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Expanding the Canada Pension Plan Will Not Help Canada's Most Financially Vulnerable Seniors

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Summary

- Concerns about the adequacy of retirement income are mostly driven by a misplaced focus on middle (and sometimes upper) income Canadians not saving enough for retirement. The debate should be refocused on Canadian seniors who, because of their very low income, are financially vulnerable in retirement.

- According to Statistics Canada's low-income cut-off, single seniors living alone are more likely than other seniors to experience financial difficulties. In 2013, 10.5% of single seniors living alone lived in low income, which is considerably higher than the rate for all seniors (3.7%). The group of low-income, single seniors is disproportionately made up of women.

- A subset of single seniors is at even higher risk of low income, namely, single seniors with no income from the Canada Pension Plan (CPP). In 2013, nearly half (48.9%) of single seniors with no CPP income lived in low income.

- Expanding the CPP is an ineffective way to help Canada's most financially vulnerable seniors since many of them have a limited work history. Those who have not worked, or worked only a little outside the home, have made limited contributions to the CPP. Those contributions are a key determinant of the CPP retirement benefit, so expanding the CPP would do little or nothing to help Canadian seniors with a limited or no work history.

- Even for low-income single seniors with a work history and sufficient CPP contributions to receive retirement benefits, expanding the CPP may provide little or no net increase in their total income. That's because a higher CPP benefit could simply result in a reduction in government-provided benefits targeted at low income seniors, such as the Guaranteed Income Supplement.

Introduction

There is renewed interest in expanding the Canada Pension Plan (CPP) as the new federal government has expressed its support, and is in fact committed to achieving an agreement with the provinces for such a reform.[1] However, concerns about the adequacy of retirement income are mostly driven by a misplaced focus on middle (and sometimes upper) income Canadians not saving enough for retirement. That focus is misplaced because the evidence shows most Canadians are well prepared for retirement, particularly when we account for all the resources available to them when they retire (Cross, 2014).

However, there is a small pocket of seniors who, because of their very low income, are financially vulnerable in retirement. Unfortunately, this group is largely overlooked in the public debate.[2] It is important to focus on the Canadian seniors who are experiencing financial difficulties. With the federal and provincial finance ministers expected to discuss CPP expansion at their June 2016 meeting, this study examines whether expanding the CPP will actually help Canada's most vulnerable seniors.

The study is split into two main sections. The first identifies the group of seniors (aged 65 and over) who are most likely to live in a state of very low income. The second section examines whether they are likely to be helped with an expanded CPP.

[1] Expanding the CPP requires agreement from seven provinces representing two-thirds of the Canadian population.

[2] One notable exception is Bazel and Mintz (2014).

Which seniors are financially vulnerable?

It is important to begin by determining which seniors are financially vulnerable in retirement. The adequacy of retirement income is often measured by how much pre-retirement income is replaced by post-retirement income. This measure has resulted in claims that middle (and sometimes upper) income Canadians are not saving enough. However, as Cross (2014) explains, this measure of income adequacy is problematic for several reasons. For starters, such calculations tend to ignore all the resources available to seniors including the value of homes and other assets held outside of the formal pension system. Second, it is not clear how much pre-retirement income should be replaced in retirement (the replacement rate). Generally, retirees do not need to replace all of their pre-retirement income because many costs (work expenses, mortgages, raising children, etc.) are typically lower or even non-existent in retirement. Yet there is less agreement on what replacement rate represents an adequate retirement income. Moreover, the optimal replacement rate differs depending on the preferences and circumstances of particular retirees.

Critically, the replacement rate does not indicate whether a senior is experiencing financial difficulties. A retiree may have an income replacement rate of 50 percent, but if their pre-retirement income is $200,000, a retirement income of $100,000 does not make the retiree financially vulnerable and in a position where the government ought to provide assistance.

A more telling indicator of which seniors are vulnerable is whether they live in poverty and face challenges in securing basic life necessities such as food, clothing, and shelter. Canada does not have an official poverty line, but Statistics Canada's low-income cut-off (LICO)

Table 1: Low-Income Threshold (LICO) for Single and Two-Person Families by Community Size, 2014 (in dollars)

	Size of community				
	Rural*	Less than 30,000	Between 30,000 and 99,999	Between 100,000 and 499,999	500,000 or more
Single person family	13,188	15,093	16,836	17,050	20,160
Two person family	16,051	18,370	20,493	20,750	24,536

Source: Statistics Canada, 2015a.

*Rural is defined as being outside of a census metropolitan area and census agglomeration.

is commonly used as a threshold to measure whether Canadians are living in a relative state of low income.[3] The LICO threshold is not, strictly speaking, a measure of poverty (where poverty is defined as the deprivation of basic needs), but rather a measure of low income relative to other members of society. According to LICO, an individual is considered to be in low income if they are expected to spend a lot more of their after-tax family income on food, shelter, and clothing than the average.[4] The precise threshold differs depending on the individual's family and community size. In 2014, LICO thresholds for a single individual ranged from $13,188 in a rural area to $20,160 in a community of 500,000 residents or more. The range for a family of two was from $16,051 to $24,536 (see table 1). This study uses the LICO threshold to identify which seniors are most vulnerable and therefore may need further assistance.

