

ACCESSING AND OPTIMIZING PENSIONS AND PUBLIC BENEFITS

*NEWFOUNDLAND AND
LABRADOR EDITION*



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National Initiative for the Care of the Elderly

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FEDERAL PUBLIC BENEFITS FOR SENIORS

Both Canada and Ontario 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. You should consult Service Canada to determine whether disability benefits or CPP are better in your circumstances.
- 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.
- 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 and at age 60. It may be beneficial to you over time to collect your CPP early.
- 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.
- 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.
- 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, but have received it for longer.
- If you receive CPP after age 65, your CPP payments will be greater, but you will have delayed receiving it from your earliest eligibility.

- Consider how much CPP you will have received by a certain age, if you receive CPP at age 60 vs. age 65.
- 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.

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

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.

CANADA PENSION PLAN SURVIVOR BENEFITS

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 predeceased by more than one spouse, only one survivor's pension will be paid.

OLD AGE SECURITY

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**).

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.

How Do I Apply for OAS?

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).

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. To be eligible:

- 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 of any changes to your marital status 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

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.
- 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.
- 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 AND 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**.

PROVINCIAL ASSISTANCE FOR LOW-INCOME HOMEOWNERS AND LANDLORDS

In Newfoundland and Labrador, you can receive provincial assistance for housing under the Rental Housing Program.

Rental Housing Program

Newfoundland and Labrador's Rental Housing Program helps low income households, including older adults, who have difficulty finding housing on the private rental market due to their income. You may be eligible for rental housing provided by the government of Newfoundland and Labrador.

You may be eligible for the Rental Housing Program if:

- Your household income is below a certain yearly amount;
- Although your housing is adequate, you pay more than 30% of your household income toward rent and heat, or;
- Your housing is inadequate, and you pay less than 30% of your household income toward heat and rent;
- Your housing is inadequate, and renting in your area would cost at least 30% of your household income.

If you are eligible for this program, you will be required to pay 25% of your monthly income toward rent. If you are on a fixed income, such as a pension, your rent is calculated as 25% of your pension income. The Rental Housing Program also works with community agencies to find affordable private housing; you may wish to contact them to see what assistance they can offer you.

The Government of Newfoundland and Labrador has three programs designed to assist homeowners with maintaining and improving their homes. If you are a homeowner, you may be able to access subsidies to make your home accessible, energy efficient, and safer.

Provincial Home Repair Program

This program is designed to assist eligible residents with home repairs that impact the liveability and safety of their property. These repairs are not designed to improve accessibility to the home.

This program can:

- Help low-income homeowners make needed repairs to their homes.
- Help make heating, electrical, and plumbing improvements to the home to ensure the home meets minimum fire and safety standards.
- Help make improvements to roofing, siding, windows and doors, foundations, and structural deterioration to meet minimum safety standards.

Who is eligible?

- Low-income homeowners with homes in need of repair.
- Priority is given to first-time applications. A second project application can be submitted seven years after the first project was completed.
- Emergency applications are also given priority.
- For information on how much is covered, visit the website (below).

Home Modification Program

This program is designed to help improve the accessibility of homes in Newfoundland and Labrador. This program is not designed to improve the minimum safety of the structure of the home, but to ensure that the home is accessible to those who live there. This is to ensure that people can stay in their homes longer, and remain as independent and self-sufficient as possible.

This program can:

- Help people who are at or below a certain financial limit make important accessibility alterations to their homes.
- Assist with the costs of accessibility alterations.
- Cover in part or in whole alterations such as the creation of ramps, widening of doors for wheelchairs, improving shower safety by adding bars or a standing tub.

Who is eligible?

- People in need of accessibility home modifications who meet the financial criteria (low to moderate income).
- An occupational therapist's report is required in most cases.

Residential Energy Efficiency Program

This program is designed to help low-income households make energy-efficient renovations to their homes. This program can be helpful as it is designed to improve energy efficiency and cut monthly energy costs over the long term. This program is only available to owners of detached, semi-detached, and row houses. Condominiums are not eligible for participation.

Participation involves an energy use inspection both before and after renovations. The first inspection, before renovation, will determine what kinds of retrofitting will most benefit your home to improve its energy efficiency. These retrofits might include replacing the insulation in some parts of your home, or draft-proofing of your home. The second inspection will confirm that the renovations have taken place.

Am I eligible?

- This program is open to low-income homeowners who meet the financial threshold.
- You must provide proof of last year's income for yourself and for any co-applicants. This can be obtained by contacting the Canada Revenue Agency.
- Proof of home ownership must be provided.
- Applicants can only participate once in this program. Applications are processed on a first-come, first-served basis.

**For more information on any of these programs,
visit: <http://www.nlhcf.ca/programs/programs.html>**

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