

Old Age Security

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# Old Age Security Pension



March 2008

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Service  
Canada 

This booklet on the Old Age Security pension contains general information only. In case of disputes, the wording and provisions of the *Old Age Security Act* and Regulations prevail.

Available in alternative formats.

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Online: [servicecanada.gc.ca](http://servicecanada.gc.ca)

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# The Old Age Security Program

The Old Age Security (OAS) program, which is financed from general revenues of the Government of Canada, is the cornerstone of Canada's retirement income system. The OAS pension is a monthly payment that goes to almost all people aged 65 and over who have lived in Canada for a minimum period of time.

In this respect, the OAS is different from the Canada Pension Plan (CPP). People pay into the CPP when they work, and the Plan provides payments to workers and their families.

The OAS and CPP combine with company pensions and retirement investments to provide Canadians with one of the best retirement income systems in the world.

This booklet describes the Old Age Security pension — one of three Old Age Security benefits. The other OAS benefits are:

## The Guaranteed Income Supplement

The Guaranteed Income Supplement (GIS) provides extra money to pensioners with low incomes. To be eligible to receive the Supplement, you must be receiving the Old Age Security pension and meet the income requirements.

To find out whether you qualify for GIS payments based on your personal situation, or for more information on the GIS, please **contact us**, or visit our Web site at **servicecanada.gc.ca**.

## The Allowance and the Allowance for the survivor

The Allowance and the Allowance for the survivor are benefits for seniors aged 60 to 64 with low incomes. They are designed to bridge the gap until these people are eligible for the OAS pension.

The **Allowance** is available to spouses or common-law partners of OAS pensioners. The couple's combined income must be less than \$28,176.\*

The **Allowance for the survivor** is available to widowed spouses or surviving common-law partners whose income is less than \$20,520.\*

(\*Please note these income amounts are valid for January to March 2008. **Contact us** for the most up-to-date figures.)

To qualify for the Allowance or the Allowance for the survivor, you must:

- be 60 to 64 years old;
- be a Canadian citizen or legal resident when your benefit is approved; **and**
- have lived in Canada for at least 10 years after turning 18.

For more information on the Allowance and Allowance for the survivor, please **contact us**, or visit our Web site at [servicecanada.gc.ca](http://servicecanada.gc.ca).

## **The Old Age Security Pension**

The Old Age Security pension is a monthly payment available to most Canadians aged 65 or older. You must apply to receive benefits. If you meet the eligibility requirements, you can receive an Old Age Security pension even if you are still working or have never worked.

### **Who can receive the Old Age Security pension**

Three conditions determine whether you can receive the Old Age Security pension: your age, your residency status, and the number of years you have lived in Canada. If you fall into either of the categories below, you may be eligible to receive the OAS pension.

## Category 1 — People living in Canada

- You are 65 or older.
- You live in Canada and are a Canadian citizen or a legal resident at the time your pension is approved.
- You have lived in Canada for at least 10 years since your 18<sup>th</sup> birthday.

## Category 2 — People living outside Canada

- You are 65 or older.
- You left the country and you were a Canadian citizen or a legal resident of Canada when you left.
- You have lived in Canada for at least 20 years since your 18<sup>th</sup> birthday.

If you do not fall into either of these two categories, you may still qualify for a pension since Canada has social security agreements with many countries. If you have lived in one of these countries or contributed to its social security system, you may qualify for a pension from that country, from Canada or from both countries. For more information, **contact us**, or visit our Web site at **[servicecanada.gc.ca](http://servicecanada.gc.ca)**.

# Applying for the Old Age Security pension

## When should I apply?

You should apply for the Old Age Security pension six months before your 65<sup>th</sup> birthday. Normally, you must apply on your own behalf.

If you are applying for someone else, please **contact us** for more information.

## How do I get an application kit?

You can **contact us** to order an application kit by phone, or you can print one from the Internet.

The kit contains detailed instructions to help you apply for the Old Age Security pension.

## What documents will I need to provide?

If you were not born in Canada, you must prove your legal status in Canada by showing us your citizenship or immigration documents. If you have not lived continuously in Canada since the age of 18, you must submit proof of all the dates you arrived in or left Canada. Usually, you can do this with a passport.

We check your information against the information we have for you with the Social Insurance Register. If your name or date of birth does not match these records, we will



ask you to send us your birth certificate.

The application kit contains more detailed information about these requirements.

**Contact us** for more information.

## How we calculate your pension

### Full pension

Normally, if you meet the conditions in either of the two categories below, you qualify for a full pension:

#### Category 1

- You lived in Canada for at least 40 years after your 18<sup>th</sup> birthday.

#### Category 2 — You meet the conditions below

1. Between your 18<sup>th</sup> birthday and July 1, 1977, you lived in Canada at some point.
2. On July 1, 1977 you were age 25 or older.
3. You lived in Canada for the 10 years immediately before your application was approved.

