

*A Health Equity Reform for Canada's Old Age Security System:*  
**Eliminating Seniors' Poverty and Improving  
Affordability for Younger Canadians**

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Founder, Generation Squeeze

Presentation to

2026 Spring Conference of the Health Officers

Council of BC

May 21, 2026. Vancouver, BC

GENERATION | **squeeze**

**COI declaration:**

**PK is the volunteer Board Chair for the Association for Generational Equity.**

**As a university professor, I often hold Tri-Council grants, including a CIHR grant to improve government investment in the social determinants of health.**

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<https://doi.org/10.32721/ctj.2025.73.4.pf.kershaw>

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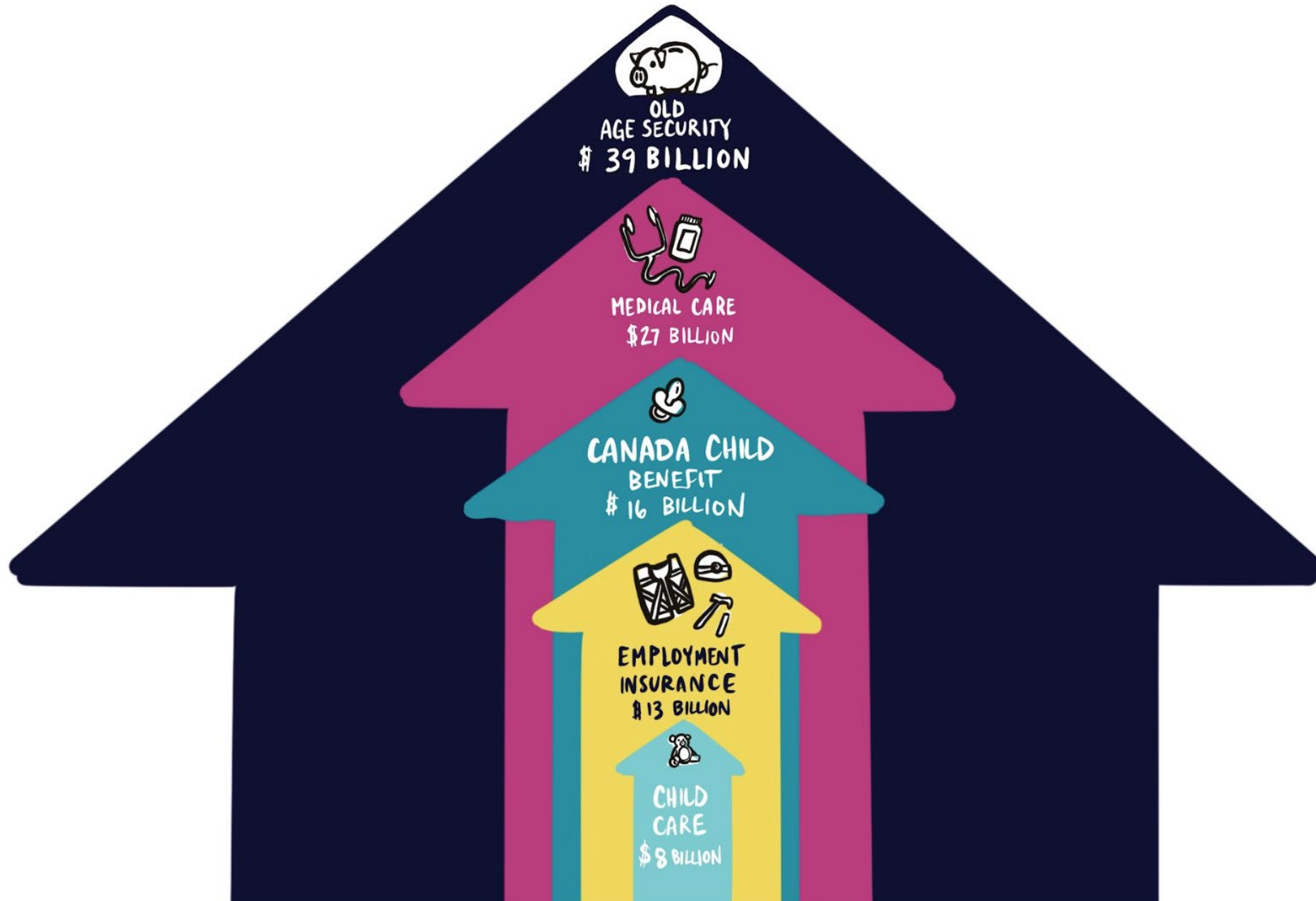
## **Policy Forum: Better Late Than Never— Policy Options for Modernizing OAS and Retirement Tax Credits**

Paul Kershaw\*

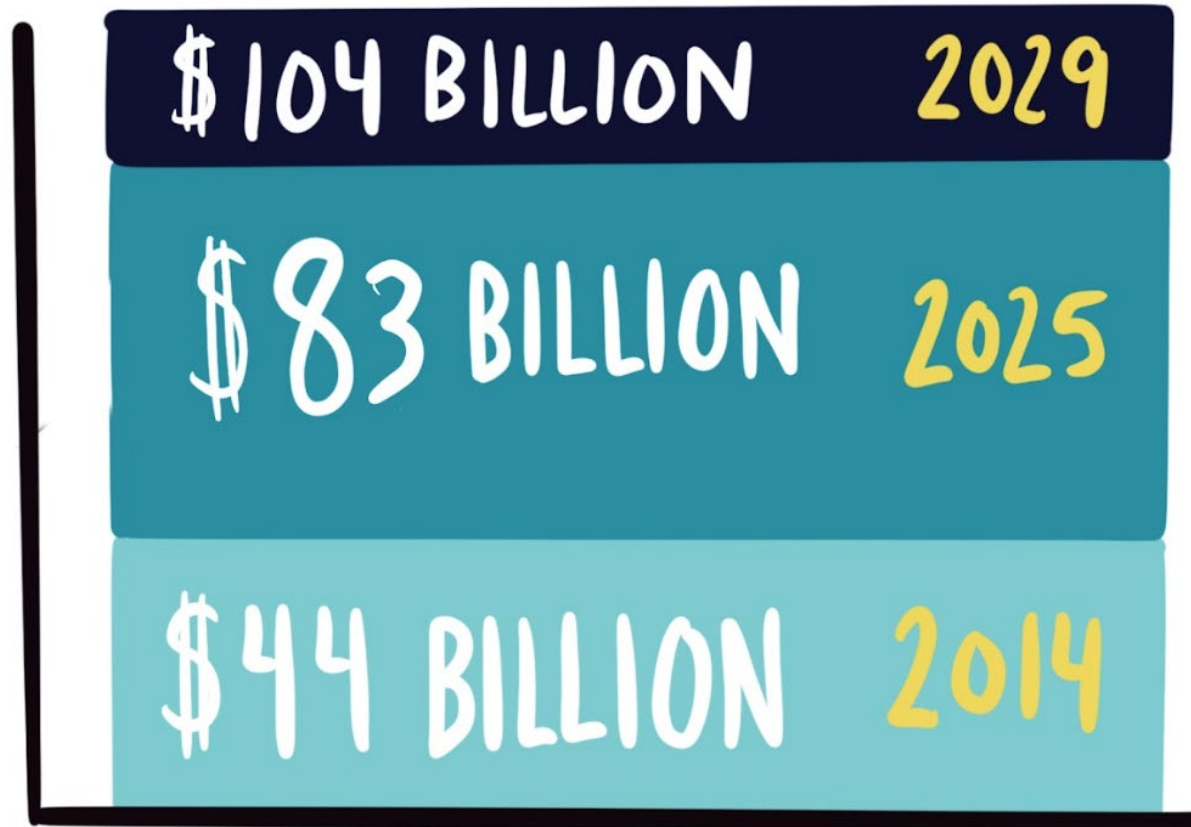
**Health doesn't start with medical care**

**Old Age Security is the single biggest  
Canadian investment in income  
security**

# ANNUAL SPENDING INCREASE IN 2025 COMPARED TO 2014



**OAS = NEARLY 1/5 OF CANADA'S BUDGET, AND  
DRIVES DEFICITS**




Includes  
\$17 billion  
subsidy to  
retirees  
with six  
figure  
household  
incomes

# Low income statistics by age, sex and economic family type 1, 2, 3, 4, 5

Frequency: Annual

 [Help](#)

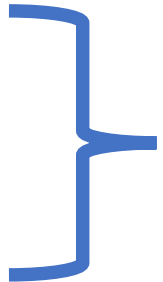
Table: 11-10-0135-01 (formerly CANSIM 206-0041)

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Release date: 2025-11-07

*Geography:* Canada, Geographical region of Canada, Province or territory,  
Census metropolitan area

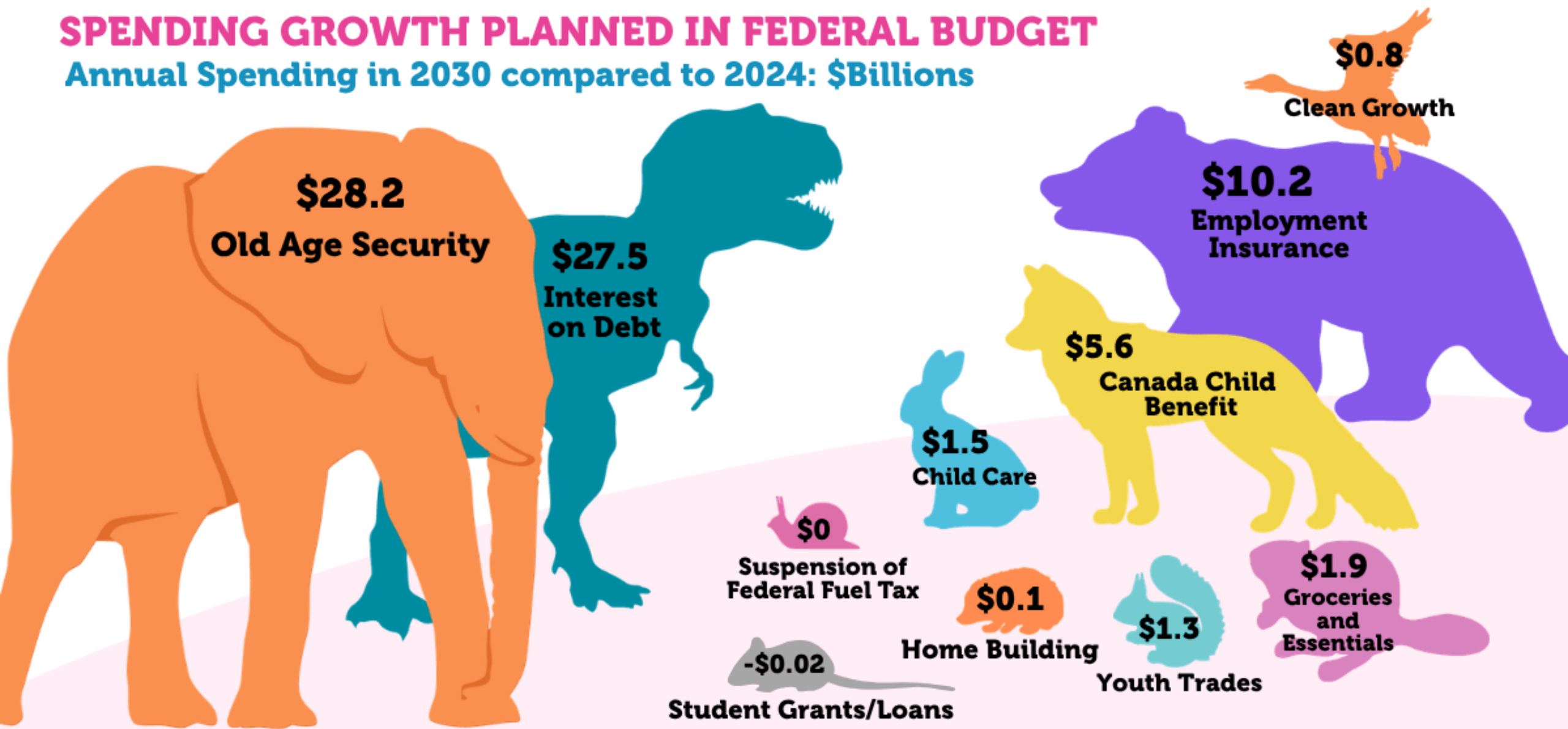
Geography	Canada <sup>6</sup> ( <a href="#">map</a> )	
Low income lines	Market basket measure, 2023 base <sup>7, 8</sup>	
Statistics	Percentage of persons in low income	
Persons in low income	2022	2023
All persons	10.3 <sup>A</sup>	10.9 <sup>A</sup>
Persons under 18 years	10.4 <sup>B</sup>	11.8 <sup>B</sup>
Persons 18 to 64 years	11.5 <sup>A</sup>	12.2 <sup>A</sup>
Persons 65 years and over	6.3 <sup>B</sup>	5.5 <sup>B</sup>



