

Opening Statement to the Standing Senate Committee on National Finance Canadian Association of Retired Persons

Bill C-78: An Act Respecting Temporary Cost of Living Relief (Affordability)

December 3, 2024 19:00

Honourable Senators,

Unfortunately, due to the last minute invitation and the needle's eye requirements of Senate-approved headsets, CARP was not permitted to join your Committee meeting this evening. Nevertheless, I believe that it is of utmost importance that you do have our submission, as you consider Bill C-78, and I share it with you in written form.

Thank you for the opportunity to speak with you today on behalf of the Canadian Association of Retired Persons (CARP). With over 240,000 members across Canada, CARP is committed to advocating for seniors' well-being, particularly in the areas of financial security, healthcare, and fighting against age discrimination.

As seniors across Canada grapple with rising living costs, CARP's members are facing mounting pressures that threaten their financial independence. While we appreciate efforts like Bill C-78, which aims to provide temporary relief, we are concerned that these measures do not go far enough to address the systemic challenges seniors face.

While many middle-income families may indeed feel some relief from this tax holiday, the measure is of limited benefit to seniors, particularly those on fixed incomes. Seniors, especially those over the age of 65, have very different consumption patterns compared to younger, working families. Many seniors live in households where spending on grocery essentials or dining out is lower, and they may not purchase certain items included in the holiday exemption, like children's clothing, toys, or alcoholic beverages. Seniors who rely on pensions and fixed incomes are being left behind by this initiative, which does little to address the core financial struggles they face.

Moreover, many seniors are already facing significant financial challenges, including rising healthcare costs, inflation, and the growing burden of housing expenses. A short-term tax holiday on grocery and holiday-related items offers only minimal financial relief in comparison to the mounting pressures that older Canadians face. In fact, for seniors with limited disposable income, the projected \$100 to \$300 savings the government projects will not address their primary concerns, such as pension adequacy, the cost of medications, or affordable housing.

In addition, CARP is concerned about the long-term implications of this tax break on the federal budget. At a cost between \$2 billion and \$6 billion, the government is foregoing significant revenue that could be used to improve programs for seniors, particularly Old Age Security (OAS) and the Guaranteed Income Supplement (GIS), which remain critical to reducing senior poverty across the country.

Rather than a one-time, short-term relief measure, CARP advocates for a more targeted approach to senior poverty alleviation, one that addresses the root causes of financial insecurity among seniors. We urge the government to focus on long-term solutions to ensure financial security for seniors—such as increasing OAS and ensuring access to affordable medications.

CARP has been especially vocal on the issue of Old Age Security. We denounced the limiting the recent 10% OAS increase to seniors over the age of 75. This decision excluded those between 65-74, a group that faces similar financial challenges. Seniors in this age group are often overlooked, despite the fact that they too are struggling with rising costs.

The financial needs of those aged 65-74 are just as pressing as those over 75. By excluding this group, the government is creating two cohorts of seniors and penalizing the younger seniors. CARP continues to advocate for the extension of the 10% OAS increase to all seniors, recognizing that this is a matter of fairness and equity. We call on the Senate to support policies that ensure OAS is sufficient for seniors across all age brackets.

In conclusion, while we acknowledge the temporary relief offered by Bill C-78, CARP strongly believes that sustainable solutions are necessary to ensure the long-term financial security and well-being of seniors. Temporary measures, such as the tax rebate, are not enough. We need a more comprehensive approach that includes raising OAS, improving the affordability of prescription medications, and addressing the housing needs of seniors.

Seniors have contributed to our country throughout their lives, and they deserve to live their retirement years with dignity and financial security. The government must prioritize the needs of seniors, ensuring that they are supported not just in the short term, but for years to come. CARP is committed to working with all levels of government to achieve these goals, and we look forward to continuing this important work with you.

Sincerely,

Anthony Quinn

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The Canadian Association of Retired Persons, CARP

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