If you have not lived in Canada for the last 10 years because you gave up residence here at some time, you may still qualify for a full pension if:

- you lived in Canada for the year immediately before your application was approved; and
- prior to these last 10 years, you lived in Canada (after your 18<sup>th</sup> birthday) for at least three times as long as you lived outside Canada during the last 10 years.

The Old Age Security pension is like a large pie divided into 40 equal portions. If you qualify for the “full pension,” you are entitled to receive all 40 portions each month. If you qualify for a “partial pension,” you will receive some, but not all, of the 40 portions each month. Whether you qualify for a full or partial pension depends on how long you have lived in Canada.

If you don't qualify for the full pension and you meet the conditions in either of the situations above, you may qualify for a partial pension. Once a partial pension is approved, the number of portions of the “pie” that you will receive can never be increased. However, cost-of-living increases will be reflected in your payments.

## **Partial pension**

For each complete year of residence in Canada after your 18<sup>th</sup> birthday, you earn one of the 40 portions of the pension. In other words, if you lived in Canada for 10 years after your 18<sup>th</sup> birthday, you would qualify to receive 10 portions, which is equal to one-quarter of the full pension.

# Receiving your Old Age Security pension

You must apply to receive your OAS pension benefits. Your benefit payments will begin either the month after you have met the residence requirements, or the month after your 65<sup>th</sup> birthday, whichever comes later.

If you apply after the age of 65, you can receive a retroactive payment for up to 11 months plus a payment for the month in which the application was received. In other words, if you apply at any time after your 66<sup>th</sup> birthday, you will receive a back payment for 12 months of benefits.

## When will my payments arrive?

Payments usually arrive in the last three banking days of each month. If your payment is more than a week late, or if you lose your cheque, please **contact us**.

## Can you send the payment to my bank?

Yes. We can deposit your payment into your bank account either in Canada or in the United States through our direct deposit service. Direct deposit is also available in a number of countries overseas.

Direct deposit offers several advantages over payment by cheque:

- your deposit will always be on time and you can immediately start using the money or earning interest;
- your payment is never lost, stolen or damaged;
- your payment is automatically deposited into your account, even if you are ill or away.

If you live in Canada, you may sign up for the direct deposit service over the telephone. Just **contact us**.

If you live outside of Canada, you must apply for direct deposit in writing.

To request an enrolment form for direct deposit in the United States, please **contact us**.

If you live outside of Canada or the United States, please visit our Web site at **servicecanada.gc.ca**, or call us at 613- 957-1954 (long distance charges apply) to find out if direct deposit is available in your country of residence. If so, we can mail you an enrolment form. Or you can request one by writing to:

**International Direct Deposit**  
**P.O. Box 7000**  
**Matane, QC G4W 4T5**  
**CANADA**

All direct deposit forms are available from the Receiver General Web site at [www.pwgsc.gc.ca/recgen/text/home-e.html](http://www.pwgsc.gc.ca/recgen/text/home-e.html).

## What happens if I move?

If you are planning to move, please tell us your new address and postal code as soon as possible. This will allow us to update our records and make sure your payment gets to you on time. Even if your payments are deposited directly into your bank account, we need to know your new address so we can send you information and your yearly income tax slip. **Contact us.**

## Can I receive my pension outside Canada?

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

- you lived in Canada for at least 20 years after your 18<sup>th</sup> birthday; or
- you lived or worked in a country that has a social security agreement with Canada and you meet the 20-year residence requirement.

If you do not fall into either of the above categories, we can send your payments outside Canada only for the month that you leave and for six months after that. For example, if you left Canada in January, we would send payments until the end of July. After July, the payments would stop. If you plan to be absent from Canada for more than six months, you must call us well before

you leave. You should also let us know if you return to live in Canada so we can restart your payments from the month you return.

## **Will I get cost-of-living increases?**

We will increase your pension payments to reflect increases in the cost of living as measured by the Consumer Price Index. We apply the increases in January, April, July, and October.

Your monthly payment will not decrease if the cost of living goes down.

## **Can my pension ever stop?**

If you have not lived in Canada for at least 20 years after your 18<sup>th</sup> birthday, your pension will stop if you are out of the country for more than six months. It will also be stopped when you die.

# Filing your income tax return

## Is my Old Age Security pension taxable?

Like most other retirement income, your Old Age Security pension is taxable.

Pensioners whose net income in 2008 is more than \$64,718 (including the Old Age Security pension) will have to repay part or all of their pension benefit. These repayments are normally deducted each month from the pension payment. The income amount where the repayment of benefits begins is adjusted annually to take inflation into account.

If you live outside Canada, you may also be subject to a non-resident tax.

## How do I pay the income tax on my pension?

You can pay income tax in three different ways:

- **Each month:** If you wish, we can deduct income tax from your pension each month.
- **Four times a year:** If you don't choose monthly deductions, you may be required by law to pay your income tax in quarterly instalments.
- **Yearly:** Many Canadians determine how much tax they owe when they file their annual income tax and benefits return.