# **Spring Economic Statement 2026**

# SPENDING GROWTH PLANNED IN FEDERAL BUDGET

Annual Spending in 2030 compared to 2024: \$Billions

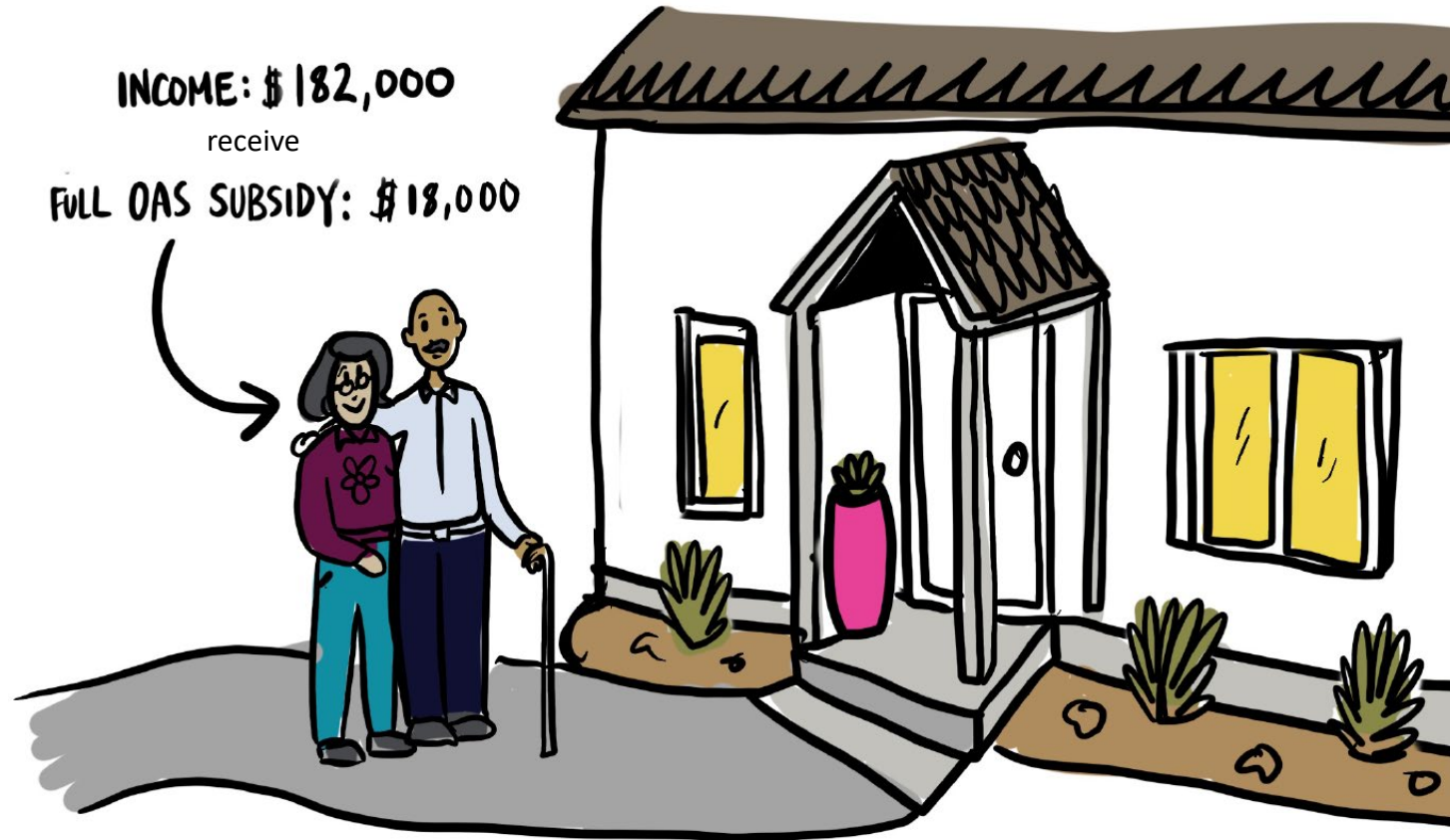


Source: 2026 Spring Economic Statement, especially Table A1.9 and p.109

OAS IS CASTING A BIGGER SHADOW OVER CANADA'S BUDGET,



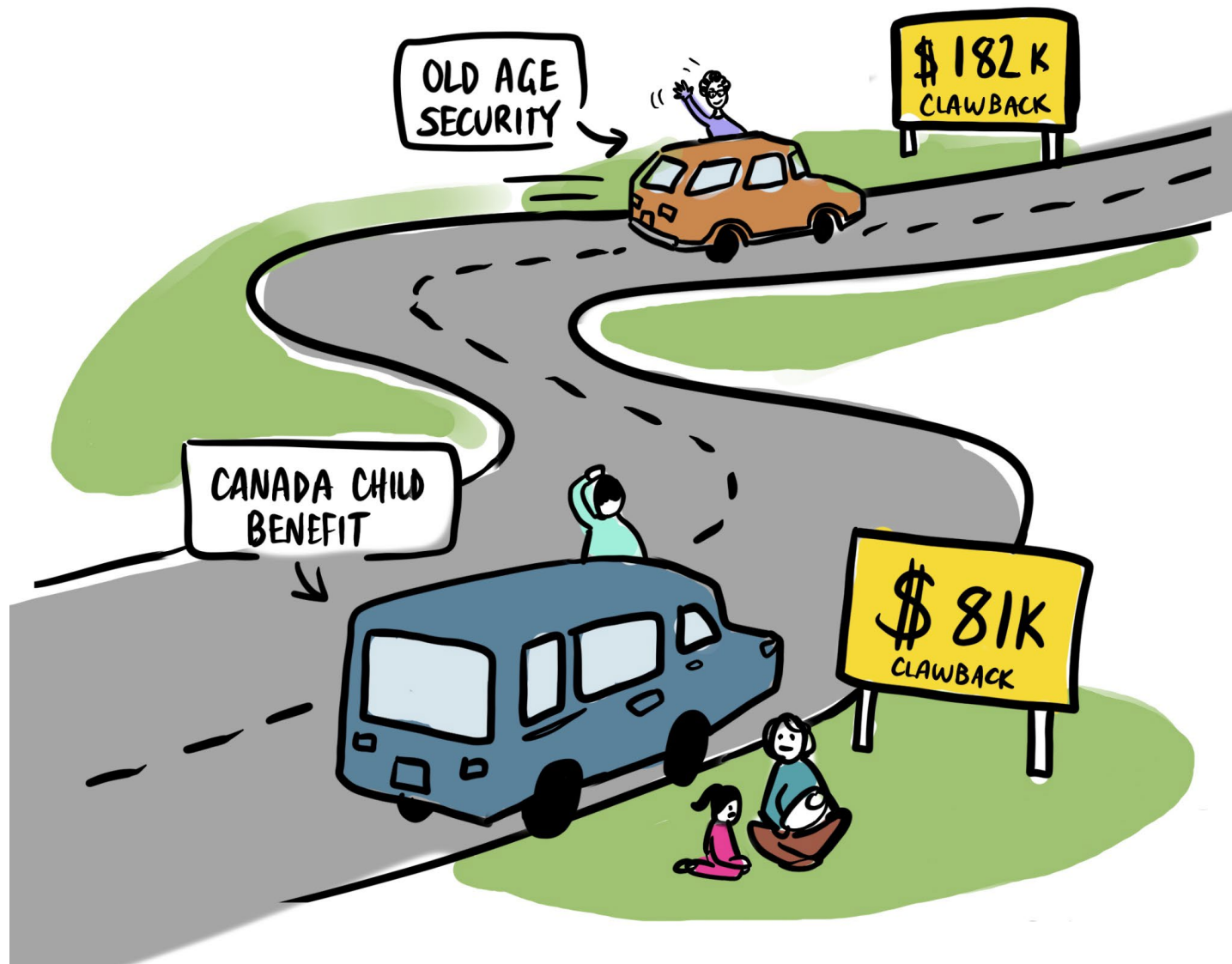
# DO TAXPAYERS REALLY NEED TO SUBSIDIZE FINANCIALLY SECURE RETIREES?



## UPDATE OLD AGE SECURITY NOW

**A classic “Health Equity” plan to  
Eliminate senior’s poverty  
*and* Double investments in  
housing, postsecondary, childcare  
& youth unemployment;  
— all without spending more or  
raising tax rates**

FAMILIES HIT CLAWBACKS AT \$81K.  
RETIRED COUPLES? NOT UNTIL \$182K.





• PERSONAL FINANCE

Financial Facelift

## reveals OAS's outdated eligibility criteria now part of wealth management planning

In one recent Globe feature, [a couple](#) sought advice on how to manage \$4.4-million in assets so the husband could retire early, give a child \$250,000 for a down payment, and still spend \$100,000 after tax each year for life. After income splitting, their adviser projected they would each enjoy taxable income of about \$115,000 a year, including two OAS benefits facing only a small clawback.

[Another couple](#) reported \$2.1-million in assets and \$164,000 in annual cash flow. Their question: “What we really need to find is that sweet spot that makes my money – Canada Pension Plan, Old Age Security and business dividends – go the furthest.”

Then there was a [third couple](#), sitting on nearly \$7-million in property and investments. Even after giving \$700,000 to their two children and maintaining six-figure annual spending goals, their planner projected their estate would bequeath \$11-million – all while collecting OAS.

