CANADIAN ASSOCIATION
OF RETIRED PERSONS

Department of Finance Canada

Submission for the Pre-Budget Consultations
in Advance of the Upcoming 2026 Federal Budget

Submitted By:
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70 Jefferson Ave. Toronto, ON M6K 1Y4
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RECOMMENDATIONS

- **Recommendation 1:** That the government extend the 10 percent OAS increase to all eligible seniors aged 65-74.
- **Recommendation 2:** That the government end the exploitation of retail investors by holding banks and regulators accountable, enforcing higher fiduciary standards and ensuring fair competition and investment choice, especially for seniors.
- **Recommendation 3:** That the government strengthen the Criminal Code and enforcement against frauds and scams targeting seniors and treat them as serious criminal offences, with dedicated resources for investigation, prosecution, and penalties.
- **Recommendation 4:** That the government increase investments in home care and community care services to ensure seniors can age safely and independently in their own homes, reduce pressures on long-term care facilities, and uphold the right to age with dignity.
- **Recommendation 5 :** That the government accelerate the approval and timely public access to new medicines and best-in-class treatments needed by older Canadians, while supporting made-in-Canada pharmaceutical manufacturing to strengthen Canada's supply capacity and protect seniors from treatment delays and shortages.
- **Recommendation 6:** That the government fund all expert-recommended vaccines for seniors to improve health outcomes, prevent avoidable hospitalizations, and reduce strain on the healthcare system.
- **Recommendation 7:** That the government eliminate mandatory registered retirement income fund (RRIF) withdrawals.
- **Recommendation 8**: That the government maintain the integrity of the Old Age Security (OAS) Benefit.
- **Recommendation 9:** That the government unequivocally denounce the implementation of a home equity tax and avoid pitting generations against each other when discussing budget priorities.

<u>Recommendation 1: Extend the 10 percent Increase to Canadians Aged 65-74</u>

Old Age Security (OAS) is a promise and the backbone of retirement income for millions of Canadians. For many seniors, particularly those without private pensions, substantial savings, or other reliable sources of retirement income, OAS makes up nearly half or more of their annual income. Undermining it in any form would be a direct assault on retirement security in this country.

Yet Canadians aged 65 to 74 continue to receive a lower OAS benefit than those aged 75 and older, effectively operating as a two-tier OAS system.

Prime Minister Trudeau promised to increase OAS at CARP headquarters in 2015 for <u>all</u> seniors. Instead of delivering on universality, the government divided seniors into two cohorts, granting a 10 percent OAS increase only to those aged 75 and older, while denying the same support to those aged 65 to 74. Canadians do not suddenly begin facing affordability pressures at age 75. This younger cohort still faces many of the same pressures as those over 75, including rising costs of food, housing, property taxes, utilities, healthcare, and other costs associated with aging. By withholding this increase, the government has effectively penalized an entire decade of older Canadians, many of whom are struggling on fixed incomes in an era of high inflation. This arbitrary age cutoff is unjust and ageist.

The case for correcting this inequity is becoming more urgent as traditional sources of retirement security continue to weaken. Millions of Canadians are approaching retirement without access to workplace pensions, while personal savings remain inadequate for many households. For these Canadians, public programs such as OAS and Guaranteed Income Supplement (GIS) are essential components of financial security.

CARP's National Omnibus Poll, conducted April 14-24, 2026, with 7883 respondents, exposes the reality of seniors' financial struggles as only 2.84 percent of respondents said that current OAS payments were "fully adequate", 25.38 percent claim it was "somewhat adequate", 34.26 percent say "not very adequate", and 33.06 percent say it is "not adequate at all".

In other words, more than two-thirds of respondents considered current OAS benefits either "not very adequate" or "not adequate at all".

The federal government has already acknowledged, through the 10 percent increase for those aged 75 and older, that OAS needed to be strengthened. The question now is why millions of other seniors facing the same affordability pressures remain excluded.

CARP urges the federal government to make an unequivocal commitment to protecting OAS in full:

- Extend the existing 10 percent OAS increase to all eligible Canadians aged 65+, ending the current discrimination policy that excludes seniors aged 65-74.
- No reduction in benefits.
- Continued full indexation to inflation.