If you have tax-related questions, call your Canada Revenue Agency tax services office at 1-800-959-8281.

For international tax services, call 1-800-267-5177 (if you live in Canada or the United States) or call collect at 613-952-3741 (from all other countries).

## **How do I include pension information in my income tax and benefits return?**

Each January, you will receive an OAS tax slip that will show the amount of Old Age Security pension you received during the previous year. The amount will reflect your regular benefits, any back payments you received, and any taxes that have been deducted. You should use the OAS tax slip to help calculate your income tax, and submit the slip with your income tax and benefits return.

### **Get your OAS tax information slips on-line**

You can use the Tax Information Slips on-line service to:

- view and print your OAS and CPP tax information slips from the Internet for your income tax and benefits return;
- notify us on-line if you wish to stop receiving your OAS and CPP tax information slips by mail.

For information on how to access the service, see “On-line Services and Forms”.



# Appealing a decision

If you disagree with a decision that affects your pension, you have the right to an explanation. Call us first, and we can usually sort the matter out. If you are not satisfied with our response, you may request a “reconsideration”. To do this, you must send a letter to your Regional Director of Service Canada within 90 days of receiving notice of our decision. You can **contact us** for the mailing address for your region, or look it up on our Web site at **[servicecanada.gc.ca](http://servicecanada.gc.ca)**.

In your letter, give us the following information:

- your name;
- your address;
- your social insurance number; and
- your reason(s) for requesting a reconsideration.

If you are not satisfied with the response, you can appeal the decision to a Review Tribunal. **Contact us** if you would like to know more about the appeal process.

# Protecting information about you

Your privacy is protected by law.

The *Old Age Security Act* and regulations ensure that only specific agencies authorized by the Minister of Human Resources and Social Development are entitled to review relevant parts of your records. Personal information in your file cannot be given to other agencies or individuals without your consent.

The *Access to Information Act* also prevents the release of information about you without your consent. There are two exceptions: information can be released if it has already been made public or if the release is allowed under the *Privacy Act*. The government can use information only for the purpose for which it was collected, except to comply with a warrant or subpoena or to enforce a law.

## Can I have access to information on my file?

You have the right to review information about you that is kept on file by the Government of Canada. To help citizens get access to information about themselves, the Government has published *Info Source: Sources of Federal Government Information*.

To access this information, you must fill out an information request form. This form and the *Info Source* are available in government offices open to the public, such as Service

Canada Centres. They are also available at public libraries, at most rural post offices, in Canadian missions abroad, and on the Internet. You can find the Info Source Web site at: <http://infosource.gc.ca>.

## Other benefits

In addition to the OAS pension, seniors with a low income may qualify for other income-related benefits. For more information on the Guaranteed Income Supplement, the Allowance, or the Allowance for the survivor, **contact us**.

If you have made at least one valid contribution to the Canada Pension Plan or the Quebec Pension Plan since January 1966, you may be eligible for a retirement pension when you turn 65. If you have retired or substantially reduced your hours of work, you could qualify for a reduced retirement pension as early as age 60.

Disability and survivor benefits are also available under both plans if sufficient contributions have been made. You must apply to receive these benefits.

**Contact us** for more information about the Canada Pension Plan.

For more information about the Quebec Pension Plan, contact:

**La Régie des rentes du Québec**  
**P.O. Box 5200**  
**Québec, QC G1K 7S9**  
**1-800-463-5185**

*[www.rrq.gouv.qc.ca](http://www.rrq.gouv.qc.ca)*

## **War Veterans Allowance**

You may also be entitled to benefits from other federal programs such as the War Veterans Allowance. For more information, call Veterans Affairs Canada toll free at 1-866-522-2122 or visit their Web site at *[www.vac-acc.gc.ca](http://www.vac-acc.gc.ca)*.

## **Provincial/territorial and municipal programs**

Your provincial/territorial and municipal governments may offer income assistance and services to seniors. For more information, please contact these governments directly.

# On-line Services and Forms

Service Canada provides a number of on-line services to allow you to complete tasks on-line at your convenience. We also provide you with access to on-line forms for programs and services delivered by Service Canada and its partner departments.

To access an on-line service or find a form, visit **[servicecanada.gc.ca](http://servicecanada.gc.ca)**, and click on “On-line Services and Forms”.

# Contact us

Toll free from Canada or the United States :

1-800-277-9914 for service in English

1-800-277-9915 for service in French

1-800-255-4786 (if you use a TTY machine)

From outside Canada or the United States  
(long distance charges apply):

613-957-1954

Click on our Web site at:

**[servicecanada.gc.ca](http://servicecanada.gc.ca)**

Visit a Service Canada Centre near you.

Our lines are busiest at the beginning and end of the month. If your inquiry can wait, it's best to call at other times. Please have your Social Insurance Number ready.

Service Canada delivers Old Age Security and Canada Pension Plan programs and services on behalf of the Department of Human Resources and Social Development.