**Governments failed decades ago  
to plan revenue to cover the  
costs of population aging**



Prime Minister Jean Chrétien speaking at a dinner in Toronto on Feb. 22, 1996. While Chrétien's government prepared better for the boomer bulge than any previous or succeeding administration, its own budgets show it knowingly left the job unfinished.

RANDY VELOCCI/THE GLOBE AND MAIL



AS BOOMERS RETIRE



## Number of working age Canadians per senior (Elderly Dependency Ratio): 1976 vs 2024



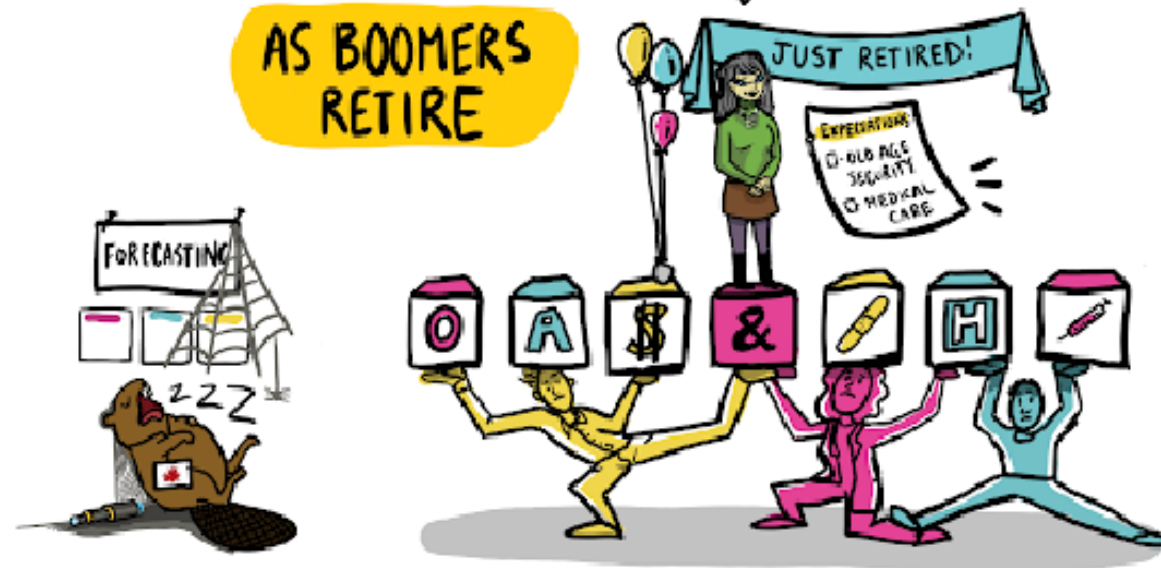
■ 1976 ■ 2024

Sources: Author calculations based on Canadian Institute for Health Information. National Health Expenditure Trends, 2024: Data Tables — Series E1. Ottawa, ON: CIHI; 2024; and Statistics Canada Table: 17-10-0005-01. Population estimates on Jul 1, by age and gender. Ottawa, ON, Statistics Canada.

Adapted  
revenue for  
Canada  
Pension Plan  
in mid-90s



CPP Taxes  
up 68% in  
mid-90s.



Adapted  
revenue for  
Canada  
Pension  
Plan.

*But not for  
OAS and  
medical care*

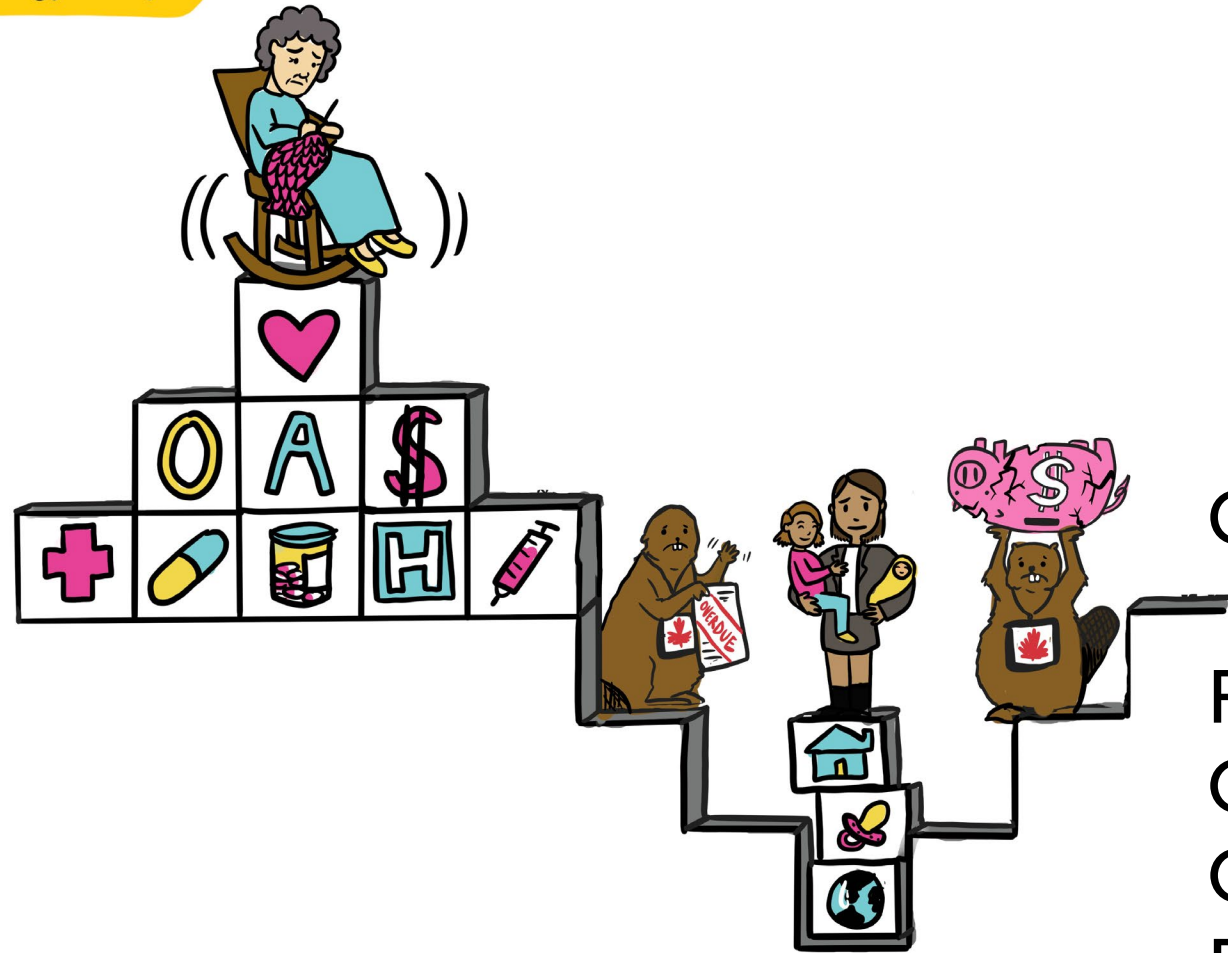


CPP Taxes  
up 68% in  
mid-90s.

*No revenue  
changes for  
OAS or  
medical  
care.*



# THE LEGACY:



Gov't deficits in 2025:

Federal: \$78 billion

Ontario: \$15 billion

Quebec: \$11 billion

BC: \$9 billion



GENERATION  
**squeeze**

# Younger Canadians pay 20-40% more in income taxes for retirees' income supports and medical care than boomers paid to support retirees when they were young.

WHEN  
BOOMERS  
WERE  
YOUNG...



NOW...



**Bureaucrats have no idea whether Ottawa's most expensive program – Old Age Security – is meeting its objectives. That is the scathing conclusion from Karen Horgan, Canada's AG.**

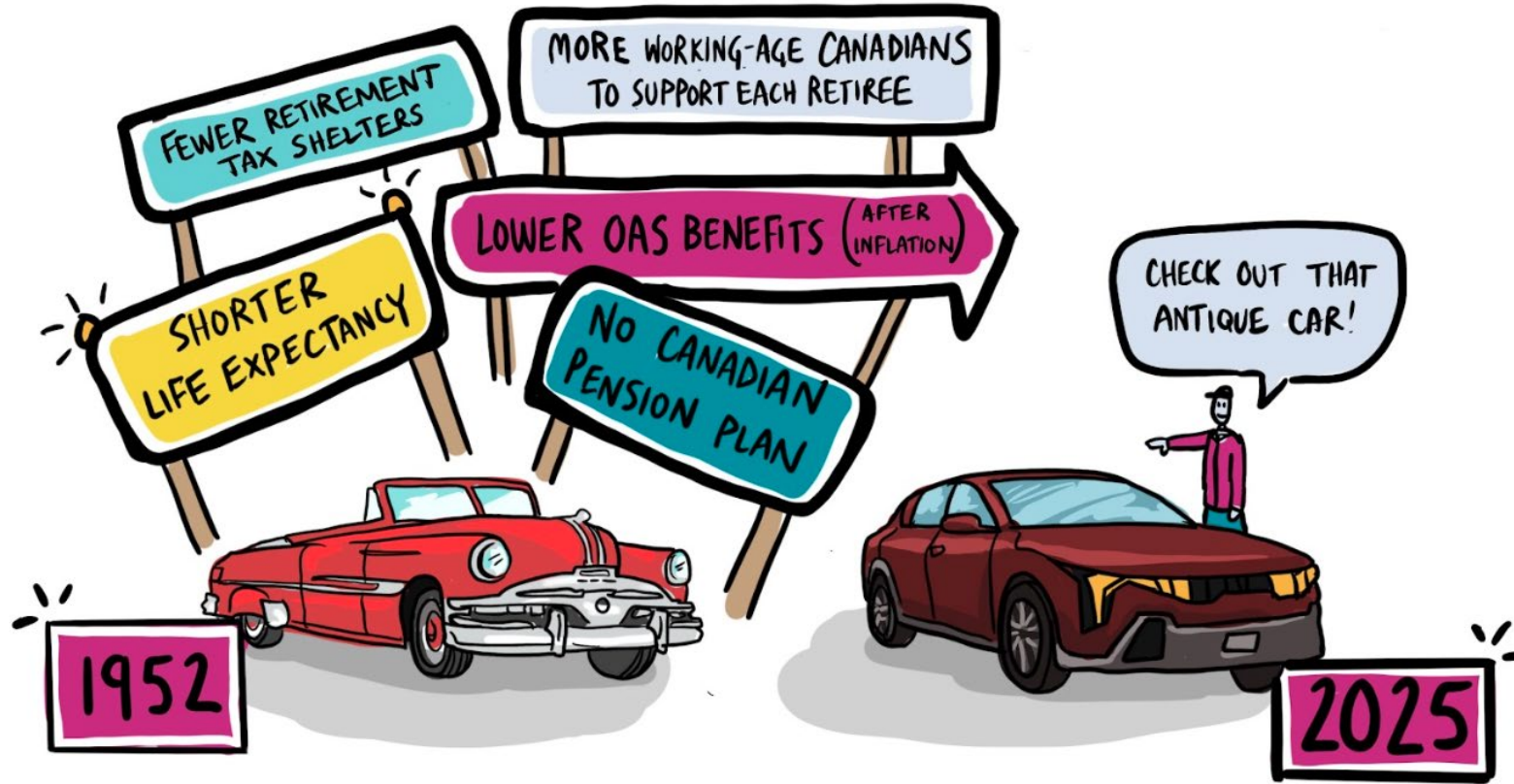
## **2024 Reports 8 to 12 of the Auditor General of Canada to the Parliament of Canada**



