**Single Seniors Deserve A Fairer Personal Tax Credit**

**WHEREAS:**

Single seniors (widowed, separated, divorced, never married, 65+) pay more income taxes and receive fewer benefits on the same total combined income compared to married/common law seniors.

**WHEREAS:**

Couples can each claim 3 non-refundable tax credits: the personal, age, and pension amounts on qualifying pension income – and can transfer unused credits to a spouse, thus reducing their total taxes payable; singles can only claim one set.

**WHEREAS:**

Many single seniors pay more taxes than couples on the same total household incomes.Beloware examples (2022 tax year) **1**:

* Incomes of $30,000 and $40,000 – single seniors may pay $1,755 and $3,914 more;
* Incomes of $50,000 - singles may pay $5,349 more; and
* Incomes of $70,000 - singles may pay $7,526 more.

**WHEREAS:**

No government program offsets the unfair taxation - including the dental care and pharmacare plans as well as tax credits like: disability, home accessibility, caregiver, multi-generational, attendant care

Increases to Old Age Security and the Guaranteed Income Supplement do not address the unfairness in the tax system for single seniors.

**WHEREAS:**

* Singles pay similar non-discretionary expenses as couples (rent, property taxes, condo fees, insurances, utilities etc).

**BE IT RESOLVED** that the Liberal Party of Canada (LPC) urges the Government of Canada to implement:

* a new single senior non-refundable tax credit to mitigate existing tax unfairness equivalent to half of the personal amount for the applicable taxation year, e.g., 7,199 in 2022 **2**.

**Sponsors & Endorsers**

Willowdale EDA /HLAT EDA

Contact: <need to confirm the email address>

**References:** For more information, please see the attached backgrounder.

1. This document is using 2022 rates to demonstrate the extent of the issues with the unfair taxation of single seniors caused in part by tax credits. No regulatory changes have been made since 2022 that affect the discrepancies in taxes between singles and couples.
2. This number would be 7,500 using 2023 rates. The proposed new tax credit would be 22,500 (15,000+7,500)

This would result in lower taxes for single seniors. Based on the examples above, single seniors would experience the following tax savings (2022 rates). At $30,000, a single could pay no federal tax, saving $856. At other levels of income, the single could save $1080.

At 2023 rates, at 30,000, a single senior could pay no federal tax, saving $691. At all other levels of income, the single could save $1,125.

English:

The author of this document is Elizabeth Brown, Director, Single Seniors for Tax Fairness. This group will not specifically benefit from this initiative. We are advocating for changes to current income tax legislation.

**Increase the Age Amount Clawback for Single Seniors**

**WHEREAS:**

Single seniors (widowed, separated, divorced, never married, 65+) pay more income taxes and receive fewer benefits on the same total combined income compared to married/common law seniors.

**WHEREAS:**

Couples can each claim 3 non-refundable tax credits: the personal, age, and pension amounts on qualifying pension income – and can transfer unused credits to a spouse, thus reducing their total taxes payable; singles can only claim one set.

**WHEREAS:**

Singles pay similar non-discretionary expenses as couples (rent, property taxes, condo fees, insurances, utilities etc).

**WHEREAS:**

The age amount tax credit is available for seniors 65+ with incomes below certain thresholds. At incomes above the threshold, the credit can be clawed back.

**WHEREAS:**

Pension income splitting permits the allocation of up to 50% of eligible pension earnings from one spouse to the other, reducing their combined taxable income, dropping it below the clawback threshold for the non-refundable age amount tax credit.

**WHEREAS:**

The following shows the higher taxes and clawbacks that single seniors experience (2022 rates) **1**.

At **2**:

* Incomes of $50,000 - singles may pay $5,349 more: singles age amount clawback: $1,527; and
* Incomes of $70,000 - singles may pay $7,526 more: singles age amount clawback: $4,527

**WHEREAS:**

Dental care and pharmacare plans and tax credits: disability, home accessibility, caregiver, multi-generational, attendant care and increases in Old Age Security and the Guaranteed Income Supplement don’t fix tax inequity.

