



Reuter Insight

March 2012

Will government programs be enough in retirement?

While government programs can provide an important source of income to you during retirement, the amount you may receive from these programs is often not enough to support your income needs.

The current maximum amount of benefit paid at age 65 is:

Canada Pension Plan (CPP):	\$986.67/month
Old Age Security (OAS):	\$540.12/month

The amount of benefit paid from CPP is based on your level of contributions, so depending on your contribution history, your monthly payment may be less.

OAS payments are based on residency requirements, and are funded by general tax revenues. Although OAS is currently available at age 65, the federal government has discussed the possibility of raising the OAS eligibility age from 65 to 67.

If you have taxable income of \$69,562 or more per year, some of your OAS benefit may be reduced or “clawed back”. Once your income reaches \$112,722, all OAS benefits are eliminated completely.

A third government program, Guaranteed Income Supplement (GIS), is paid to eligible low-income OAS recipients.

In order to determine if you are saving enough for retirement, we recommend that you develop a comprehensive retirement plan that includes government and other sources of income.

Please contact Reuter Benefits at 1-800-666-0142 or via email at retire@reuterbenefits.com if you would like to discuss your retirement plan.