### **PROGRAMS TO ASSIST SENIORS**

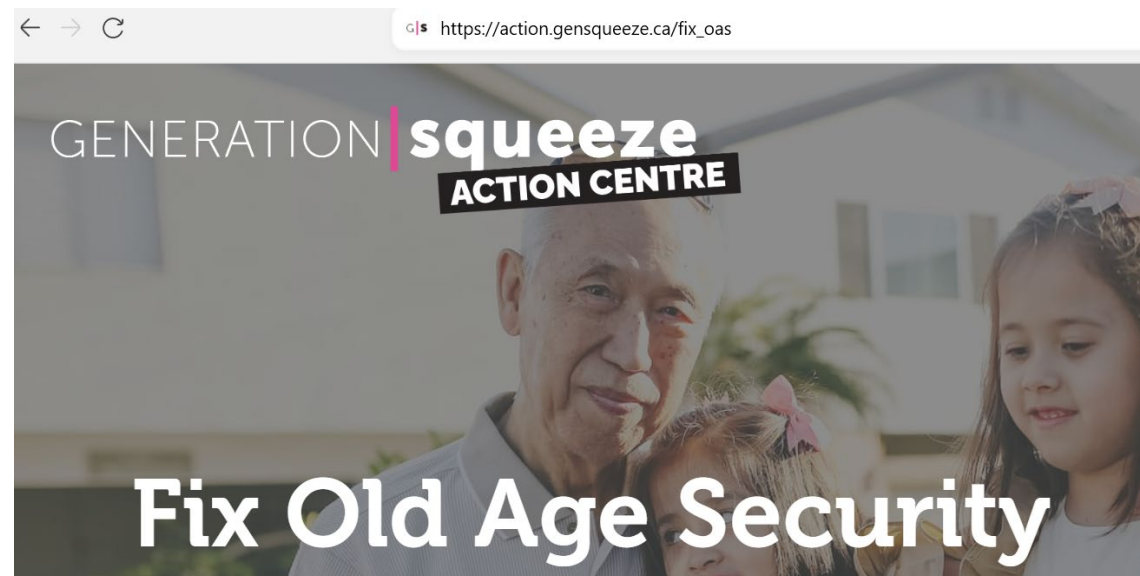
Employment and Social Development Canada not using available information to determine if programs are meeting seniors' needs

# THE OBJECTIVES OF OLD AGE SECURITY HAVEN'T BEEN REVIEWED SINCE 1952

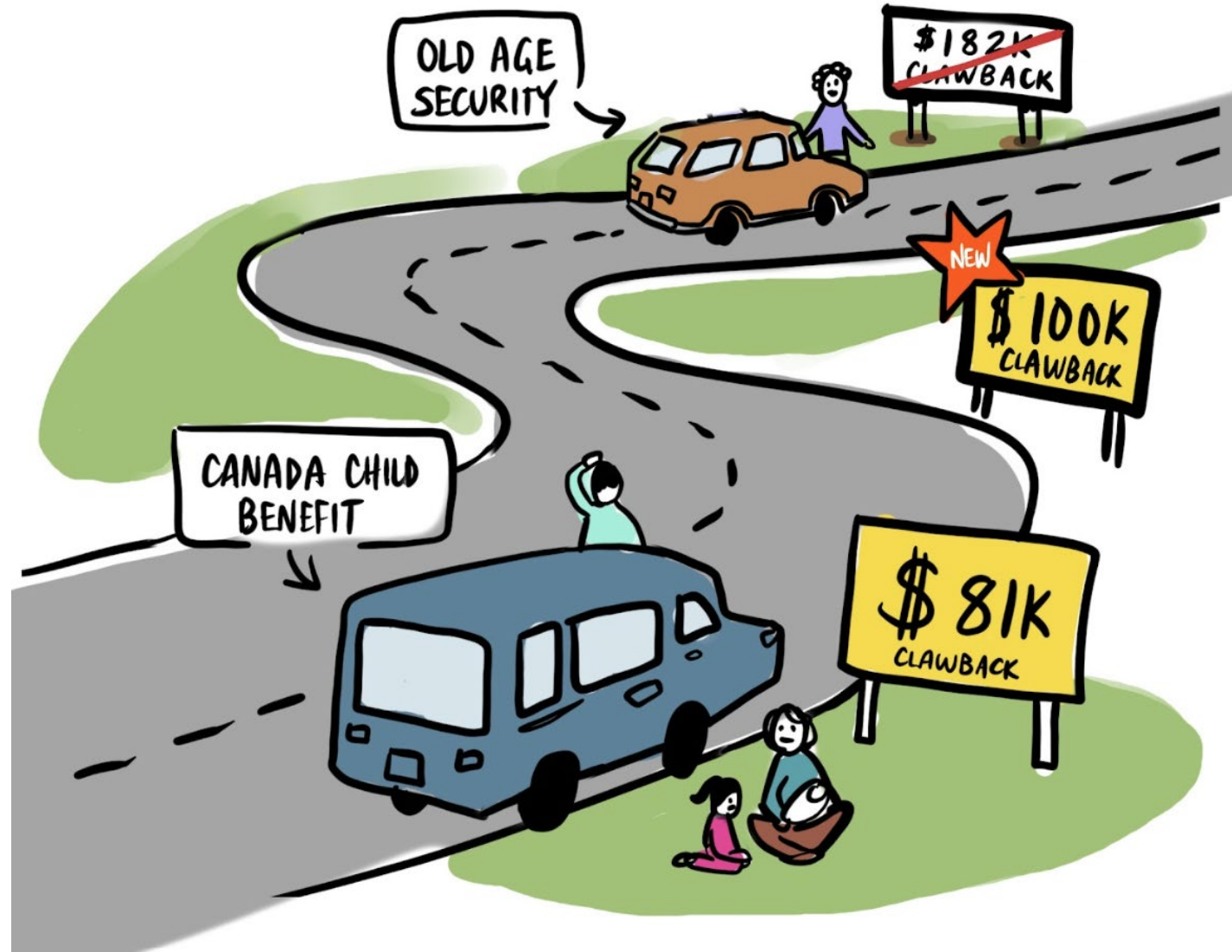


NO WONDER CANADA'S AUDITOR GENERAL IS CALLING FOR A REVIEW

# Gen Squeeze proposal to modernize OAS

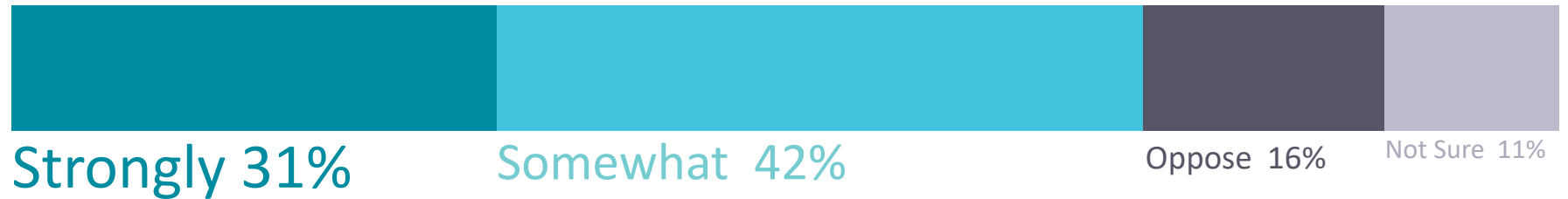


A \$100K CLAWBACK MEANS 1 IN 5 RETIREES  
TAKE A BIT LESS - SO WE CAN SEND MORE  
TO POOR SENIORS AND THEIR KIDS AND GRANDKIDS

