NEWS RELEASE

Canada only country in G7 not raising retirement age; adds significant costs for government

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VANCOUVER—Canada is out of step with most major industrialized countries—and all other G7 countries—which are raising the age of eligibility for public retirement programs, finds a new study by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

"Like every other high-income country, Canada's population is aging, but unlike most of our peers, Canada is doing very little to prepare for the greying of society," said Jason Clemens, executive vice-president of the Fraser Institute and co-author of ***Age of Eligibility for Public Retirement Programs in the OECD***.

In 2012, the previous federal government enacted a plan to increase the age of eligibility to 67 (which would have been fully implemented by 2029) for Old Age Security and the Guaranteed Income Supplement—two transfer programs for seniors—but the Trudeau government reversed that decision in its first budget and is keeping the age of eligibility at 65. According to government estimates, that reversal will cost $10.4 billion in 2030 alone.

Among G7 countries, Canada is the only one without a plan to increase the age of eligibility for government retirement programs. For example, Britain is increasing its age of eligibility to 68 by 2039. And the United States, Germany, Italy and France are all increasing their retirement age to 67 over the next five to 12 years.

Moreover, of the 22 high-income industrialized countries (apart from Canada) in the Organization for Economic Co-operation and Development (OECD), 18 countries—82 per cent—are increasing the age of eligibility. In that group, Canada is one of only five countries (along with Norway, Sweden, Luxembourg and Switzerland) without a plan to increase the eligibility age.

In fact, 13 of the OECD countries plan to increase their age of eligibility to 67 or higher—Iceland is increasing its age to 70—and five have indexed their eligibility age to life expectancy, meaning the age will automatically increase as life expectancy increases.

"Increasing the age of eligibility for public retirement programs is only one possible reform to better prepare for Canada's aging population," Clemens said.

"Unfortunately, on this issue, the federal government has offered no alternatives other than the status quo."

Age of eligibility for government retirement benefits in the G7

COUNTRY	AGE OF ELIGIBILITY
United Kingdom	68 by 2039
Italy	67 by 2023
France	67 by 2022
Germany	67 by 2029
United States	67 by 2027
Japan	65 by 2030
Canada	65 (not increasing)

(30)

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