years with zero earnings — school, travel, raising kids — stay on the record. That is normal; the child-rearing dropout provision can even remove some of them from the calculation.

Take care: Keep old T4 slips and notices of assessment. They are your proof if a contribution year ever goes missing.

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