Older Canadians should not have to wait until age 75 to receive equal benefits under one of Canada's most important retirement income programs. Extending the 10 percent increase to those aged 65 to 74 would provide immediate financial relief while restoring fairness to the OAS system.

Recommendation 2: Protect Investors by Increasing Competition and Advisor Responsibility

Canada's financial system is failing retail investors, especially seniors. At a time when older Canadians are doing everything right by saving, investing and seeking advice to maintain financial independence in retirement, they are being routinely steered into low-return investment products (net of fees) by bank advisors, who are not legally obligated to act in their clients' best interests and are pressured by head offices to sell only bank funds. This exploitation is well known to both banks and regulators, yet no meaningful action is being taken.

CARP's National Poll highlights how serious this problem is, with 62.39 percent of respondents saying they use one of the "Big Five Banks". Many seniors rely on financial advice provided at the bank branch level, often as loyal customers - 82.42 percent of respondents have stayed with their current financial institution for 20-40+ years. Yet these branch-level advisors do a disservice to their customers by "selling" underperforming, in-house investment products with limited transparency, little choice, and even less fiduciary duty. In fact, a joint Canadian Investment Regulatory Organization (CIRO) and Ontario Securities Commission (OSC) survey of bank branch advisors published in July 2025 revealed:

- The vast majority (94 percent) of representatives report that they are only able to offer clients bank mutual funds (i.e., proprietary mutual funds) and are not able to offer external (i.e., third-party) mutual funds.

- When asked '*if there were comparable third-party funds available with a similar cost to those available at my bank - but with better performance - it would be in my clients' best interest [to] offer these,'* more than two-thirds of representatives agreed with this statement.
- 25 percent of representatives across banks reported that clients have been recommended products or services **that are not in their interests at least 'sometimes'**, which suggests that product recommendations may not always be in the interests of clients.

In Canada's financial industry, seniors are left with shrinking returns and eroding nest eggs while these banks post record-breaking profits annually at the expense of the very customers they are meant to serve. This is ageism in action, where vulnerable investors are left to fend for themselves in a financial system, especially as there is a lack of financial literacy and access to resources needed to evaluate investment choices.

When seniors lose their savings for retirement, or their growth is stifled by the investment choices made for them, the burden falls back on public government support, taking away income support for other overburdened areas, such as healthcare. In the long run, a stronger, fairer financial system is not just good for seniors; it is sound long-term fiscal policy.

CARP calls on the federal government to act decisively to protect senior retail investors by:

- Requiring stronger competition and expanding investment choices at banks and firm regulatory accountability.
- Working cooperatively with provinces and territories to close jurisdictional gaps and create unified, enforceable protections for retail investors.
- Ensuring the Bank Act Review enhances competition and choice at the retail level, including at bank branches where most seniors access financial advice.
- Legislating a fiduciary standard requiring financial advisors and banks to act in the best interest of clients, particularly vulnerable investors such as seniors.
- Directing the Competition Bureau to review the big banks' oligopolistic power and collective decision to restrict retail investor choice at bank branches.

Recommendation 3: Strengthen Canada's Response to Fraud and Scams

Frauds and scams are a relentless and serious assault on older Canadians, and yet Canadian authorities continue to offer scant protection and little justice to victims. In 2025 alone, the Canadian Anti-Fraud Centre reported $704 million in fraud losses, a figure dwarfed by the several billions likely stolen and unreported annually. Seniors, targeted for their perceived vulnerabilities, are treated as expendable by a system that shrugs at their plight, allowing criminals to flourish. Seniors aged 60+ accounted for 17,000 reported cases in 2024. At this stage of life, there is often no practical ability to re-enter the workforce, rebuild capital, or recover from the loss. CARP asserts this aversion to pursuing justice for senior victims is rooted in ageism. Canada's decade-long reliance on education over enforcement has failed, leaving fraudsters free to prey on seniors with impunity.

