



Reuter Insight

March 2013

Old Age Security Pension Changes - Reminder

Last year we provided you with an update regarding changes to the Old Age Security Pension.

You may recall that, effective April 1, 2023, eligibility age for Old Age Security (OAS) and Guaranteed Income Supplement (GIS) will change to age 67 from age 65 (anyone who was age 54 or older as of March 31, 2012 is not affected). This means that individuals born between April 1, 1958 and January 31, 1962 will become eligible to receive benefits between ages 65 and 67 instead of being eligible at 65 as previously allowed. People born in 1963 or later will not be eligible for OAS until age 67.

However, some members have approached us for information regarding the second major change we outlined that enables you to defer receipt of your monthly OAS pension and receive a corresponding higher amount. (A deferral and enhancement does not apply to GIS.)

OAS Deferral

You may choose to postpone receipt for up to 5 years starting July 1, 2013 in exchange for an enhanced monthly benefit of .6% per month of deferral (or 7.2% for a full year deferral).

- For example, Susan is age 65 but has decided to continue to work for another year and defer receipt of OAS until age 66. This would result in an annual payment of \$6,948 versus an annual payment of \$6,481 (in 2012 dollars).

In summary, eligible Canadians may choose to defer receipt of both Canada Pension Plan and Old Age Security in order to receive a higher benefit.

To learn more about these government changes, contact Reuter Benefits via telephone at 1-800-666-0142 or by email at retire@reuterbenefits.com. For additional details you may contact Service Canada at 1-800-277-9914 or via email at www.servicecanada.gc.ca.