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HOUSE OF COMMONS
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Government of Canada suspends Old Age Security benefits for prisoners

For Immediate Release

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OTTAWA – Yesterday, Bill C-31, the federal legislation that stops the payment of Old Age Security benefits to convicted criminals, became law.

The Honourable Diane Finley, Minister of Human Resources and Skills Development, announced the passage of Bill C-31, An Act to Amend the Old Age Security Act, which ends Old Age Security benefits to prisoners. “It is wrong that convicted killers like Clifford Olson were receiving taxpayers’ entitlements such as Old Age Security benefits,” said Minister Finley. “Our government made a commitment to Canadians to end these entitlements for prisoners, and we have delivered on our commitment.”

“It’s great to see that this government is putting victims and taxpayers first, ahead of criminals. The suspension of Old Age Security benefit payments to inmates does just that,” said Ms. Sharon Rosenfeldt, President of Victims of Violence. “I commend Prime Minister Harper and Minister Finley for taking leadership on this important issue and ending entitlements for convicted criminals.”

“It is common sense that prisoners who are already receiving taxpayer-funded room and board should not also receive Old Age Security. That is why Canadians are upset and outraged. This bill is important for the principles of fairness,” added Ms. Rosenfeldt.

In addition to suspending Old Age Security benefits for federal inmates who have sentences of two years or more, the Government of Canada will begin negotiations with the provinces and territories to implement these changes for provincial and territorial inmates who have sentences exceeding 90 days.

Low-income spouses and common-law partners of prisoners will not lose their entitlement to the income-tested Guaranteed Income Supplement and the Allowances.

Old Age Security benefit payments will be suspended the month following an inmate’s incarceration. Benefits will start or resume the month the individual is released.

Backgrounder

OLD AGE SECURITY

The Old Age Security (OAS) program is the cornerstone of Canada's retirement income system.

In order to be eligible to receive OAS benefits, applicants must have resided in Canada for a minimum of 10 years, after age 18. A person applying for OAS benefits who has fewer than 10 years' of residence in Canada may nevertheless qualify for a partial benefit if he or she has accumulated pension credits from one of the countries with which Canada has an international social security agreement. With 40 years of residence in Canada, a full pension can be received.

The OAS program offers three types of benefits:

1. **The OAS basic pension:** This pension is paid to individuals aged 65 or older who meet the residence requirements. In 2009–2010, 4.7 million seniors received \$27.3 billion in OAS pension benefits.
2. **The Guaranteed Income Supplement (GIS):** The GIS is paid to individuals receiving the OAS basic pension who have little or no other income. In 2009–2010, 1.6 million seniors received \$7.7 billion in GIS benefits.
3. **The Allowances:** The Allowance is paid to individuals aged 60 to 64 whose spouse or common-law partner receives the GIS. The Allowance for the Survivor is paid to individuals between the ages of 60 and 64, who have little or no income, and whose spouse or common-law partner has died, and who have not remarried or entered into a common-law relationship. In 2009–2010, 94 000 people approaching their senior years received \$535 million in Allowances.

OAS benefits are adjusted quarterly in January, April, July and October to reflect changes in the cost of living, as measured by the Consumer Price Index (CPI). The Old Age Security Act contains a guarantee that ensures that OAS benefits are not reduced, even when there is a decrease in the CPI. As such, if the CPI goes down, OAS benefits will remain the same.

Individuals must apply for OAS benefits. They do not start automatically.