**BE IT RESOLVED** that the Liberal Party of Canada (LPC) urges the Government of Canada to increase the income clawback threshold for the non-refundable age amount tax credit by 50% for single seniors.**3, 4, 5**

**Sponsors & Endorsers**

Willowdale EDA

Contact: <need to confirm the email address>

**References:** For more information, please see the attached backgrounder.

1. This document is using 2022 rates to demonstrate the extent of the issues with the unfair taxation of single seniors caused by the age amount tax credit. Discrepancies in taxes continue to exist whether 2023 or 2023 rates are used.
2. At incomes of $30,000 and $40,000 – singles may pay $1,755 and $3,914 more taxes than couples. at 40,000, singles age amount clawback is *$*27; (2022 rates)
3. This number would be 59,739 (39826\*1.5) using 2022 rates and 63,520 (42,335\*1.5) using 2023 rates
4. At 2022 rates, single seniors could save the following:
	1. $40,000 and $50,000– No clawback, saving $4 and $229 in taxes respectively
	2. $70,000 – Singles save $448
5. Since the age amount clawback was already raised to 42,335 in 2023, an increase in the clawback level means that the senior with $40,000 in income would not have any of their age amount tax credit clawed back.

Implementing the 50% increase would benefit single seniors at other levels of income. At 50,000, a single could save $172. At 70,000, a single could save $476. (2023 rates)

Because couples can split their incomes and drop below clawback levels more easily, they will retain more benefits while singles with the same incomes will not.

Definition of the non refundable Age Amount Tax Credit

[Line 30100 – Age amount - Canada.ca](https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-30100-amount.html)

If the taxpayer has any income over 39826 (2022 rates) or 42355 (2023 rates), then part of that credit can be clawed back.

English:

The author of this document is Elizabeth Brown, Director, Single Seniors for Tax Fairness. This group will not specifically benefit from this initiative. We are advocating for changes to current income tax legislation.

**Single Seniors Deserve a Higher Pension Income Amount**

**WHEREAS:** Single seniors (widowed, separated, divorced, never married, 65+) pay more income taxes and receive fewer benefits on the same total combined income as married/common law seniors.

**WHEREAS:**

Singles pay similar non-discretionary expenses as couples (rent, property taxes, condo fees, insurances, utilities etc).

**WHEREAS:**

Couples can each claim three non-refundable tax credits – personal, age, and pension income amounts on qualifying pension income – and transfer unused credits to a spouse, reducing total taxes payable. Singles can only claim one set.

**WHEREAS:**

No government program fixes unfair taxation including the dental care and pharmacare plans as well as tax credits like: disability, home accessibility, caregiver, multi-generational, attendant care

Increases to Old Age Security and the Guaranteed Income Supplement do not fix tax inequity.

**WHEREAS:**

Many single seniors pay more taxes than couples with the same total household incomes.Beloware examples (2022 rates) **1**:

* Incomes of $30,000 and $40,000 – single seniors may pay $1,755 and $3,914 more;
* Incomes of $50,000 - singles may pay $5,349 more; and
* Incomes of $70,000 - singles may pay $7,526 more.

**BE IT RESOLVED** that the Liberal Party of Canada (LPC) urges the Government of Canada to implement:

* a higher pension income amount tax credit from 2,000 to 3,000 for single seniors **2**

**Sponsors & Endorsers**

Willowdale EDA

Contact: <need to confirm the email address>

**References:** For more information, please see the attached backgrounder.

1. This document is using 2022 rates to demonstrate the extent of the issues with the unfair taxation of single seniors caused by the personal income amount. No regulatory changes have been made since 2022 that affect the discrepancies in taxes between singles and couples.
2. The pension income amount is not adjusted year to year like other values (e.g. age mount clawback level). Therefore, the pension income amount for 2022 is the same amount as for 2023.

This would result in lower taxes for single seniors.

Based on the examples above, single seniors would experience the following tax savings (2022 and 2023 rates):

* 1. $30,000 – a single senior could save $150
	2. $40,000 – a single senior could save $150
	3. $50,000 – a single senior could save $150
	4. $70,000 – a single senior could save $150

Definition of the Pension Income Amount

Seniors can claim this if they reported eligible pension, superannuation and annuity payments on their tax returns.

[Line 31400 – Pension income amount - Canada.ca](https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-31400-pension-income-amount.html)

English:

The author of this document is Elizabeth Brown, Director, Single Seniors for Tax Fairness. This group will not specifically benefit from this initiative. We are advocating for changes to current income tax legislation.

**IncreaseOAS Clawback levels for Single Seniors**

**WHEREAS:**

Single seniors (widowed, separated, divorced, never married, 65+) pay more income taxes and receive fewer benefits on the same total combined income as senior couples.