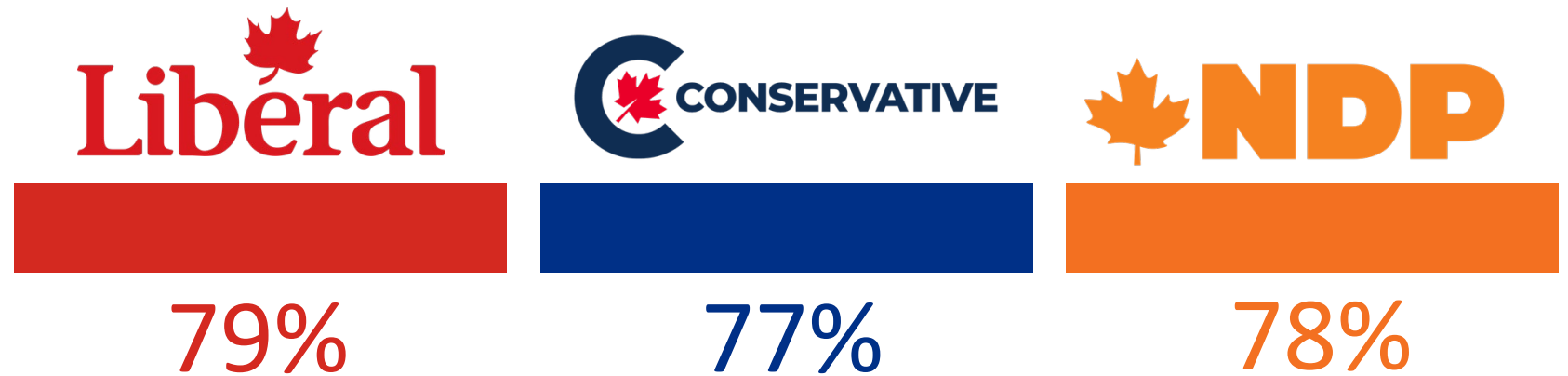


# Canadians support smaller OAS subsidies for households with incomes above \$100,000

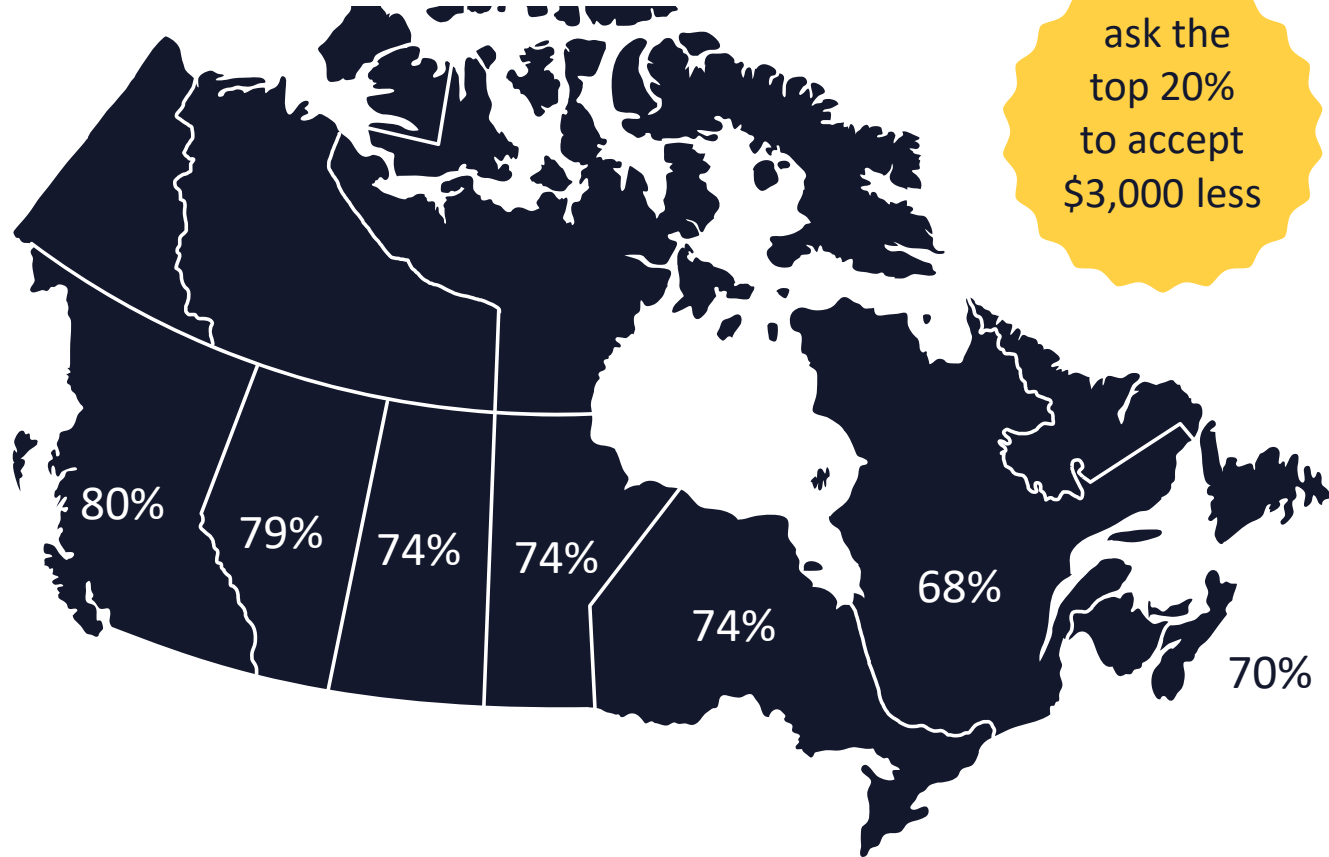
**73%**  
support



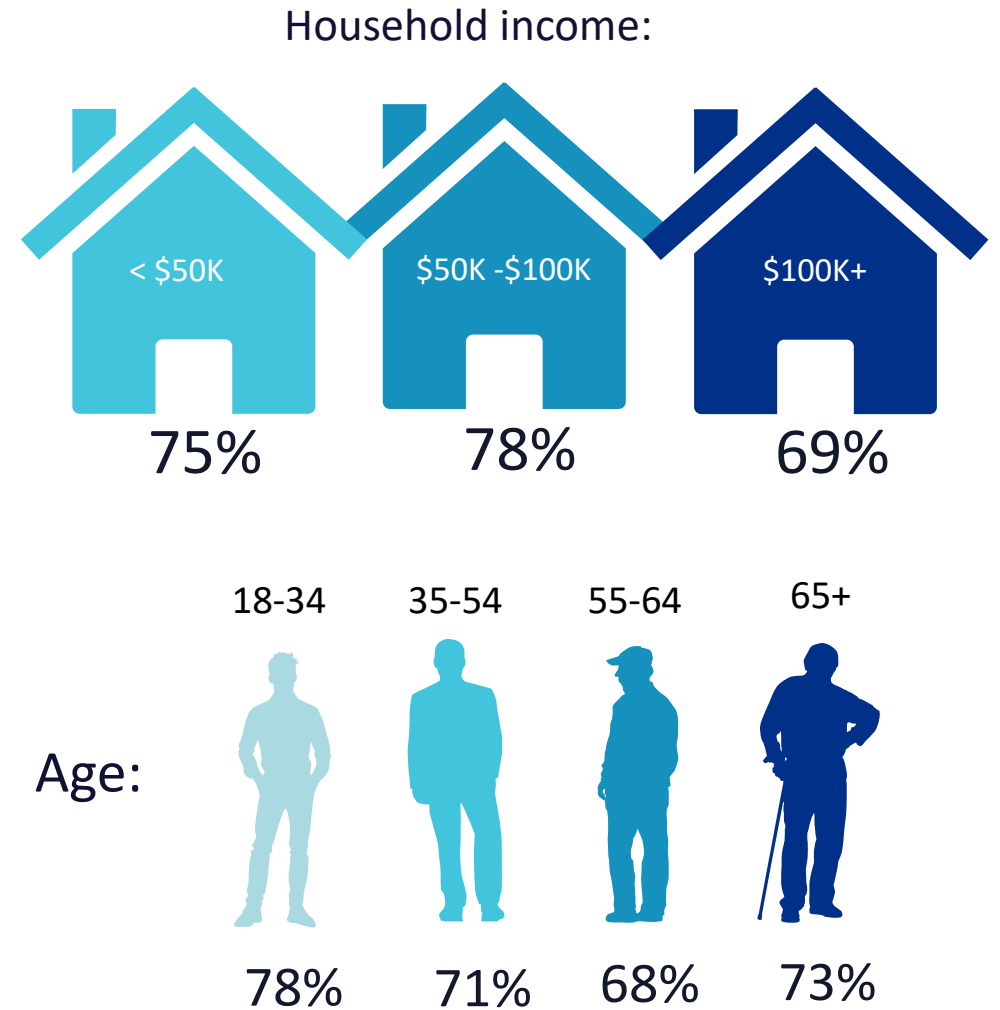
Support is  
non-partisan:



