

**For Immediate Release**

## **Federal Government Moves on NIA Recommendations in Budget 2019**

*Budget enhances financial security for older adults and establishes foundation for national pharmacare*

**March 20, 2019, Toronto.** The [National Institute on Ageing \(NIA\)](#) welcomes the measures announced in the 2019 budget targeting older Canadians. These investments will improve financial security, protect workplace pensions, and empower seniors to live independent, active and engaged lives, as detailed in the NIA's [National Seniors' Strategy](#). The budget includes enhancements to retirement security and pension benefits, support for local seniors' programs and positive developments in the effort to establish national pharmacare.

"As a Member of the Federal Ministerial Advisory Board on Dementia, I am thrilled that the federal government is making a landmark investment to support the establishment of Canada's first National Dementia Strategy," said [Dr. Samir Sinha](#), Director of Health Policy Research. "As a major threat to ageing well in our society, this money for dementia will help raise awareness, support prevention and treatment of this disease."

**Allowing DC pension plans to offer pooled risk pensions and late-life pensions to their members:** The NIA, along with a [coalition of pension and seniors advocates](#) called on the Finance Minister Morneau and the Trudeau government to improve the retirement income options available to retiring Canadians in Defined Contribution pension plans. This budget proposal does just that by permitting advanced life deferred annuities and variable payment life annuities including under DC registered retirement plans.

"In 2018, we asked Minister Bill Morneau and the Trudeau government to allow workplace DC plans to offer better pension options to their members - deferred pensions and pooled risk pensions - and they listened. Budget 2019 permits additional types of annuities under registered plans - a big win for Canadians in DC plans," said Bonnie-Jeanne MacDonald PhD, Director of Financial Security Research. "These measures offer a safer way to turn hard-earned retirement savings into lifetime pensions. At the end of the day such pensions deliver more secure, predictable income for life - improving seniors' financial independence and peace of mind."

**Enhancing the Guaranteed Income Supplement (GIS) earnings exemption:** Leading up to the last federal election, along with the Alliance for a National Seniors Strategy, the NIA advocated enhancements to existing seniors' income programs. Given that the government has previously enhanced the GIS, today's announcement will make GIS more effective by enhancing the earning exemption for Canadians. Beginning in July 2020-21, this budget allows low income earners to keep more of their hard-earned money by extending the eligibility for the earnings exemption to self-employment income and providing a full or partial exemption on income for each GIS or Allowance recipient and their spouse. This change removes barriers for low-income seniors who need to supplement their income with work and keep more of their GIS.

**Ensuring seniors receive their pensions:** In addition to the enhancement of GIS, the NIA is pleased to see the budget move to help seniors receive the full value of their CPP by proactively enrolling CPP contributors who are 70 years old or older in 2020 but who have not yet applied to receive their

retirement pension. This is an important measure that ensures more Canadians have access to retirement savings and the full value of benefits that they paid into during their working years.

**Enhancing security of workplace pensions:** Recently, there have been a number of high-profile cases of companies in insolvency, jeopardizing the pensions of their employees and retirees. This is why the plan to introduce new measures to enhance work place pension security in the event of insolvency is important. With defined benefit pensions being one of the stronger retirements saving vehicles for Canadians, the NIA supports the federal government's efforts to protect the life saving of pensioners by making insolvency proceedings fairer, increasing oversight, and strengthening legislation.

**Empowering seniors to independent active engaged lives:** In 2016, through the campaign for a [National Seniors Strategy](#) the NIA advocated that the federal government introduce measures to combat social isolation among older adults. They responded by introducing the New Horizons fund. Budget 2019 announced an additional \$100 million over 5 years for the New Horizons fund. This supports for profit and not for profit organizations local community projects promoting social participation, mentoring and volunteering to mitigate social isolation. This much needed support to local community organizations is welcomed and will have a positive impact in communities cross the country.

**Increasing access to medications:** The NIA welcomes the announcements to advancing the movement towards national pharmacare in Canada. A national formulary is critical to ensuring that all Canadians have access to a common list of drugs at a common price and a national agency will be required to coordinate amongst provinces. We have long advocated for the core principle of the elimination of financial barriers to access to prescription medication. NIA research shows deductibles and co-pays consistently lead to reduced use of prescription medications. In order to have proper access and adherence, our national pharmacare program must be created without financial barriers.

**National Dementia Strategy:** The NIA has long supported the call for a National Dementia Strategy and is pleased to see funding allocated to support the implementation of Canada's First National Dementia Strategy. The budget allocates \$50M to the Public Health Agency of Canada over the next 5 years. The funding will be used to increase awareness about dementia, develop treatment guidelines and best practices for early diagnosis and improving our understanding of the prevalence of dementia.

### **About the National Institute on Ageing (NIA)**

*The National Institute Ageing (NIA) is a think tank focused on meeting the realities of Canada's ageing population. We are Canada's only think tank dedicated to policy solutions at the intersections of healthcare, financial security, and social well-being in relation to ageing. With the backing of Ryerson University and our industry partners we work across private and public sectors providing solutions that promote the evolution and sustainability of Canadian systems and programs. Our mission is to make Canada the best place to grow up and grow old.*

To learn more about the NIA visit our website at <http://www.ryerson.ca/nia> and follow us on Twitter [@RyersonNIA](#)

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