CARP's National Poll provides current evidence of the scale of fraud exposure among older Canadians. More than 82 percent of respondents report that someone has attempted to scam them by phone, in-person, online, or through another channel. Telephone scams remain the most common form of contact, reported by 88.51 percent of respondents who had been targeted. Email scams were reported by 68.51 percent. Online scams through websites or advertisements were reported by 49.93 percent. Text-message scams were reported by 48.89 percent.

CARP members strongly support stronger government intervention. In the same poll, 88.66 percent of respondents said the government should do more to protect Canadians from fraud. More than 90 percent said the government should require phone and mobile service providers, including companies such as Rogers, Bell, and Telus, to do more to protect customers from robocalls, caller ID spoofing, and fraudulent text messages.

CARP has worked extensively to bring the experiences of fraud victims and older Canadians to the attention of policymakers and the public. This has included speaking with investigative journalists from the Montreal Gazette and the Organized Crime and Corruption Reporting Project; appearing before the House of Commons Standing Committee on Industry and Technology (INDU) on behalf of CARP members and older Canadians across the country; and supporting MP Melissa Lantsman's private member bill, Bill C-288, *the Protection Against Online Fraud Act,* including its proposed amendments to the Criminal Code recognizing that the deliberate targeting of vulnerable individuals, such as older adults, should receive higher sentencing.

CARP President Anthony Quinn has also participated in a Justice Canada stakeholder roundtable on complex financial crimes, and CARP has written an open letter to Meta calling for stronger protections for older Canadians from fraud on Facebook, particularly as artificial intelligence makes scams increasingly sophisticated, convincing, and scalable.

Fraud is no longer an isolated consumer-risk issue. It is organized, technologically enabled, and distributed through the systems Canadians rely on every day: banks, payment systems, telecommunications networks, digital platforms, social media. If the system allows fraud to be carried through its infrastructure, the system must share responsibility for the outcome.

In last year's financial budget, the National Anti-Fraud Strategy was announced to protect Canadians from fraud. However, Canadians are still waiting for meaningful implementation. Meanwhile, fraud continues to evolve rapidly through artificial intelligence, impersonation technology, spoofing, fraudulent advertising, and increasingly sophisticated organized criminal networks. Every delay leaves Canadians more exposed and vulnerable.

CARP calls on the federal government to:

- Classify senior-targeted fraud as a serious offence under the Criminal Code with stronger penalties.
- Mandate accountability from banks and financial institutions that fail to flag or prevent suspicious transactions.
- Increase resources for fraud investigation and recovery of lost funds - stop abandoning seniors to billion-dollar losses.

Recommendation 4: National Investments in Home Care

Canada's population is aging rapidly; however, provinces and territories are unprepared to meet the growing demand for care. This demographic shift has been forecasted for decades, but the government has failed to build the necessary systems to enable older Canadians to age with dignity, independence, and access to appropriate care.

Today, approximately one in five Canadians is aged 65 or older. That threshold was already crossed some time ago in Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick. More than 22 percent of Quebec's population is over 65, while British Columbia is at 20.5 percent and Ontario is approaching 19 percent.

The preferences of older Canadians are equally clear. According to the National Institute of Ageing, 94 percent of Canadians over age 65 prefer to remain in their homes as they age - a number that rises even higher among those aged 80 and older. Yet, due to insufficient home and community care, many are forced into LTC institutions against their wishes. By 2031, Canada will need space for more than 600,000 LTC residents, with already more than 77,000 on the waiting list as of 2019.

Meanwhile, home care workers are underpaid, overworked, and in short supply. In the last decade, the number of nurses working directly with seniors has decreased from 59 to 52 per 1,000 seniors. Informal caregivers, the silent backbone of our healthcare systems, are exhausted, unsupported, and invisible. The situation is further complicated by provincial disparities in eligibility, coverage, and service quality, leaving Canadians with unequal access to home care based on where they live.

The problem is made worse by the fact that hospitals and LTC facilities are already struggling with overcrowding and have no space to accommodate older adults who need continuous care. In some hospitals, a reported 35 percent of hospital beds are occupied by elderly patients who do not require acute hospital care. This bottleneck forces many into LTC facilities prematurely, depleting resources and compromising quality of life. Evidence shows home care improves independence, delays LTC admission, and costs far less: moving 37,000 Canadians from LTC facilities to home and community care could save an estimated $794 million annually.