**WHEREAS:**

Singles pay similar non-discretionary expenses as couples (rent, property taxes, condo fees, insurances, utilities etc).

**WHEREAS:**

Pension income splitting permits the allocation of up to 50% of eligible pension earnings from one spouse to the other which reduces their combined taxable income and tax payable.

**WHEREAS:**

This makes it easier for senior couples’ taxable incomes to drop below the clawback threshold for Old Age Security (OAS) **1**.

**WHEREAS:**

This contributes to single seniors paying more taxes on the same total/taxable income as couples.

**WHEREAS:**

No government program fixes unfair taxation including the dental care and pharmacare plans as well as tax credits like: disability, home accessibility, caregiver, multi-generational, attendant care

Increases to Old Age Security and the Guaranteed Income Supplement do not fix tax inequity.

**BE IT RESOLVED** that the Liberal Party of Canada (LPC) urges the Government of Canada to increase the income clawback threshold for OAS for single seniors. :

* Increasing the clawback threshold by 50% (from 86,912 to130,368 (2023 rates) could result in single seniors with incomes of $90,000 experiencing a tax reduction of $453 and at $100,000, a reduction of $1,957 .**2**

**Sponsors & Endorsers**

Willowdale EDA

Contact: <need to confirm the email address>

**References:** For more information, please see the attached backgrounder.

English:

1. Definition of Old Age Security

[Old Age Security - Canada.ca](https://www.canada.ca/en/services/benefits/publicpensions/cpp/old-age-security.html)

If the taxpayer has any income over 81,761 (2022 rates) or 89,912 (2023 rates), then the tax payer needs to starting paying part of their OAS back. Because of Pension Income Splitting, it is easier for couples to drop below those thresholds and for each member of a couple to retain full OAS.

1. An increase in the OAS clawback threshold by 50% (from 81,761 to 122,642 based on 2022 rates) could result in single seniors with incomes of $90,000 experiencing a tax reduction of $1,208 and at $100,000, a reduction of $2,736

The author of this document is Elizabeth Brown, Director, Single Seniors for Tax Fairness. This group will not specifically benefit from this initiative. We are advocating for changes to current income tax legislation.

**Make the treatment of RRSPs/RRIFs on death fairer for single seniors**

**WHEREAS:** On the death of a single senior (widowed, separated, divorced, never married), the total proceeds of RRSP/RRIF assets are taxed as income in the year of death. On the death of a spouse (legally married, or common-law for at least one year), the deceased’s RRSP/RRIF assets are transferred to the spousal beneficiary on a tax-deferred basis.

**WHEREAS:** The tax-deferred rollover to a “spouse” began when most married women did not have pensions or savings. “Spouse” now includes common-law and same-sex spouses.

Most couples today are dual income and dual-pensioned. The surviving spouse can distribute the rolled-over funds to anyone, at any time, minus the tax incurred on that withdrawal.

The estate of a single person is immediately reduced by tax incurred on the total amount.

Singles (a growing segment of the population) are often financially assisting family members and could be sharing a home with them. Note: the U.S. allows a ten-year payout to a non-spousal beneficiary of an Individual Retirement Account (IRA).

**BE IT RESOLVED** that the Liberal Party of Canada (LPC) urges the Government of Canada to

* enact fairness in the transfer of RRSP/RRIF assets on the death of a single senior by allowing a tax-deferred rollover to any beneficiary (regardless of relationship to the deceased) with the proviso that the proceeds be paid out, and taxable to that beneficiary, over a maximum of ten (10) years.
* Should the beneficiary die before the end of the ten years, the balance would be fully taxable in the year of death of that beneficiary.

**State the Sponsors & Endorsers**

Willowdale EDA

**Contact:** <need to confirm the email address>

**References:** For more information, please see the 2024 Pre-budget submission prepared by Single Seniors for Tax Fairness.

English: SingleSeniorsForTaxFairness-e.pdf (ourcommons.ca)

French: SingleSeniorsForTaxFairness-10788636-f.pdf (ourcommons.ca)

The author of this document is Elizabeth Brown, Director, Single Seniors for Tax Fairness. This group will not specifically benefit from this initiative. We are advocating for changes to current income tax legislation.

