

David Tilson MP ? New option for Old Age Security now available

Many of us are benefiting from worldwide advances in health, fitness and science, and as a result, Canadians are living longer. This reality presents all kinds of choices and adjustments, from personal decisions about careers and retirement, to the need for governments to develop and amend policies and programs.

People today are taking many different paths to retirement and some seniors are choosing to work longer. To improve flexibility and choice in retirement planning, the government of Canada announced the new voluntary deferral option for the Old Age Security (OAS) pension.

As of July 1, Canadians now have the option to voluntarily defer their OAS pension for up to five years in exchange for a higher monthly amount. For every month they delay receipt of their OAS pension, they will receive an increased monthly benefit of 0.6 per cent per month, up to a maximum of 36 per cent at age 70.

People can defer their OAS pension for as little as one month or as much as 60 months. For example, if you were to turn 65 today and decided to delay receiving your OAS pension for one year, your monthly amount would increase by 7.2 per cent (0.6 per cent times 12 months).

People should consider their personal situations when deciding when to start receiving their OAS pension, including their financial status, life expectancy, and wants and needs. It is important to note that if people delay their OAS pension, they will not be eligible to receive the Guaranteed Income Supplement and their spouse or common-law partner will not be eligible to receive the Allowance until their OAS pension begins.

For more information on voluntary deferral and how it may affect your retirement plans, visit our website at www.servicecanada.gc.ca/oaschanges