These pressures cannot be considered in isolation from the wider challenges facing Canada's health care system. In 2024, the Canadian Institute for Health Information (CIHI) reported that 5.7 million Canadian adults did not have a regular health care provider, and estimated that the country would need 49 percent more family physicians to meet current demand. In 2024-25, 10 percent of admitted emergency department patients waited more than 36 hours for an inpatient bed. One in ten Canadians who required diagnostic imaging waited more than 200 days for an MRI while others waited 140 days or more for a CT scan.

CARP members have made their priorities clear. In our national poll, 83 percent of respondents strongly agreed that improving access to primary care must be a top priority, while nearly 80 percent strongly supported action to reduce wait times for specialist, imaging, and medical procedures. Three-quarters placed a similar priority on long-term care.

Canada cannot address these challenges through fragmented action or through federal and provincial governments working independently of one another. Healthcare delivery is primarily the responsibility of provinces and territories, but the scale of the demographic transition facing Canada requires sustained federal leadership, national coordination, and long-term funding. The need for federal-provincial-territorial cooperation should therefore be given a central place in the federal budget. Immediate priorities must include access to primary care, health workforce shortages, hospital capacity, surgical and diagnostic wait times, home and community care, long-term care, and support for family caregivers.

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The urgency is no longer theoretical. The oldest baby boomer turns 80 this year. Governments must act together now to build a sustainable healthcare system capable of supporting all Canadians as they age.

CARP calls on the federal government to:

- Make significant investments in home and community care to allow seniors to age where they choose.
- Increase support for frontline home care, respite services and day programs that enable seniors to age in place and reduce caregiver burnout.
- Attract and retain qualified care professionals through competitive wages, improved working conditions, and sustainable funding.
- Expand telehealth solutions with continued access to physician consultation by phone or video.
- Provide financial relief for caregivers by making the Family Caregiver Tax Credit refundable or turning it into a rebate.
- Introduce tax incentives for home adaptations that make aging in place safer and more financially realistic for all, regardless of income levels.
- Work with provinces and territories toward greater consistency in healthcare access for all Canadians.

Recommendation 5: Accelerate the Approval and Timely Public Access to New Medicines and Treatments

CARP has been sounding the alarm: governments must make significant and targeted investments in healthcare services to meet the growing demands of Canada's aging population.

Right now, Canadian patients wait an average of two years for Health Canada approval to access new drug treatments, even when the need is great and the treatment is already available in other jurisdictions. For seniors, these delays are not just administrative; they can directly affect health, independence, dignity, and quality of life.

Alzheimer's disease and dementia show why timely access matters. More than three-quarters of a million Canadians are currently living with a form of dementia, and many families are already struggling with the emotional, financial, and caregiving burden of these conditions. When a new classification of disease-modifying drugs for Alzheimer's could provide real relief or help slow decline, seniors and their families should not be left waiting while Canada's approval and access systems lag behind.

Even after federal approval, patients can face additional delays before these therapies are publicly reimbursed. Provincial and territorial listing timelines can range from as little as 44 days to 662 days, creating fragmented and inequitable access depending on where a patient lives. For a senior living with Alzheimer's or another form of dementia, a delay of months or years is not a minor policy issue. It can mean lost time, greater decline, more strain on caregivers, and higher pressure on the healthcare system.

A more responsive healthcare system is needed if Canada is to meet the needs of its aging population, especially when serious and progressive conditions are at stake.

Strengthening domestic pharmaceutical manufacturing capacity is also critical to ensure a stable supply of medicines and vaccines. Recent global pandemics have highlighted the risks of overreliance on international supply chains. For older Canadians, supply disruptions are not abstract. They can mean delayed treatment, missed doses, or added stress for patients and caregivers. Investing in made-in-Canada solutions should be understood first and foremost as a way to protect Canadians' access to the treatments they need, especially seniors who are most at risk when the system fails.