# Support for smaller OAS subsidies to households with incomes above \$100,000



ask the top 20% to accept \$3,000 less



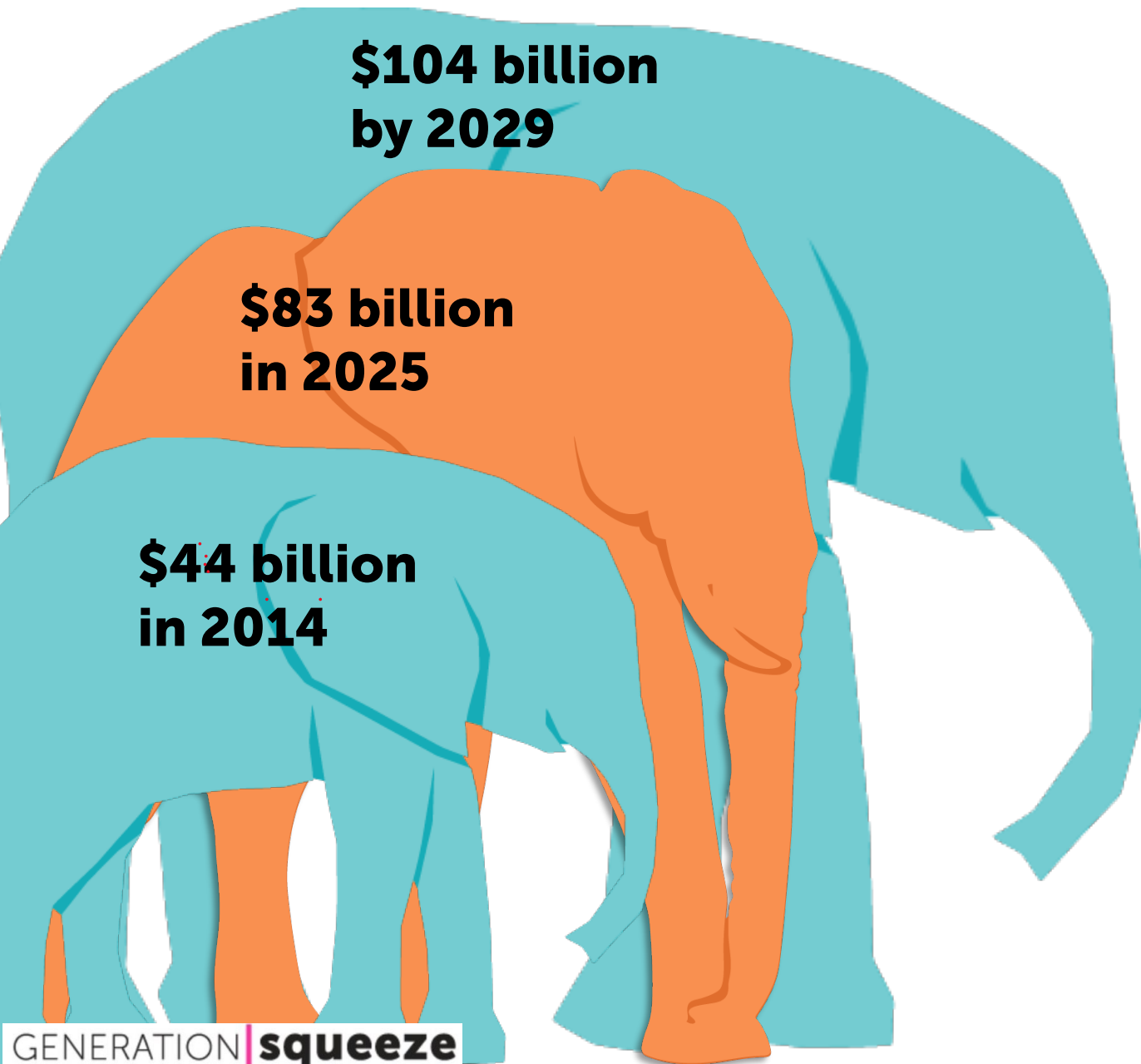
# GENERATION **squeeze**

HAS A REAL PLAN TO  
**ELIMINATE** SENIOR'S POVERTY

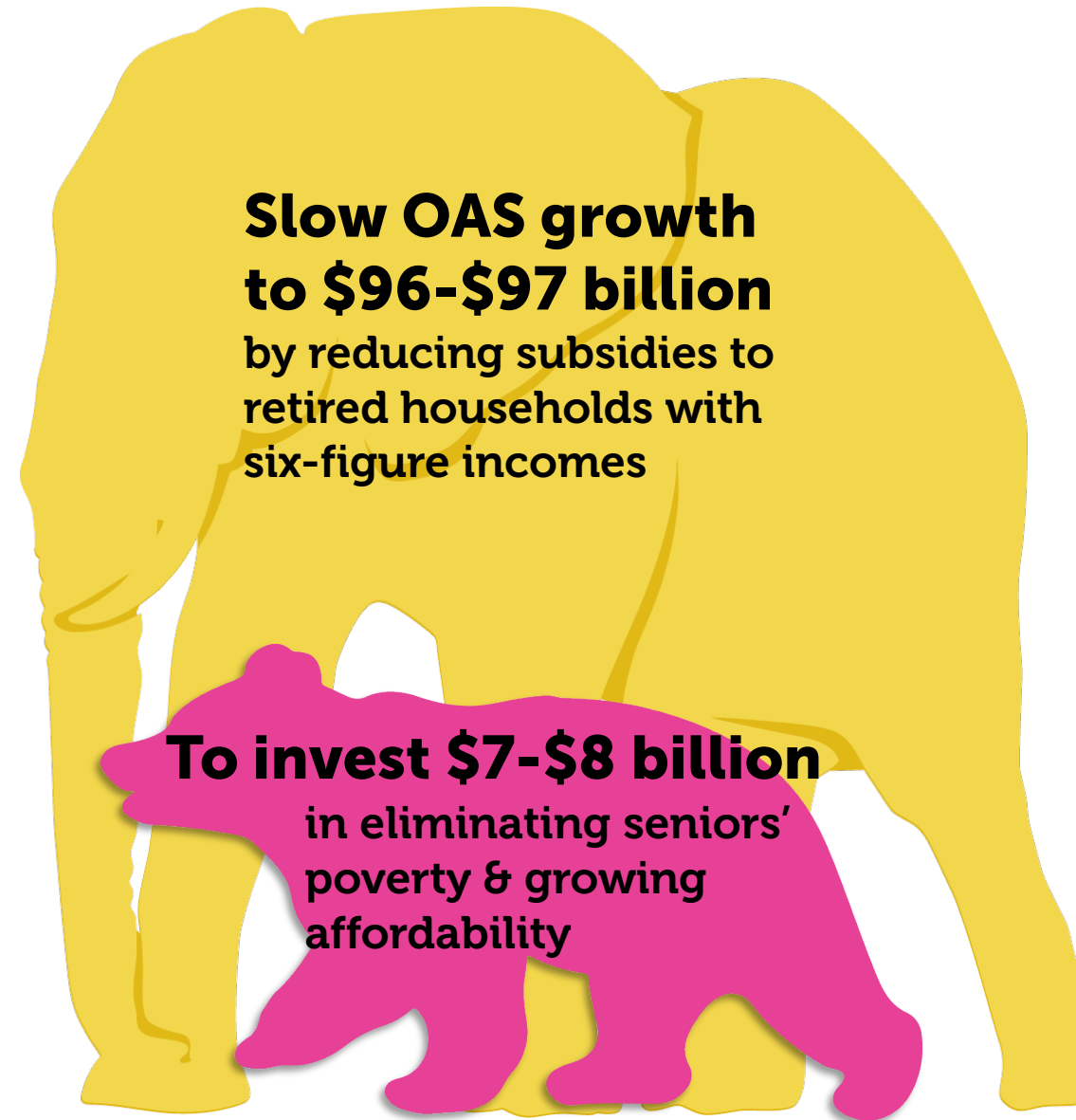


GIVE A LITTLE LESS OAS TO FINANCIALLY  
SECURE RETIREES SO WE CAN GIVE \$5K  
**MORE** TO THE **400,000** WHO ARE POOR

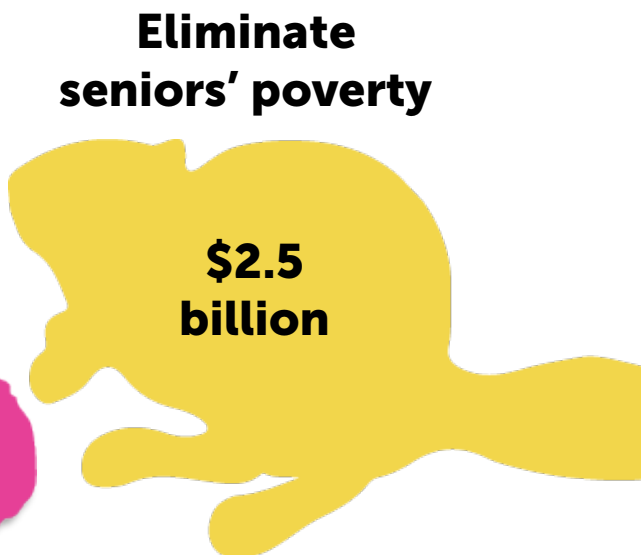
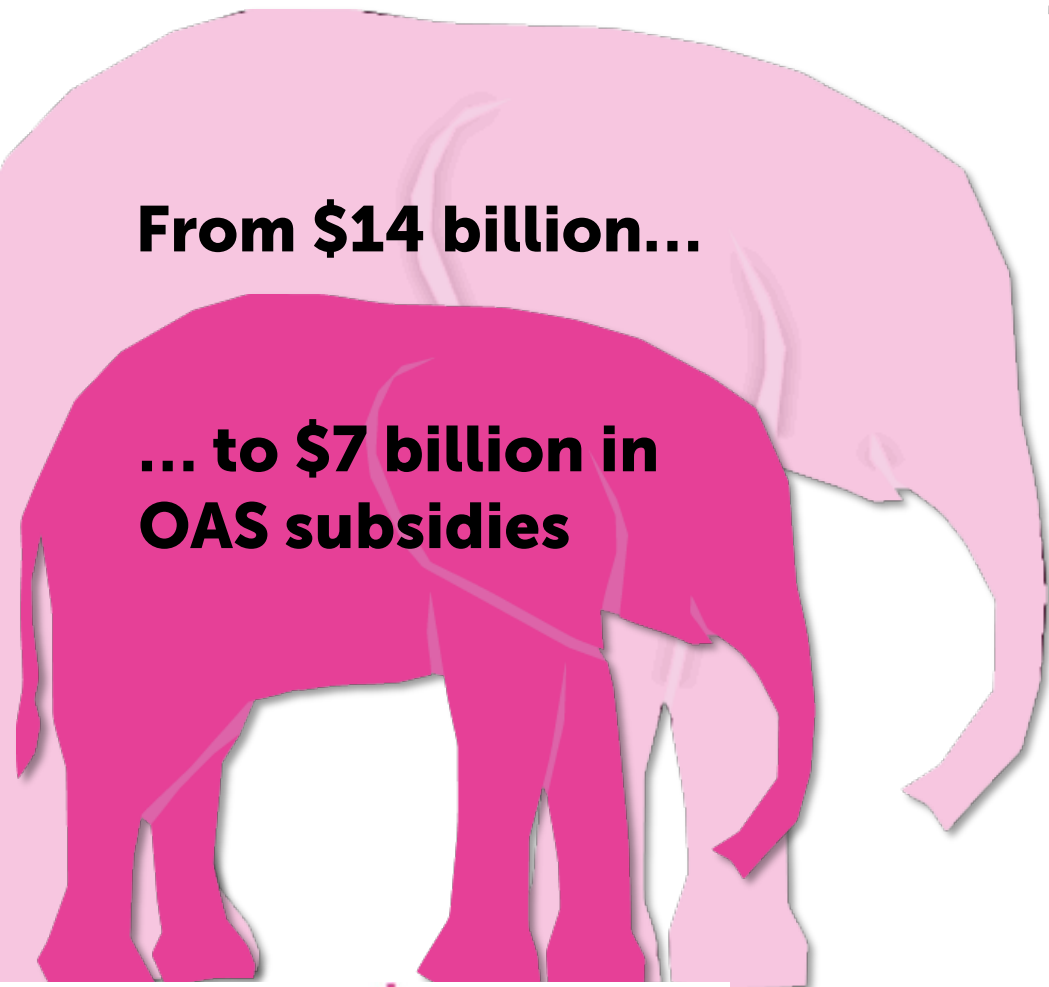
## Current pace of OAS growth



## Our win-win OAS reform plan



# Taxpayers send \$14 billion in OAS subsidies to retirees with six-figure household incomes. We could use just half of this money to...



**This scale of re-investment  
would be the most significant in  
decades:**

**New Disability Benefit = \$1 billion/year**  
**National School Food Program = \$200 million/year**

# The public is ready to reform OAS

- ✓ Three-quarters of Canadians support modernizing OAS. [https://action.gensqueeze.ca/oas\\_poll\\_results](https://action.gensqueeze.ca/oas_poll_results)
- ✓ So do voices from across the spectrum — the *Globe and Mail* editorial board, *The Hub*, and the *National Observer*.
- ✓ It's one of the few issues where anti-poverty advocates and centre-right think tanks agree.

That's rare political ground — and we should use it.

To bring all this public support to life, retirees are stating publicly their readiness to take less



<https://youtu.be/fjUbNEUCrcw>

They are ready to speak out to the media, and stand by politicians who would implement the Gen Squeeze plan to eliminate seniors poverty and accelerate investment in younger Canadians.

*It's patriotic in this period of heightened geopolitical instability*



## HEALTH OFFICERS COUNCIL OF BRITISH COLUMBIA

### Resolution 163-#

**Name of Resolution:** Eliminating Seniors Poverty and Accelerating Investments in the Social Determinants of Health for Younger Canadians

**Moved:** Mark Lysyshyn

**Seconded:** Curtis May

**Whereas:** Old Age Security (OAS) is Canada's largest income security program, with annual expenditures soon projected to exceed \$100 billion; and

**Whereas:** Old Age Security provides approximately \$18,000 annually to retired couples, with benefits only beginning to phase out at household incomes above approximately \$185,000; and

**Whereas:** approximately 400,000 seniors in Canada continue to live below the official poverty measure; and

**Whereas:** other federal income-tested benefits, such as the Canada Child Benefit, begin to phase out at much lower household income levels (around \$81,000);

**Therefore be it resolved that the Health Officers Council be of the position that:**

The federal government should modernize OAS so that benefits begin to phase out at thresholds similar to other federal income-tested benefits (around \$100,000);

**and be it further resolved that:**

A portion of the savings from this modernization be used to virtually eliminate seniors' poverty by increasing incomes for those below the official poverty measure (by up to \$5,000 annually);

**and be it further resolved that:**

The remaining savings be invested to improve the social determinants of health for younger generations, including through enhanced supports for housing, childcare, postsecondary education, and poverty reduction.]

