

Election Proposal Costing

Increasing Old Age Security and raising the income exemption for the Guaranteed Income Supplement

April 22, 2025

Increasing the amount of the full Old Age Security (OAS) pension to which individuals aged 65 to 74 are entitled by 10%, and raising the exemptions for employment income or self-employment earnings considered in determining the amount of the Guaranteed Income Supplement (GIS) to \$6,500 from \$5,000 for the full exemption and to \$13,000 from \$10,000 for the partial exemption, effective January 1, 2026.

Cost of Proposed Measure

Fiscal year	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	Total
Total cost \$ millions	790	3,189	3,303	3,425	3,547	14,255

Notes

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.
- A positive number implies a deterioration in the budgetary balance (lower revenues or higher spending). A negative number implies an improvement in the budgetary balance (higher revenues or lower spending).
- Totals may not add due to rounding.

Estimation and Projection Method

The impact of the proposed measure was simulated in SPSPD/M and applied to PBO's Election Proposal Costing (EPC) baseline projections for each elderly benefit. A behavioural response was not included.

Sources of Uncertainty

The main source of uncertainty relates to demographic and inflation projections.

Data Sources

Impact of changes on Elderly Benefits

Statistics Canada's SPSPD/M version 30.2

Baseline Projection of Elderly Benefits

PBO Election Proposal Costing baseline