



Single Seniors for Tax Fairness

It's time for equality in our tax system.

Date: October 26, 2023
Audience: SSTF Supporters

Agenda

Topic	Presenter	Time
Introduction of the Volunteers	Elizabeth, Director	5 minutes
Overview of SSTF, our Platform and your Questions	Elizabeth and Team	30 minutes
Your Ideas for raising our voices	Elizabeth and Team	25 minutes

- The meeting will be recorded and posted on our website.
- When asking a question or making a comment, say your name and where you're from
- Use the reaction button to raise your hand
- Ask a question in the chat.
- We will not be providing any financial advice

Who we are

Single Seniors for Tax Fairness (SSTF) is a Canadian nationwide movement devoted to lobbying for revisions to the Income Tax Act to provide fairness and equity for senior singles.

“Single seniors” are people 65+, never married, widowed, divorced or separated.

SSTF:

- is run by volunteers and funded solely by donations**
- has over 850 subscribers to its updates**
- has met with over 100 MPs**
- has had petitions read in the House of Commons by supportive MPs**
- has made recommendations in pre-budget submissions to the Finance Committee**

What are our concerns?

Single seniors are paying higher taxes and are subject to clawbacks at the same or lower income compared to couples.*

Issue	Impact
Pension income splitting	Permits a spouse to allocate up to 50% of eligible pension income to the other spouse to reduce taxable income and minimize their combined tax payable. Reduces their individual net incomes which minimizes or eliminates the clawback of Old Age Security (OAS) or the age amount non-refundable tax credit.
Non-refundable tax credits	Each spouse can claim the non-refundable tax credits, including the personal, age and pension income amounts, and can transfer some unused non-refundable tax credits to the other spouse.

*** Couples include married and common-law spouses.**

What are our concerns?

Issue	Impact
<p>On the death of a spouse, the proceeds of a Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF) and other registered plans can be transferred to the surviving spouse on a tax-deferred basis.</p>	<p>On the death of a single senior, the proceeds of RRSPs, RRIFs, and other registered plans (except TFSAs) are taxable as income in the year of death. This reduces the amount paid to a non-spousal beneficiary by up to 50+%.</p>

Tax inequality examples

Scenarios

The following pages depict scenarios which show how single seniors are disadvantaged relative to couples in current tax policies.

They highlight disparities arising from:

- **pension income splitting reducing net and taxable income for couples**
- **the clawback of the age amount and the repayment of Old Age Security**
- **the double non-refundable tax credits (personal, age and pension income amounts)**
- **the transfer of unused non-refundable tax credits to a spouse**

Note: using the same total income for the single and the couple (combined) is a valid comparison since many/most expenses are incurred by a “household” – whether that’s 1 or 2 people – especially at lower income levels.

Assumptions

- **These scenarios are for the taxation year 2022 and all the individuals are 66 years old.**
- **Spouse 1, Spouse 2, and the single senior each receive the maximum OAS for 2022 of \$7,925.**
- **Spouse 1, Spouse 2, and the single senior each receive CPP of \$9,000.**
- **The couple and the single senior reside in Ontario. The federal tax payable will be the same for every province but the provincial tax will vary by province.**
- **Using pension income splitting, Spouse 1 splits pension income with Spouse 2.**
- **In Case 1, the single senior and the couple will have the same combined total incomes.**
- **In Case 2, the single senior's net income and taxable income are reduced by the social benefits repayment of \$2,735 – this is the OAS clawback.**

Case #1 – A single senior pays more tax on \$50,000 total income than a couple with the same combined total income.

Income	Spouse 1	Spouse 2	Single senior
Old Age Security	\$7,925	\$7,925	\$7,925
CPP	\$9,000	\$9,000	\$9,000
Pension income split for the couple	\$8,075 (1)	\$8,075 (1)	\$33,075 (note: amount used to yield same taxable income)
Total /Taxable income	\$25,000	\$25,000	\$50,000

Tax payable	Spouse 1	Spouse 2	Combined	Single senior
Total federal non-refundable tax credits	24,296 (2)	24,296 (2)	48,592 (2)	\$22,769 (2)
Federal tax payable	\$106	\$106	\$212	\$4,085
Ontario tax payable	\$480	\$480	\$960	\$2,436
Total tax payable	\$586	\$586	\$1,172	\$6,521

Comparison of age amount non-refundable tax credit	Spouse 1	Spouse 2	Combined	Single senior
Age amount	7,898	7,898	15,796	6,371 (3)

(1) Spouse 1 has eligible pension income of \$16,150. By using pension income splitting, each spouse claims \$8,075.

(2) Each spouse claims the full personal, age, and pension income amounts totalling 48,592, while the single senior can claim only 22,769.

(3) The single senior's age amount is clawed back by 1,527 to 6,371 while the couple can both claim the maximum for a combined total of 15,796.

Case #2 – A single senior pays more tax on \$100,000 total income than a couple with the same combined total income.