Recommendation 6: Equitable Access to Vaccines

Seniors deserve barrier-free access to life-saving vaccines - in fact, older adults face the highest risk of severe complications and death from infectious diseases. Yet, inconsistent funding and fragmented provincial policies create unequal access across Canada.

Vaccination is one of the most cost-effective public health measures. In fact, immunization prevents 40 percent of hospitalizations due to influenza for adults aged 65 and older. Vaccination programs represent a small investment with massive returns - safeguarding individuals, strengthening public health, and supporting economic stability

In Canada, vaccination programs generate over $2.5 billion in value for the economy every year, while the World Health Organization estimates that vaccines prevent 3.5 to 5 million deaths globally each year. Despite the proven benefits, the cost of funding vaccines represents less than 0.17 percent of the national healthcare budget, a very modest expense with life-saving outcomes.

However, vaccination falls under the jurisdiction of provincial and territorial governments, which creates significant inequities in access and funding. For example, some provinces provide shingles vaccines free of charge for seniors, while others require out-of-pocket payments of up to

$400. On fixed incomes, these costs force many seniors to choose between having essential protection in favour of paying rent and other daily living costs. Research shows publicly funded immunization programs deliver higher vaccine uptake and reduce hospitalization, ultimately lowering long-term healthcare costs.

Access to vaccines should not depend on income or postal code. Ensuring universal coverage demonstrates fairness, dignity, and respect for older Canadians while supporting broader public health goals.

CARP calls on the federal government to:

- Fund all expert-recommended vaccines for seniors, such as COVID-19, high-risk influenza, respiratory syncytial virus (RSV), shingles, and pneumococcal vaccines.

Recommendation 7: End Mandatory RRIF Withdrawals

Current RRIF withdrawal rules are outdated and harmful. Designed nearly 50 years ago, these rules were based on a very different economic and demographic reality, when life expectancy was shorter, investment returns were higher, and the majority of retirees had workplace pensions. In Canada today, this framework no longer serves seniors, yet it is still forcing them to comply with inflexible withdrawal schedules that undermine retirement security.

Canadians are living longer than ever, with life expectancy now at 83.26 years (2025). At the same time, safe investments yield far lower returns than in the past, which means seniors are forced to draw down their savings faster than intended, especially as many retirees now lack a defined benefit pension from workplaces compared to previous generations and rely almost entirely on their registered savings to fund their later years.

The result is a triple threat: financial strain from faster savings depletion, tax burdens that punish responsible savers, and lost flexibility that prevents seniors from adapting to their personal and financial circumstances. Nearly half of Canadians (47.9 percent) expect to receive no income from retirement savings. Those who do rely on RRIFs risk running out of money just as their healthcare and long-term care costs begin to rise - all this, when money from RRIFs is guaranteed to become the government's tax revenue upon death. CARP is simply asking for a deferral of these taxes. Forcing Canadians to withdraw funds from their RRIFs according to an inflexible government schedule, rather than according to their individual needs and advice from their financial advisors, hurts older Canadians and increases their reliance on OAS, GIS, and Canada Pension Plan (CPP).

Recommendation 8: Hands Off OAS

The federal government must make an unequivocal commitment to protecting the integrity and long-term security of OAS.

OAS is not simply a federal benefit, but a foundational pillar of retirement security and a promise to Canadians who have paid into the system on which generations of Canadians have planned their retirement. Millions of older adults depend on OAS to meet their daily expenses, and any changes to eligibility and thresholds will have profound consequences for retirement security.

At CARP, we regularly hear from older Canadians who are being forced to make difficult choices each month between essential expenses, including utilities, groceries, housing costs, and prescription medications. The maximum monthly OAS payment is $751.97 for those aged 65 to 74 and $827.17 for those aged 75 and older. For low- and middle-income households, these amounts are important, but they are not excessive. They help cover basic needs in an environment where many have fixed incomes and the cost of living continues to rise.

