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NEWS RELEASE

Healthy Ageing Depends on Having Adequate, Stable and Secure Income

New NIA report finds financial well-being can support Ageing in the Right Place

TORONTO, May 25, 2023 — More Canadians than ever are approaching traditional retirement ages in the coming years. However, without an adequate, stable and secure income in later life, many of them may not be able to Age in the *Right* place in good health and well-being. A new report from the National Institute on Ageing (NIA), completed with support from OMERS, sheds light on this critical issue and offers recommendations for how best to address it.

The new report, titled *Healthy Outcomes: Understanding the Impact of Adequate, Stable and Secure Retirement Income on the Ability of Canadians to Age Well and in the Right Place*, is now available for download on the NIA's website.

Many ageing Canadians, once they stop working, have to rely on public pension programs that were designed in the 1960s, when lifespans were shorter and care needs less complex than they are today. While Canada's public pension systems (Canada/Quebec Pension Plans, Old Age Security and Guaranteed Income Supplement) protect most older adults from living in poverty, they weren't designed to replace the average Canadian's pre-retirement income. Instead, Canadians are advised to supplement public pension income with personal savings or employer-sponsored pension plans — but as of 2020, Statistics Canada reported that nearly 60 per cent of working Canadians did not have access to a workplace pension plan. Given that income is an important social determinant of health, these trends could have a major impact on older Canadians' well-being and Canada's health systems overall.

In this report, the NIA presents research that links income adequacy, security and stability with better physical and mental health outcomes. The report also examines how having a low income in later life may pose challenges in covering the cost of long-term care (LTC) or other services to support an older adult's health and well-being. In addition, older adults with fewer financial resources may have trouble paying for recreational and social activities known to improve mental and physical health.

“As record numbers of Canadians approach traditional retirement ages over the coming two decades, strategies and initiatives that improve their income adequacy, stability and security will be critical to enable them to look forward to living the rest of their lives with financial security,” said Dr. Samir Sinha, Director of Health Policy Research at the NIA and co-author of the report.

An adequate, stable and secure income can also help older Canadians cover the costs of Ageing in the *Right Place*, whether that’s paying for home modifications, hiring a home care provider or moving into a residential care setting.

“As a defined benefit pension plan, OMERS is proud to provide a meaningful source of retirement income to our members,” said Celine Chiovitti, Executive Vice President and Head of Pensions at OMERS. “It is important for Canadians to have access to a stable and secure source of income in their later years to support their health and well-being.”

The NIA makes six evidence-informed policy recommendations to support income adequacy, stability and security in retirement:

1. Promote improved financial literacy and planning;
2. Improve access to workplace pension plan arrangements;
3. Enhance income stability and security by facilitating pension plans that provide post-retirement income security, while also introducing and supporting more decumulation offerings for registered savings across the financial sector;
4. Improve options to leverage housing equity as retirement income sources;
5. Protect older Canadians from major out-of-pocket costs — particularly those associated with needing long-term care;
6. Evaluate and consider additional measures to support lower-income Canadians.

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About The National Institute on Ageing

The [National Institute on Ageing](#) is a think tank at Toronto Metropolitan University (formerly Ryerson University) focused on the realities of Canada’s ageing population. Follow us on Twitter [@NIAgeing](#) and support our call for a National Seniors Strategy [@NSS_Now](#).

About OMERS

OMERS is a jointly sponsored, defined benefit pension plan, with 1,000 participating employers ranging from large cities to local agencies, and over half a million active, deferred and retired members. Our members include union and non-union employees of municipalities, school boards, local boards, transit systems, electrical utilities, emergency services and children's aid societies across Ontario. OMERS teams work in Toronto, London, New York, Amsterdam, Luxembourg, Singapore, Sydney and other major cities across North America and Europe – serving members and employers, and originating and managing a diversified portfolio of high-quality investments in public markets, private equity, infrastructure and real estate. At December 31, 2022, net assets were \$124.2 billion.

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