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# Pre-Budget Consultations in Advance of the Upcoming Federal Budget

By: The National Institute on Ageing

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## Summary of Recommendations

**Recommendation 1:** Modernize the Canadian Pension Plan (CPP) to include a lump-sum Pension-Back Death Benefit.

**Recommendation 2:** Increase the Guaranteed Income Supplement (GIS) earnings exemption to \$10,000 per year and index it to inflation.

**Recommendation 3:** Ensure Universal Access to NACI-Recommended Vaccines for Older Adults.

**Recommendation 4:** Provide Comprehensive Federal Support for the Community-Based Seniors Serving Sector.

**Recommendation 5:** Allocate sufficient resources to fully fund the National Caregiving Strategy, including transforming the Canada Caregiver Credit into a refundable benefit, per the Minister of Finance's 2021 Mandate Letter.

**Recommendation 6:** Combat ageism in Canada by supporting a United Nations Convention on the Rights of Older Adults (UNCROP).

## Introduction

Canada is currently undergoing a significant demographic transition. One in five people in Canada are aged 65 years and older. By the mid-2030s, that number will grow to one in four, making Canada a “super-aged nation.”<sup>1</sup>

The National Institute on Ageing (NIA) is Canada’s leading public policy think tank on ageing. We work to improve the lives of older adults and the systems that support them by convening stakeholders, conducting research, advancing policy solutions and practice innovations, sharing information, and shifting attitudes. Our vision is a Canada where older adults feel valued, included, supported, and better prepared to age with confidence.

Each year, we conduct a survey of people aged 50 years and over living in Canada. Our 2024 survey reveals:<sup>2</sup>

- **Social isolation and loneliness are taking a toll:** 41% of older adults in Canada are at risk of social isolation and 58% have experienced loneliness, which can increase the risk of mood disorders, dementia, cardiovascular disease, malnutrition, falls and premature mortality.<sup>3</sup>
- **Older adults are struggling to make ends meet:** According to a material deprivation threshold of two items or more, 22% of older adults have a poverty-level standard of living. Only one-third (34%) of older adults currently working say they can afford to retire at their desired time.
- **Older adults are facing significant health challenges:** 88% reported needing health care services and treatments, yet 35% were unable to access the health care services they needed, when they needed them. 51% were also unable to access home care services when they needed them.
- **Ageism is widespread in Canada:** 29% of older adults in Canada reported experiencing three or more forms of everyday discrimination because of their age. When asked about everyday experiences of ageism that number jumps to 68%.

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<sup>1</sup> Flanagan, A., Dunning, J., Brierley, A., et al. (2023). *Enabling a More Promising Future for Long-Term Care in Canada*. National Institute on Ageing, Toronto Metropolitan University. 2023. Available from: <https://www.niageing.ca/long-term-care-paper-3>.

<sup>2</sup> Iciaszczyk, N., Gallant, G., Bronstein, T., Brierley, A., & Sinha, S. K. (2025). *Perspectives on Growing Older in Canada: The 2024 NIA Ageing in Canada Survey*. National Institute on Ageing. Available from: <https://www.niageing.ca/2024-annual-survey>.

<sup>3</sup> Bull, A., Iciaszczyk, N., Sinha, S.K. (2023). *Understanding the Factors Driving the Epidemic of Social Isolation and Loneliness among Older Canadians*. National Institute on Ageing. Available from: <https://www.niageing.ca/loneliness23>.

# Recommendations to Support Canada's Ageing Population

## 1. Amend the Canadian Pension Plan to include a lump-sum Pension-Back Death Benefit.

Currently, nine in ten [source] Canadians claim Canadian Pension Plan retirement benefits (CPP) at or before age 65, even though deferring would significantly increase their lifelong retirement income. This stems from a fear of “missing out” if they die early.

The Pension-Back Death Benefit addresses this by offering a form of protection: if someone delays claiming CPP and dies before breaking even,<sup>4</sup> their estate would receive the difference between what they did receive and what they would have received had they claimed at age 60. This proposed death benefit would act like a “money-back guarantee,” helping to reduce the risk of losing out due to early death and encouraging smarter financial choices. With ever longer life expectancies, increased lifetime CPP payments can help to ensure equity across income groups.

The government should move quickly to make these changes to **modernize the CPP and implement the Pension-Back Death Benefit**, as the next triennial review of the CPP is already underway, and missing this window could delay implementation by another five years.

## 2. Increase the Guaranteed Income Supplement earnings exemption to \$10,000 per year and index it to inflation.

The federal government should immediately increase the **Guaranteed Income Supplement (GIS) earnings exemption to \$10,000 per year and index it to inflation**. This would reduce poverty among low-income older adults, promote workforce participation, and align GIS with the new **Canada Disability Benefit**. Currently, GIS recipients face steep clawbacks on earnings above \$5,000, discouraging work and disproportionately penalizing those who need income the most.

Raising the exemption will give older adults greater flexibility to work part-time or seasonally without losing core benefits. It will also help combat ageism, reduce social isolation, and recognize the realities of today's labour market, where many older Canadians are working longer by necessity.

Other federal and provincial income support programs already offer more generous and indexed exemptions. Without reform, Canadians who receive disability benefits could see a steep drop in allowable earnings simply by turning 65, an unjust policy gap.

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<sup>4</sup> "Breaking even" means living long enough after delaying CPP benefits to receive a total amount equal to or greater than what you would have received had you started benefits at age 60.

Indexing the GIS earnings exemption is a simple, equitable adjustment that will protect financial security for older adults and support fairer aging in Canada's workforce. The time to act is now.