Income	Spouse 1	Spouse 2	Single senior
Old Age Security	\$7,925 (4)	\$7,925 (4)	\$7,925 (4)
CPP	\$9,000	\$9,000	\$9,000
Pension income split for the couple	\$33,075 (1)	\$33,075 (1)	\$83,075 (note: used to yield same total income)
Total income	\$50,000	\$50,000	\$100,000
Social benefits repayment	\$0	\$0	\$2,735 (4)
Total taxable income	\$50,000	\$50,000	\$97,265

Tax payable	Spouse 1	Spouse 2	Combined	Single senior
Total federal non-refundable tax credits	22,769 (2)	22,769 (2)	45,436 (2)	16,398 (3)
Federal tax payable	\$4,084	\$4,084	\$8,168	\$14,718
Ontario tax payable	\$2,436	\$2,436	\$4,872	\$7,531
Total tax payable	\$6,521	\$6,521	\$13,042	\$24,986

Comparison of age amount non-refundable tax credit	Spouse 1	Spouse 2	Combined	Single senior
Age amount	6,371 (2)	6,371 (2)	12,742	0 (3)

(1) Spouse 1 has eligible pension income of \$66,150. Using pension income splitting, each spouse claims \$33,075.

(2) Each spouse claims the personal and pension income amounts and each receives the full age amount of 6,371 for total non-refundable credits of 45,436.

(3) The single's age amount of 7,871 is fully clawed back reducing total non-refundable tax credits to 16,398.

(4) The single senior has a partial OAS clawback of \$2,735 to be repaid so receives net OAS income of \$5,190 while each spouse receives the full \$7,925 OAS.

Disparities in taxes payable and clawbacks for single seniors compared with couples with the same combined incomes

Total income	Combined tax paid by spouses	Tax paid by a single senior	Extra tax paid by a single senior	Clawback of age amount for single senior	Clawback of age amount for a couple	Clawback of OAS for a single senior	Clawback of OAS for a couple
\$30,000	\$0	\$1,755	\$1,755	0	0	\$0	\$0
\$40,000	\$0	\$3,914	\$3,914	27	0	\$0	\$0
\$50,000	\$1,172	\$6,521	\$5,349	1,404	0	\$0	\$0
\$70,000	\$5,515	\$13,041	\$7,526	4,527	0	\$0	\$0
\$100,000	\$13,042	\$24,986	\$11,944	7,898	3,054*	\$2,735	\$0**

The couple receives a combined age amount of 12,742* and combined OAS of \$15,850**.

The couple can split their pension incomes. Each spouse can claim non-refundable tax credits, including the personal, age, and pension income amounts, and can transfer unused portions to a spouse. Also, each spouse receives the OAS income.

Non-discretionary expenses

<p>Household expenses payable from after-tax income whether household has 1 or more inhabitants</p>	<p style="text-align: center;">Home owners</p> <p>Mortgage Utilities Property taxes Home insurance Appliances & repairs Furniture & repairs Cleaning supplies/service Outside maintenance or condo fees Automobile: <ul style="list-style-type: none"> • Purchase/Loan payments • Gas, maintenance & repairs • Insurance </p>	<p style="text-align: center;">Renters</p> <p>Rent Utilities Furniture & repairs Tenant’s insurance Cleaning supplies/service Automobile <ul style="list-style-type: none"> • Purchase/Loan payments • Gas, maintenance & repairs • Insurance </p>
<p>Caregiving</p> <p>A 2021 survey by the Canadian Medical Association and the National Institute on Ageing found that 96% of Canadians would do everything possible to avoid going into long-term care. They want to age at home and be as independent as possible, for as long as possible.</p>	<p style="text-align: center;">Single senior</p> <ul style="list-style-type: none"> • Would have to hire outside help if family not available • Could be forced to move to long term care earlier than necessary if no help available or can’t afford help 	<p style="text-align: center;">Couple</p> <ul style="list-style-type: none"> • Can help each other with some aspects of daily living • This may defer necessity for outside help or a move to retirement or long-term care home
<p>Transportation</p> <p>Seniors have to re-qualify for their driver’s licence at age 80. A driver’s licence may be suspended for medical reasons.</p>	<p style="text-align: center;">Single senior</p> <p>When single seniors can no longer drive, they have to rely on family/friends, if available, taxis or public transportation. This is either costly or inconvenient.</p>	<p style="text-align: center;">Couple</p> <p>If one person can no longer drive, the spouse may still be able to drive, plus a taxi costs the same for one or two people.</p>



Are there any expenses that we have missed?



What have your experiences been?