**Making Pension Income Splitting Work for All Seniors**

**WHEREAS:** Many single seniors**1** pay more taxes than senior couples **2** with the same taxableincomes **3**e.g.

* Incomes of $30,000– single seniors may pay $1,755 more;
* Incomes of $50,000 - singles may pay $5,349 more; and
* Incomes of $70,000 - singles may pay $7,526 more.

**WHEREAS:** Singles pay similar non-discretionary expenses as couples - rent, property taxes, mortgage, telecommunications, insurances, utilities, etc.

**WHEREAS**: Pension income splitting is only available to senior couples permitting the allocation of up to 50% of their eligible pension incomes to one spouse which reduces their combined taxable income, tax payable and minimizes or eliminates clawback of the non-refundable age credit and Old Age Security income.

**WHEREAS:** No government program fixes the causes of unfair taxation including the dental care and pharmacare plans as well as tax credits like: disability, home accessibility, caregiver, multi-generational, attendant care.

**WHEREAS:** Increases to Old Age Security and the Guaranteed Income Supplement do not fix tax inequities.

**BE IT RESOLVED** that the Liberal Party of Canada (LPC) urges the Government of Canada to consider:

* a tax provision for single seniors to offset the reduction in taxes payable by senior couples who enjoy pension income splitting.
* a new single senior non-refundable tax credit to mitigate existing tax unfairness, equivalent to half of the personal amount for the applicable taxation year, e.g., 7,199 in 2022. **4**
* increasing the age amount clawback by 50% **5 and 6**
* increasing the OAS clawback threshold by 50% **7 and 8**
* a higher pension income tax credit from 2,000 to 3,000 for single seniors **9**

**References:**

1. Single senior includes widowed, separated, divorced, never married, 65+; couples include married and common law
2. Married includes both married and common law couples.
3. This document is using 2022 rates to demonstrate the extent of the issues with with the unfair taxation of single seniors caused by the personal income amount. No regulatory changes have been made since 2022 that affect the discrepancies in taxes between singles and couples.
4. This number would be 7,500 using 2023 rates (15,000\*.5). This would result in lower taxes for single seniors.

Based on 2022 rates, at $30,000, a single could pay no federal tax, saving $855. At other levels of income, the single could save $1079.85.

At 2023 rates, at 30,000, a single could pay no federal tax, having $690.60. At all other levels of income, the single could save $1,125.

1. Definition of the non refundable Age Amount Tax Credit

[Line 30100 – Age amount - Canada.ca](https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-30100-amount.html)

If the taxpayer has any income over 39826 (2022 rates) or 42355 (2023 rates), then part of that credit can be clawed back.
2. At 2022 rates, at incomes of:

$30,000 and $40,000 – singles may pay $1,755 and $3,914 more taxes than couples at 40,000, singles age amount clawbackis $27;
$50,000 - singles may pay $5,349 more taxes: singles age amount clawback: $1,527;
$70,000 - singles may pay $7,526 more taxes: singles age amount clawback: $4,527

Since the age amount clawback was already raised to 42,335 in 2023, an increase in the clawback level means that the senior at 40,000 would not have any of their age amount tax credit clawed back. Implementing the 50% increase would benefit single seniors at other levels of income. At 50,000, a single could save $172. At 70,000, a single could save $476.(2023 rates)
3. Definition of Old Age Security

[Old Age Security - Canada.ca](https://www.canada.ca/en/services/benefits/publicpensions/cpp/old-age-security.html)

If the taxpayer has any income over 81,761 (2022 rates) or 89,912 (2023 rates), then part of the OAS benefit must be repaid. Because of Pension Income Splitting, it is easier for couples to drop below those thresholds and for each member of a couple to retain full OAS.

1. An increase in the OAS clawback threshold by 50% (from 81,761 to 122,642 based on 2022 rates) could result in single seniors with incomes of $90,000 experiencing a tax reduction of $1,208 and at $100,000, a reduction of $2,736.

Increasing the clawback threshold by 50% (from 86,912 to 130,368 based on 2023 rates) could result in single seniors with incomes of $90,000 experiencing a tax reduction of $453 and at $100,000, a reduction of $1,957.
2. The pension income amount is not adjusted year to year like other values (e.g. age mount clawback level). Therefore, the pension income amount for 2022 is the same as for 2023.

This would result in lower taxes for single seniors.

Based on the examples above, single seniors would experience the following tax savings (2022 and 2023 rates):

* 1. $30,000 – a single senior could save $150
	2. $40,000 – a single senior could save $150
	3. $50,000 – a single senior could save $150