MEDIA RELEASE

For decades, Canadians were told the Canada Pension Plan is a foundation of retirement security. Work hard. Contribute throughout your life. Retire with dignity. If something happens to one spouse, the other will not be left behind.

But for too many surviving spouses, particularly older women, that promise breaks down at the moment they need protection most.

The CPP survivor benefit is outdated, inadequate, and increasingly disconnected from the economic reality facing older Canadians, especially for widows. Its rules can cause a surviving spouse to lose a substantial share of the household's CPP income even though most household expenses remain. It is time to strengthen it.

And let us be clear: the money is there.

The Canada Pension Plan is no longer a fragile program struggling to stay afloat. At the end of the 2026 fiscal year, CPP Investments now manages nearly $800 billion in assets and generated almost $57 billion in investment income, alongside another $22 billion in net contributions from workers and employers[1]. The fund continues to grow rapidly and is expected to surpass $1 trillion in assets within the next few years.

Governments and pension officials regularly point to the CPP's long-term sustainability. CARP agrees. That stability matters. But sustainability cannot become an excuse for permanent under-support of vulnerable seniors, especially surviving spouses who helped build this country and paid into the system their entire lives.

A couple may have paid two sets of CPP contributions and relied on two CPP pensions to meet their retirement expenses. When a spouse dies, much of the second pension disappears. Yet the costs of living do not suddenly fall by half. Rent or property taxes remain. Utilities remain. Insurance remains. Groceries, transportation, medications, home maintenance, home support and caregiving costs remain. In many cases, the surviving spouse now faces those costs alone while also dealing with grief, isolation, and declining health.

For a survivor aged 65 or older who is not receiving another CPP benefit, the survivor's pension is generally calculated as 60% of the deceased contributor's retirement pension. In 2026, the maximum CPP pension benefit beginning at age 65 is $1,507.65 per month. Yet the maximum combined retirement and survivor benefit at age 65 is also capped at 1,531.56 per month[2]. This

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1 https://www.cppinvestments.com/newsroom/cpp-investments-net-assets-total-793-3-billion-at-2026-fiscal-year-end/

2 https://www.canada.ca/en/services/benefits/publicpensions/cpp/payment-amounts.html

means that a survivor who already receives some CPP retirement pension may only receive a small additional amount or no meaningful increase at all, following the death of their spouse.

The result is predictable: lower quality of life, financial insecurity, and increased poverty.

Women are particularly vulnerable. Many of today's older women came of retirement in a very different Canada. They faced workplace discrimination, lower wages, fewer advancement opportunities, and social expectations that encouraged them to stay home to raise children or support their families. Many interrupted careers or worked part-time in ways that reduced pension accumulation, not because they lacked ambition, but because society expected them to sacrifice economic security for caregiving responsibilities.

That's why the current CPP survivor benefit frequently leaves widows with far less support than Canadians assume exists. Many are shocked to discover that decades of contributions do not translate into meaningful survivor protection, especially as living costs generally do not decline in proportion to the loss of income.

As of 2022, Canada had just over **2 million widowed Canadians,** with approximately 1.58 million being widowed women compared with approximately 473,000 widowed men[3]. That is roughly 4 widows for every 1 widower in Canada[4].

Those realities continue to echo through retirement. They compound over a lifetime and become particularly damaging when a spouse dies. Statistics Canada reports that five years after widowhood, the median family income declined 9.8% for widows, more than six times greater than for senior women who remained married[5].

The gap becomes even more stark with age because:

- Women live longer;
- Men have historically been older than their spouses;
- and widowed men are statistically more likely to remarry.

As a result, women are not only more likely to become widowed, but they are also more likely to remain widowed and manage retirement expenses alone for an extended period.

Canada can do better.

Strengthening the CPP survivor benefit is not a radical proposal. It is a targeted correction to a known weakness in the system. It recognizes the economic realities faced by surviving spouses

3 https://www.statcan.gc.ca/o1/en/plus/8211-window-widows-international-widows-day

4 https://www150.statcan.gc.ca/n1/pub/11-621-m/11-621-m2004015-eng.htm

5 https://www150.statcan.gc.ca/n1/pub/11-621-m/11-621-m2004015-eng.htm

and acknowledges the historical inequities many older women experienced throughout their working lives.

This is also the right moment to act.

Canada is entering the largest senior demographic wave in its history. Policymakers cannot continue discussing retirement security in abstract actuarial terms while millions of older Canadians worry about housing, groceries, medications, and whether they can remain independent after losing a spouse.

The CPP has financial strength. The demographics are known. The need is obvious.

What is required now is political will.

CARP is calling on the federal and provincial governments to work together to modernize and strengthen the CPP survivor benefit, including:

1. **Increasing survivor benefit levels following the death of a spouse or common-law partner,** the survivor's combined CPP retirement and survivor benefits should equal at least 80% of the couple's combined CPP retirement income immediately after the death.
2. **Reforming the combined benefit cap between Survivor Benefit and CPP Benefits**. The government should remove or increase the cap that prevents many survivors from receiving the full value of their own retirement pension and the survivor benefit generated by their spouse's contributions
3. **Implementing a stronger minimum benefit for low-income seniors** with automatic coordination between CPP, the Guaranteed Income Supplement and provincial income-support programs.
4. **Ensuring the system reflects modern housing and cost-of-living realities.**

No Canadian should be forced to absorb an immediate and unmanageable collapse in pension income while navigating the grief of losing a partner. A pension system should not only survive on paper for 75 years. It should provide real security to the people who paid into it.