**Opportunity to increase the  
savings**

Tax expenditure  
budget

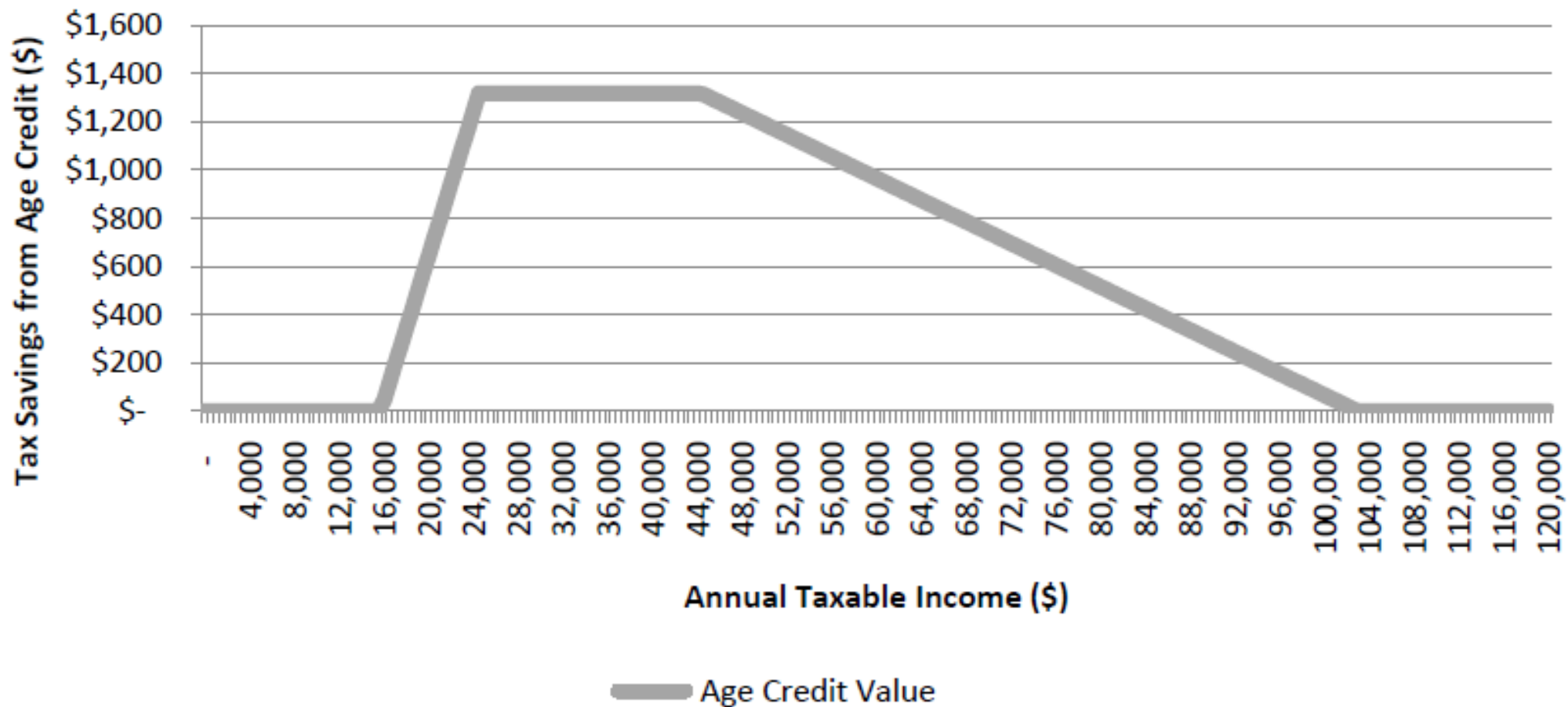
**BILLIONS IN RETIREE TAX BREAKS DON'T  
REACH LOW-INCOME SENIORS.**

**TIME TO SPEND SMARTER.**



Figure 1

## Age Credit Value, 2024: Single Taxpayer Claiming the Basic Personal Amount



Source: Author Calculations

# Support for redirecting \$7 billion in poorly designed tax credits to offset the rising cost of OAS driven by population aging

**63%**

Support redirecting \$7 billion of income tax credits to help cover the rising costs of OAS

**63%**

Redirect to fund OAS reform

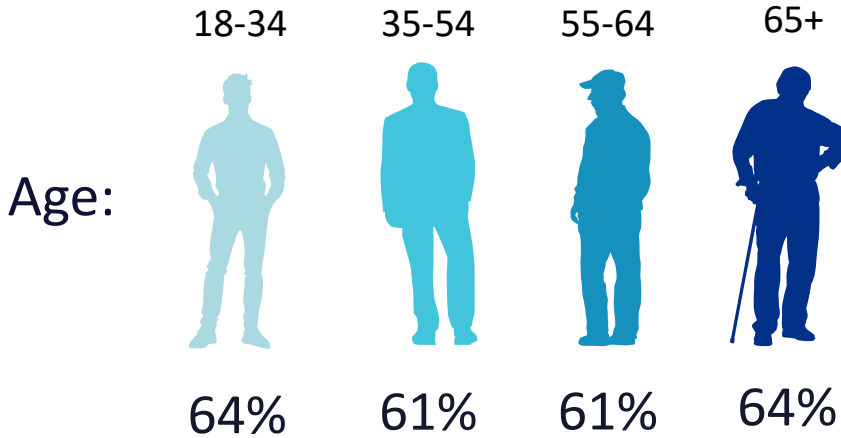
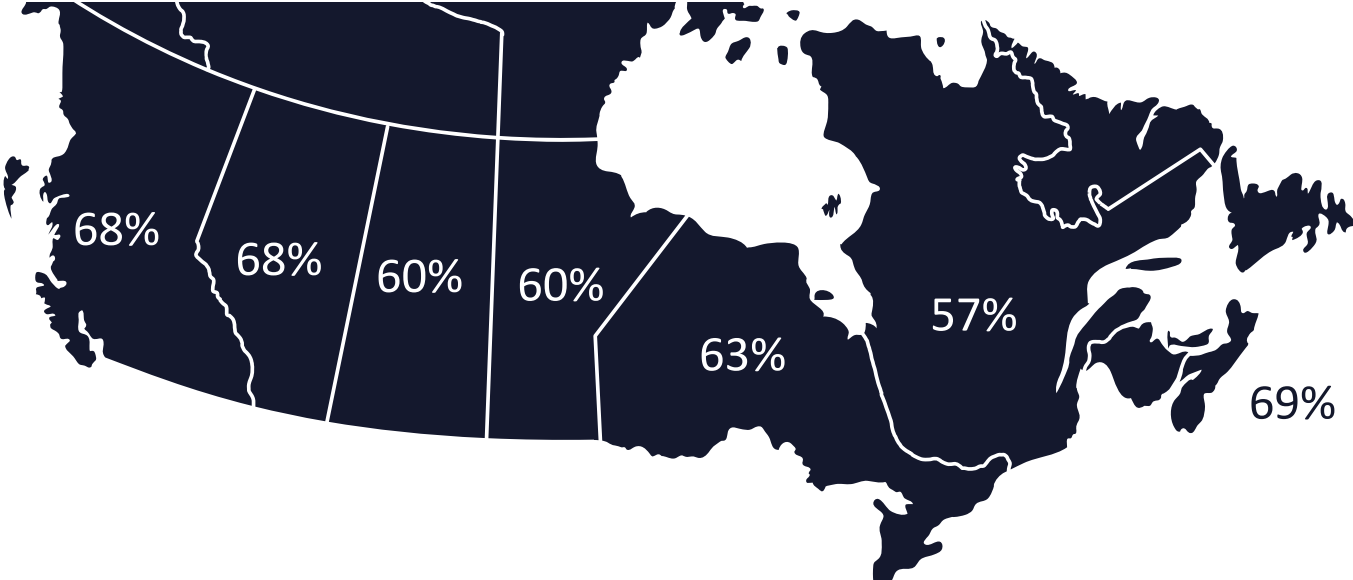
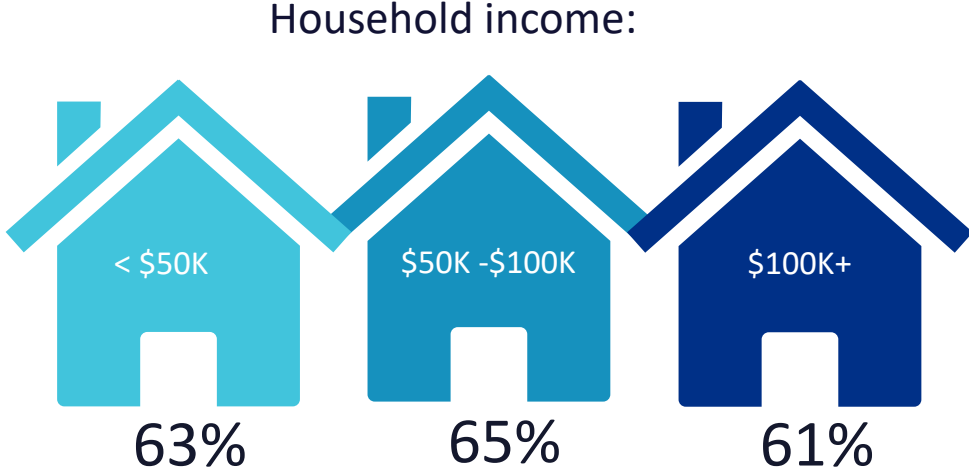
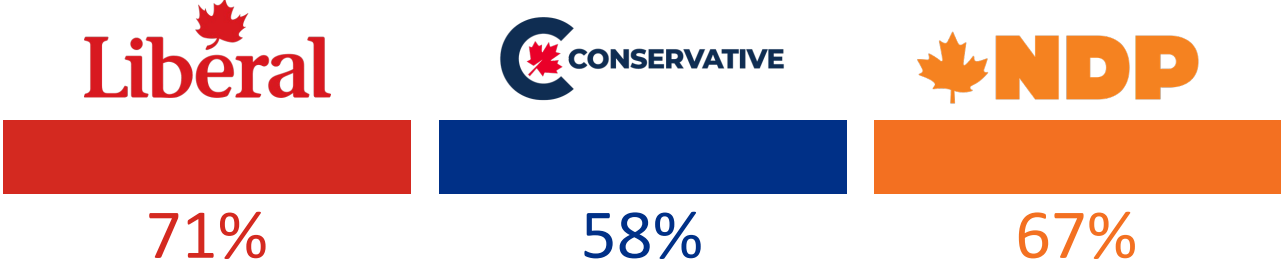
**20%**

Leave tax credits as is

**18%**

Not sure

# Support for redirecting \$7 billion in tax credits to offset rising OAS costs



## **~\$14+ billion/year to:**

- ✓ **Eliminate seniors' poverty by adding \$5,000 for each of the 400,000 older Canadians below the poverty line**
- ✓ **\$3,000 annual rent subsidy to a million young people struggling to afford a place to live**
- ✓ **Maintain the full \$4,200 Canada Student Grant for a million postsecondary students, instead of cutting it to \$3,000 next year**
- ✓ **Subsidized 100,000 more \$10-a-day child care spaces, meeting Ottawa's target of 250,000**
- ✓ **\$1.5 billion more for youth employment**
- ✓ **\$1.7 billion to pay for grocery and essentials benefit**

***~several billion dollars left for other priorities***

**That is how Canada can scale up key investments in the social determinants of health by:**

**investing more in younger Canadians, and eliminating seniors' poverty — all without spending more or raising tax rates.**

**BUT:**

**Since evidence alone rarely shapes public policy, the key task now is to make it politically safe, maybe even advantageous, for Ottawa to make the reform.**

**Because politics responds to those who organize and show up**

# **A coalition is emerging:**

- Many seniors (but not CARP)
- Anti-poverty (Basic Income Canada Network)
- Finance (Senior people in Banking and investment)
- Media, across the spectrum.
- *Need to engage Health...*



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*Quebec Health Officers  
actively considering  
translating this  
resolution language,  
and voting on it as well*

# Thank You

**Dr. Paul Kershaw**

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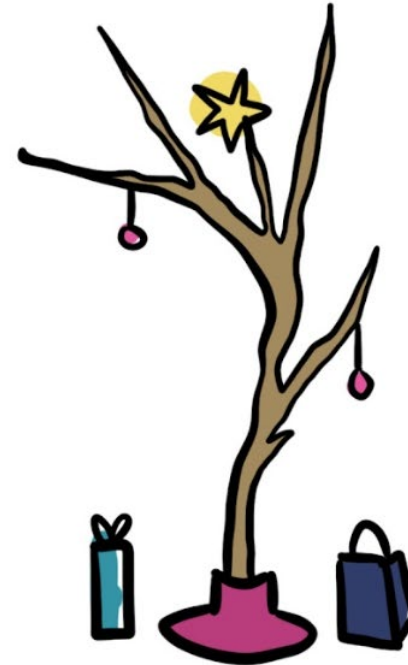
UBC School of Population & Public Health  
Founder, Generation Squeeze

