

CARRICK ON MONEY

Single seniors are subsidizing tax breaks available only to couples



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An unwritten rule in our tax system is that senior couples should pay less tax than singles. A group called [Single Seniors for Tax Fairness](#) is trying to change things by lobbying the federal government. To find out what single seniors are up against and what can be done to help them, I invited SSTF director Elizabeth Brown to do a Q&A for this newsletter. Here's an edited version of our Q&A by e-mail:

Q: Elizabeth, can you tell us a bit about your background?

A: I am a lifelong single in my early 60s who worked as an information technology consultant before retirement. I read about Single Seniors for Tax Fairness and the founder, Jane Robertson, [in the newspaper](#) several years ago. I contacted her and sent a donation. Through Jane, I learned about the unequal tax treatment of single seniors so volunteered to help her raise awareness with MPs, the media and the public. I became director when Jane retired.

Q: How many single seniors are there in Canada, and what are some specific ways they're discriminated against from a taxation point of view?

A: Based on the 2021 census, almost 40 per cent of people 65-plus are single, and almost 70 per cent of them live alone. About 70 per cent of single seniors living alone have an income less than \$50,000. Senior couples can use pension income splitting and the transfer of non-refundable tax credits to reduce their taxable income. This not only reduces the income tax they pay, it also minimizes or eliminates the clawback of Old Age Security. As a result, single seniors with the same income pay much higher tax and can lose all of their OAS. For example, a single senior with an income of \$50,000 pays \$6,521 in tax while a couple with the same total income pays only \$1,172 in tax. That's more than five times as much. Please note that SSTF isn't advocating to take benefits away from couples. We just want a fairer, more equitable, tax system for single seniors.

Q: I recently [did a Q&A](#) with the author of a new book called The Pink Tax, which is based on the idea that the financial system works to keep women broke. Do you see the plight of single senior women through this same lens?

A: Not directly, no. Our concerns relate to inequalities in taxation for all single seniors, women and men. It's true there are more single senior women than men because women tend to live longer. That means that women are subject to the unequal tax treatment for more years than men.

Q: For everyday living costs, how much of an advantage is it to be part of a couple rather than single?

A: It's a huge advantage. Financial planners have concluded that single seniors require up to 70 per cent of the income of a couple to maintain the same lifestyle. For example, unavoidable expenses like rent, mortgage payments, property taxes, condo fees, property insurance, maintenance, utilities, etc. cost the same whether one person or a couple lives in a home.

Q: What stories have you heard lately about single seniors struggling financially as a result of big increases in the cost of living?

A: We've heard of single seniors facing hardships due to financial insecurity, rising costs and unexpected life events. They are much more likely to have to reduce their expenses

to meet the basic necessities compared to a couple. Single seniors have a lot less disposable after-tax income compared to a couple with the same total income.

Q: Let's say you have the attention of the prime minister and the finance minister. What's on your ask list?

A: Single seniors don't mind paying taxes, but we want to be taxed fairly, not based on our marital status, which is one of the prohibited grounds for discrimination according to the Canadian Human Rights Act. I'd ask the prime minister and finance minister to implement the recommendations in our latest prebudget submission, including a tax provision for single seniors to offset the considerable tax reduction from pension income splitting by couples

Q: Any final thoughts for us?

A: Current provisions of the Income Tax Act transfer the tax load from senior couples to senior singles through the inequalities that I've mentioned. In effect, single seniors are subsidizing couples.