### **3. Ensure Universal Access to NACI-Recommended Vaccines for Older Adults.**

The Government of Canada should work with provinces and territories to guarantee **publicly funded access to all vaccines recommended by the National Advisory Committee on Immunization (NACI)** for older adults, including vaccines for **COVID-19, influenza, pneumococcal disease, RSV, and shingles.**

Vaccination coverage among older Canadians remains well below federal targets. Public Health Agency of Canada's goal to vaccinate 80% of older adults against influenza and pneumococcal disease have never been met, and recent data suggests that vaccination rates for both **influenza and COVID-19 declined last season.** This is deeply concerning, especially as **92% of COVID-19 deaths in Canada have occurred among people over 60.**

While COVID-19 vaccines were initially covered by the federal government, provinces have since taken over, which has resulted in **inconsistent access emerging across jurisdictions.** In Alberta, for example, COVID-19 vaccine coverage is now restricted to certain high-risk groups and is only available through public health clinics, not pharmacies or physician offices. This contradicts NACI guidance.

To protect older Canadians, the federal government should lead a coordinated approach to ensure full, equitable access to recommended vaccines through **all points of care,** including pharmacies, primary care, and public health clinics.

### **4. Provide Comprehensive Federal Support for the Community-Based Seniors Serving Sector.**

The federal government should provide dedicated and sustained funding to **support the Community-Based Seniors Serving (CBSS) sector, which plays a vital role in delivering the services older Canadians need** to age in the place that is right for them.

More than 80% of older adults want to remain in their own homes and communities as they age. However, many require non-medical supports **(like transportation, meal delivery, friendly visiting, and help with household tasks or yard work)** to maintain their health, independence, and social connection. These services often delivered by community-based organizations that operate on limited, inconsistent, and patchwork funding.

The **CBSS sector fills critical gaps in the continuum of care** and reduces pressure on more expensive, institutional parts of the health and long-term care systems. It is also a trusted source of culturally appropriate, locally tailored, and easy to scale supports for increasingly

diverse older populations. Yet, despite their essential role, many CBSS organizations lack the resources needed to meet growing demand.

**The federal government should recognize the CBSS sector as an integral part of Canada’s aging and care infrastructure, and work with provinces, territories, and community leaders to provide stable, long-term operational funding that supports older adults where they want to age, in their homes and communities.**

**5. Allocate sufficient resources to fully fund the National Caregiving Strategy, including transforming the Canada Caregiver Credit (CCC) into a refundable benefit, per the Minister of Finance’s 2021 Mandate Letter.**

One in four Canadians is a caregiver today.<sup>5</sup> Canada is losing \$1.3B in productivity because of insufficient supports for caregivers to balance paid work obligations and providing care to their loved ones.<sup>6</sup>

Caregivers with lower incomes are most in need of financial support, yet they are least likely to benefit from the current CCC non-refundable model that reduces taxes but does not provide cash in hand. To address this, the CCC should be transformed into a refundable benefit and the total amount adjusted to \$1,250.

In addition to reforming the CCC, we reiterate our recommendations and those of the Canadian Centre for Caregiving Excellence made in our 2024 pre-budget submission on the National Caregiving Strategy.<sup>7</sup>

**6. Combat ageism in Canada by supporting a United Nations Convention on the Rights of Older Adults.**

**Tackling ageism is one of the four priorities of the Federal, Provincial and Territorial Ministers Responsible for Seniors Forum.** In 2022, they held consultations on ageism which revealed the most common forms of ageism occurred in the workplace and health care settings.

Participants suggested numerous key initiatives to combat ageism, including implementing awareness campaigns, increasing funding for CBSS services that promote social inclusion and intergenerational connections, promoting age-friendly communities, and initiatives to prevent elder abuse. We encourage the federal government to accept these valuable suggestions.

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<sup>5</sup> Canadian Centre for Caregiving Excellence. (2024). *Caring in Canada*. Canadian Centre for Caregiving Excellence. Available from: <https://canadiancaregiving.org/caring-in-canada/>

<sup>6</sup> Canadian Centre for Caregiving Excellent. (2022). *Caregivers in Canada are at a Breaking Point*. Available from: <https://canadiancaregiving.org/canadian-caregivers-are-at-a-breaking-point/>.

<sup>7</sup> National Institute on Ageing. (2024). *Pre-Budget Submission to the House of Commons Standing Committee on Finance*. Available from: <https://www.ourcommons.ca/Content/Committee/441/FINA/Brief/BR13231964/br-external/NationalInstituteOnAgeing-NewVersion-e.pdf>; See also Canadian Centre for Caregiving Excellent. *Canadian Centre for Caregiving Excellent Pre-Budget Submission Federal Budget 2025*. Available from: <https://www.ourcommons.ca/Content/Committee/441/FINA/Brief/BR13229177/br-external/CanadianCentreForCaregivingExcellence-e.pdf>.

**A tangible first step is to support the development of a UN Convention on the Rights of Older Adults (UNCROP).** The UN formed a working group in 2010 to consider whether there were gaps in existing international frameworks regarding the protection of human rights of older adults and how to best address them. There was important progress in 2024 at the 14th session of the UN Open-Ended Working Group on Ageing (OEWG) where a consensus decision identified several options for the protection of older adults, including the development of a new UNCROP. Later that year the UN General Assembly passed a resolution adopting the OEWG's recommendations, including a UNCROP. We strongly encourage the federal government to **formally support** the development of a binding **UNCROP to combat ageism and ensure the protection of the rights of older adults.**

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Thank you for considering these recommendations to support Canada's ageing population. For more information, please contact:

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