

## Arithmetic for Seniors

In these recessionary times, investments, benefits and pensions are on everyone's mind. We joke that 'Freedom 55' is now 'Freedom 95' – but for aging parents facing care and housing bills, it's no laughing matter.

What income stream can folks over 65 expect? Here's a run-down:

### CPP – Canada Pension Plan

- begins at age 60
- federal program
- only applies if paid into as employee
- \$800 /mo

### OAS – Old Age Security

- federal, for age 65 & over
- recipient must have lived in Canada at least 10 years
- average is \$467, monthly maximum is \$491

### GIS – Guaranteed Income Supplement

- federal, for low-income seniors
- e.g. <\$14,000, average \$429 (single), max \$620 couple
- must apply for it to begin
- must re-apply annually via tax return
- many DO NOT apply – so do so!!

### Spouse's Allowance Program

- monthly benefit for low-income seniors
- age 60-64 whose spouse is getting OAS & GIS
- average \$559 if income < \$20,000

### Private Company Pension

- depends on employment history
- pension may be defined benefit (possibly)
- or defined contribution (more likely)
- find out!!

So - did you balance?

The average income for a Canadian senior is \$14,000-\$20,000 for a single person, and \$26,000-37,000 for a couple. With care costs at \$15-\$25/hour for a nurse's aide, and an average retirement home suite rental of \$4,000/month, it doesn't take advanced math to see there'll be a shortfall.

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