RRSP, RRIF
and other registered plan transfers

Singles' RRSPs/RRIFs cannot be transferred on a tax-deferred basis to a beneficiary of choice

- **When Spouse 1 of a couple dies, the value of the deceased's RRSP, RRIF and other registered plans can be transferred to the surviving spouse on a tax deferred basis.**
- **When a single senior dies, the value of these plans cannot be transferred or rolled over to a beneficiary of choice. Instead, the amount remaining in registered plans (except a TFSA) is added to the income on the single senior's final return and taxed at a rate that could exceed 50%.**
- **Single seniors would like the remaining amounts in these plans to be rolled over to any beneficiary, perhaps with a 10-year payout limit. Surviving spouses can withdraw money from the amount transferred at any time and give it to anyone. Single seniors can withdraw funds too, but may need to draw on that money later to pay for services and care because they do not have a spouse.**

SSTF Recommendations

SSTF Recommendations

Recommendation 1

- **That the government introduce a tax provision to compensate single seniors for the considerable reduction in taxes payable by couples who use pension income splitting**

Recommendation 2

- **That the government implement a new single senior non-refundable tax credit equivalent to half of the personal amount for the applicable taxation year**

Recommendation 3

- **That the government increase the pension income amount from 2,000 to 3,000 for single seniors**

SSTF Recommendations

Recommendation 4

- **That the government increase the income clawback thresholds for Old Age Security and the age amount non-refundable tax credit for single seniors**

Recommendation 5

- **That the government amend the tax treatment of registered plan proceeds on the death of a single senior to allow a tax-deferred rollover to any beneficiary (regardless of the relationship with the deceased) with the proviso that the proceeds must be paid out and taxable to that beneficiary over a maximum of 10 years. Should the beneficiary die before the end of 10 years, the balance would be fully taxable in the year of death of that beneficiary.**

What have your experiences been?



Responding to the Challenges of our Time

Report of the Standing Committee on Finance
March 2023

Recommendation 115 needs to be implemented

The following recommendation was included in the report:

Recommendation 115

Examine the financial support measures available to seniors to ensure equitable treatment between single seniors and senior couples, including by considering the potential benefit of a non-refundable tax credit for single seniors and a higher threshold for the clawback of Old Age Security benefits for single seniors.

What can you do to help?

- Check out our web site www.singleseniorsfortaxfairness.com.
- Email us at singleseniorstax@gmail.com with your comments, suggestions and personal stories.
- Donate via our web site.
- Like us on Facebook.
- Sign up for our subscriber emails.
- Tell your friends and family.
- Write a letter to your MP. We have a template on the website that you can use
- Invite us to your groups.
- Do you have any contacts with politicians, media etc who could help us?

Contact these MPs

- **Group 1**

Name	Title	Email Address	Ottawa Office Phone Number
Your own MP			
Chrystia Freeland	Minister of Finance	chrystia.freeland@parl.gc.ca	613-992-5234
Seamus O'Regan	Minister of Labour and Seniors	seamus.oregan@parl.gc.ca	613-992-0927
Anna Roberts	Conservative Seniors Critic	anna.roberts@parl.gc.ca	613-992-1461
Rachel Blaney	NDP Seniors Critic	rachel.blaney@parl.gc.ca	613-992-2503
Andreanne Larouche	Bloc Seniors Critic	Andreanne.Larouche@parl.gc.ca	613-992-5279
Elizabeth May	Co-Leader Green Party	elizabeth.may@parl.gc.ca	613-996-1119

Contact these MPs

- Group 2 – Federal Finance Committee**

Name	Title	Email Address	Ottawa Office Phone Number
Peter Fonseca	Chair Liberal MP	peter.fonseca@parl.gc.ca	613-996-0420
Jasraj Singh Hallan	Vice-Chair Conservative MP	JasrajSingh.Hallan@parl.gc.ca	613-947-4566
Gabriel Ste-Marie	Vice-Chair Bloc Quebecois	gabriel.ste-marie@parl.gc.ca	613-996-6910

Once you have contacted them, let us know and we can followup

Phone Script

- **Hello. My name is <name> and I live in <riding> or <city>.**
- **I am a supporter of Single Seniors for Tax Fairness. I share their concerns regarding the taxation of single seniors. I am calling on you to implement the recommendations contained in their 2024 Pre-budget submission. To arrange a meeting with SSTF, they can be reached at singleseniorstax@gmail.com Thank you.**

What else could we do?

What have we been doing

- Prepared the 2024 Pre-budget Submission
- Updated our website
- Met with the following MPs and Senators since May, 2023

Name	Title
Joanne Thompson	Liberal MP Chair of the Liberal Seniors' Caucus
Julie Dabrusin	Liberal MP
Ali Ehsassi	Liberal MP
Rachel Blaney	NDP Seniors Critic

What have we been doing

- **Met with the following MPs and Senators since May, 2023**

Name	Title
Philip Lawrence	Conservative MP Member of the Finance Committee
Jasraj Singh Hallan	Conservative MP Vice Chair of the Finance Committee
John Brassard	Conservative MP
Churence Rogers	Liberal MP
Jane Cordy	Senator Progressive Senator Group

What have we been doing

- **Met with the following groups**

Name	Location
Vancouver Municipal Regional Retirees Association	Remotely
Central Burlington Women's Probus Club	In person

- **Met with the following possible collaborators**

Name	Location
Municipal Retirees Organization Ontario	Remotely
Ontario Seniors' Liberal Commission	Remotely
CanAge	Remotely

- **Appearing in a newsletter from Rob Carrick**

[Single seniors are subsidizing tax breaks available only to couples - The Globe and Mail](#)



www.singleseniorsfortaxfairness.com

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