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BY 2029 OTTAWA WILL ADD \$94 BILLION  
FOR OAS, AND JUST \$13 BILLION FOR HOUSING



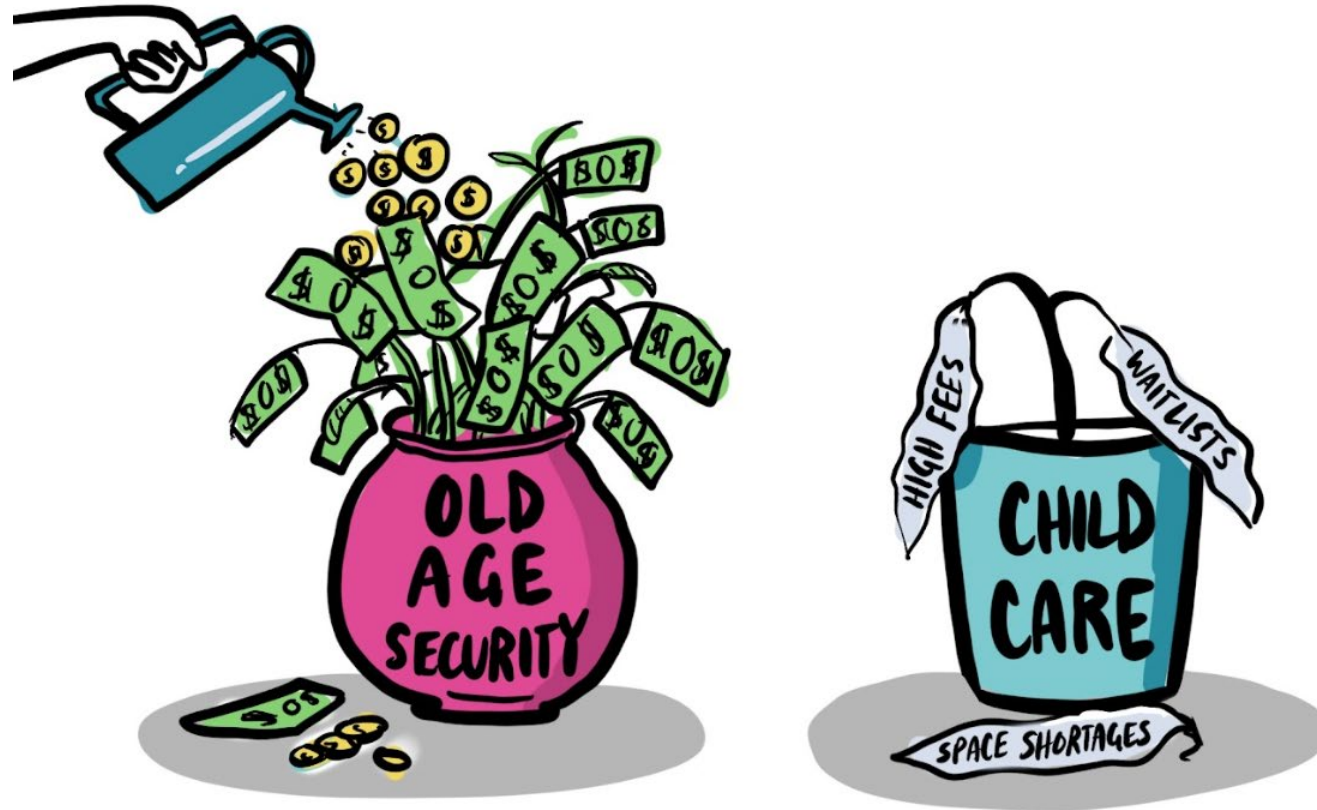
OAS



HOUSING

SOURCE: FEDERAL BUDGET 2025. REFLECTS ALL  
ADDITIONAL FUNDING ALLOCATED AFTER 2023 THROUGH 2029

BY 2029, OTTAWA WILL ADD \$94 BILLION FOR OAS,  
AND JUST \$14 BILLION FOR CHILD CARE.



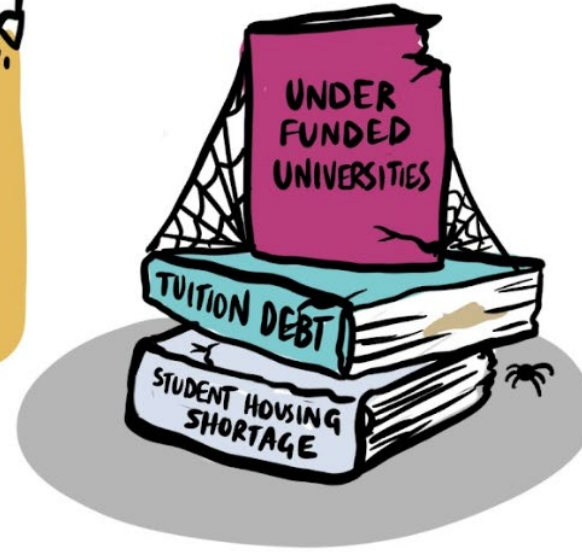
SOURCE: FEDERAL BUDGET 2025. REFLECTS ALL  
ADDITIONAL FUNDING ALLOCATED AFTER 2023 THROUGH 2029

BY 2029, OTTAWA WILL ADD \$94 BILLION FOR OAS, AND JUST \$6 BILLION FOR POSTSECONDARY

OLD AGE SECURITY

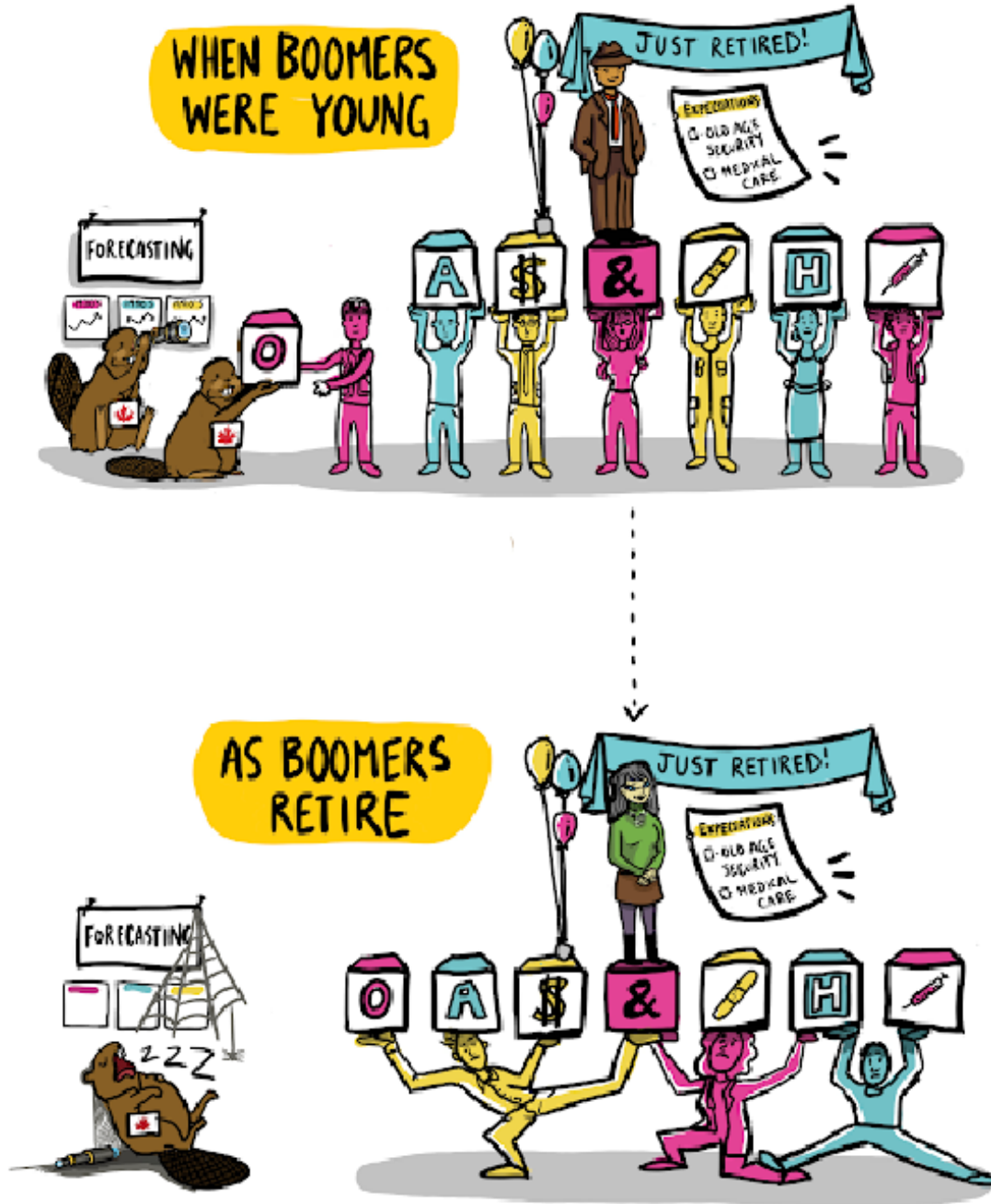


POSTSECONDARY



SOURCE: FEDERAL BUDGET 2025. REFLECTS ALL  
ADDITIONAL FUNDING ALLOCATED AFTER 2023 THROUGH 2029

The \$78.3 billion deficit we see today was decades in the making



# Federal budgets from 1995 to 1998 show the Chrétien government anticipated the fiscal footprint of population aging

The 1995 federal budget warned: “the percentage of persons over age 65 will nearly double over the next 40 years” – from 12 per cent of the population in the mid-1990s to 23 per cent by 2030. The budget explicitly observed that the worker-to-retiree ratio would fall to 3:1, down from 5:1 at the time (and 7:1 when boomers were young adults). Public spending on OAS and the Canada and Quebec Pension Plans was projected to increase from 5.3 per cent of GDP in 1993 to over 8 per cent by 2030. In response, the government launched a “federal-provincial review of the CPP” and promised a paper on ensuring OAS sustainability.

The 1996 budget advanced the case for CPP reform. “Unless changes are made to the CPP, today’s younger Canadians and future generations will be asked to pay almost three times more than people are paying now for the same CPP pensions,” it stated. **“Steps should be taken now to ensure that future generations are not faced with unreasonable burdens,** and to assure young Canadians that the CPP will be there for them when they retire.”

# AGEISM IN CANADA'S INCOME BENEFITS



	Canada Student Grant	Canada Child Benefit	Old Age Security
Maximum household income to qualify for full benefit	\$53,318 (2 person household)	\$81,222 (household)	\$186,908 (couple)
Full benefit amount	\$4,200 (per student)	\$8,157 (family with 1 child under 6)	\$17,861 (couple ages 65-74)

Canada Student Grant income cutoffs vary by household size

All figures current to March 2026

<https://www.canada.ca/en/services/benefits/education/student-aid/grants-loans/full-time.html>  
<https://www.canada.ca/en/revenue-agency/services/child-family-benefits/canada-child-benefit/how-much.html>  
<https://www.canada.ca/en/services/benefits/publicpensions/old-age-security/recovery-tax.html>