Historically, workplace pension plans have helped bridge the income gap by providing a reliable lifetime income. But this is no longer the reality. Approximately 12 million working Canadians are heading toward retirement without a workplace pension and a median retirement savings of just $3,000. Canada's retirement system is no longer supported by the pillars it once relied on. For these Canadians, public retirement programs such as the GIS and OAS are not supplementary benefits but are central to financial security in retirement.

CARP is particularly concerned that Canada's aging population and growing fiscal pressures have led to renewed calls for using OAS benefits to balance the government budget deficits. Canada must not respond to an aging population by weakening the retirement programs designed to support these groups. An aging population was neither sudden nor unforeseeable. Older Canadians should not now be asked to absorb the cost of inadequate long-term fiscal planning through reduced retirement benefits or more restrictive eligibility.

CARP's National Omnibus Poll captures these concerns even more clearly. More than 73 percent strongly agreed that protecting and enhancing OAS and the CPP is critical. Meanwhile, only 2.84

percent of respondents considered the current OAS payments to be "fully adequate" for their needs, while more than two-thirds said payments were either "not very adequate" or "not very adequate at all".

CARP has also long raised concerns that the general Consumer Price Index does not capture the true spending patterns and cost pressures of older Canadians, such as out-of-pocket medical expenses, rising rents, retirement home, and LTC and home care costs, that are not adequately reflected by the Material Deprivation Index. Even with OAS and GIS, financial insecurity persists. One in five Canadians aged 50 and older lives at or near poverty levels. Senior poverty rates are increasing - more than tripling from 3.1 percent in 2020 to 9.9 percent in 2022. Women, immigrants, single seniors, and those without workplace pensions face the highest risks.

The integrity of OAS must therefore be protected.

CARP calls on the federal government to commit to:

- No change made to OAS eligibility or threshold clawbacks
- No reduction to OAS benefits
- Continued full indexation of OAS benefits to inflation

If the government attacks OAS, senior poverty will worsen. If there are cuts or delays in OAS, the consequences will be immediate and devastating. Canada cannot build a fair or sustainable future by hollowing out the financial foundation of those who built this country and who are also the fastest-growing demographic.

Recommendation 9: No Home Equity Taxes

CARP urges the federal government to unequivocally reject any proposal to impose a home equity tax or capital gains tax on the sale of Canadians' principal residences. Such a tax would harm the retirement security of millions of older Canadians who have relied on the long-standing exemption as a pillar of financial planning. For Canada's seniors, home equity is not speculative wealth; it is their last line of defence against poverty, rising healthcare costs, and income erosion in later life.

As workplace pensions decline and personal savings prove insufficient, many retirees rely on their home's value to supplement fixed incomes. 45 percent of Canadians aged 55 and older view home equity as a key part of their retirement plan. Proposals to tax principal residences, even those targeting homes over $1 million, would punish long-time owners, many of whom are seniors on modest, fixed incomes facing rising living and healthcare costs. This type of taxation would create cash flow crises, force seniors to sell or borrow against their homes, and disincentivize aging in place, contradicting national health and housing goals. Adding another layer of taxation on top of existing taxes, such as property taxes, would be punitive.

Canada already ranks among the lowest in pension replacement rates in the Organization for Economic Co-operation and Development (OECD) countries. For millions of seniors, home equity is one of the few tools available to maintain dignity and independence. To tax home equity is to penalize long-term responsibility, displace low- and middle-income seniors and break faith with Canadians who built their retirement around government promises.

Moreover, CARP urges the federal government to actively reject the false narrative that supporting older Canadians must come at the expense of younger generations. This zero-sum game framing is not only inaccurate, but it undermines public trust, fosters divisions and distracts from the real policy challenges facing all Canadians. Older and younger generations are not competitors for public funding - they are interdependent. Seniors contribute significantly to the economy through consumer spending, caregiving, community leadership, and shared intergenerational housing. Today's young adults are tomorrow's retirees. Undermining social support for one group endangers the well-being of all.

CARP calls on the federal government to:

- Explicitly reject any proposal to tax home equity or capital gains on the sale of a principal residence.
- Prioritize policies that foster intergenerational solidarity without pitting one generation against another. Canada must plan for an aging population by building stronger public systems that benefit everyone.

Respectfully submitted,

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