Total senior population in low income

The fact is fewer Canadian seniors live in low income today than at any point over the past four decades, and seniors are less likely to live in low income than the rest of the working age population. Indeed, the percentage of all Canadian seniors living in low income based on the LICO threshold has dropped dramatically over the past four decades. As figure 1 illustrates, the percentage of seniors in low income has fallen from 29.0% in 1976 to 3.7% in 2013, a decrease of 87.2%. This stark decline indicates that Canada's retirement income system has been largely successful in helping the overwhelming majority of seniors avoid living in low income during retirement.

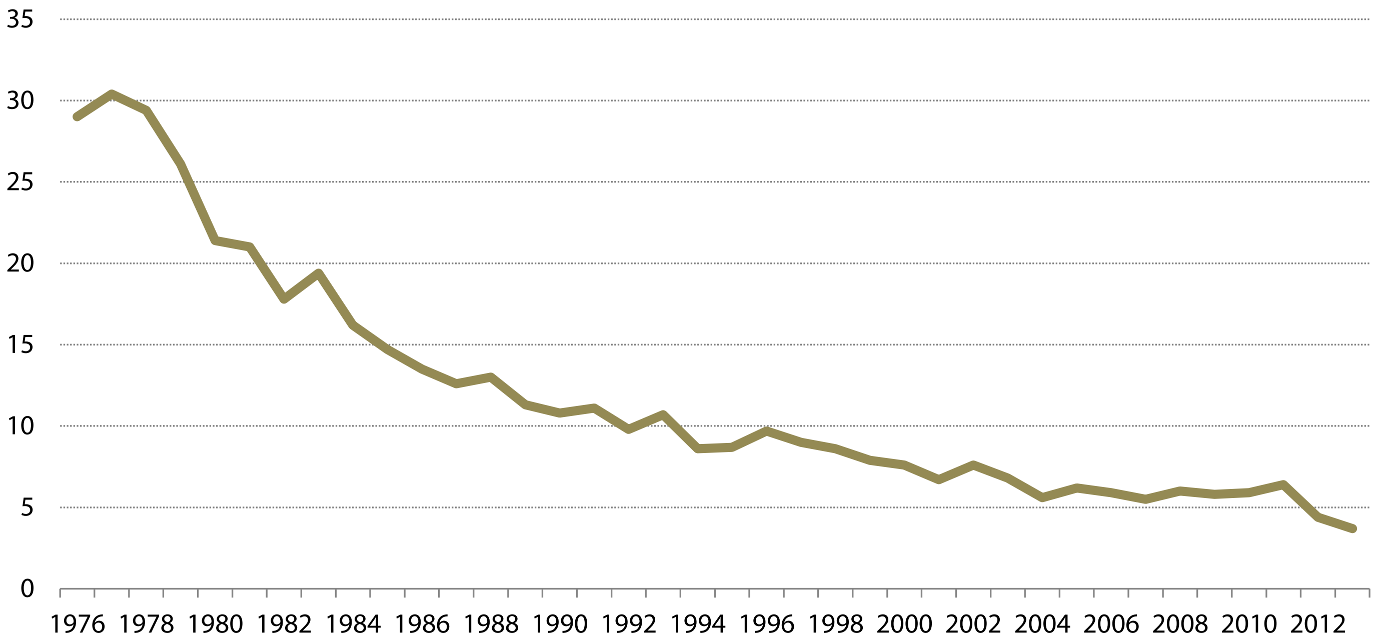
Moreover, as mentioned, Canadian seniors are much less likely to be in low income than the working age population. In 2013, for instance, the percentage of non-senior Canadians (those aged 18 to 64) living in low income was 10.7% compared to just 3.7% of seniors (Statistics Canada, 2015b).[5] While the aggregate figures tell

[3] For more discussion on LICO and other measures of low income, see Lammam and MacIntyre (2016).

[4] Specifically, a household would be at the threshold if it is expected to spend 20 percentage points more of its household income on necessities than the average household.

[5] Although seniors are less likely to experience low income than working age Canadians, it is still

Figure 1: Percent of Seniors Living in Low Income, 1976-2013



Source: Statistics Canada, 2015b.

Note: Low income is measured by the after-tax low income cut-off.

a positive story about the economic circumstances of seniors, they mask important differences in the incidence of low income among particular seniors.

Senior family types

To better understand the state of low income among Canada's seniors, it is useful to distinguish seniors by their family circumstances.[6] This helps shed light on which seniors are most financially vulnerable. The following analysis focuses on seniors who are living *independently* of their children and other non-spousal family members. By choosing this group, the analysis avoids any ambiguity regarding the effect of the income of relatives on the well-being of seniors.

The senior population included in the analysis is divided into three family types. The first is married couples where both individuals are seniors and not living with any other family.

important to focus on the economic circumstances of seniors. For most Canadians, being in a state of low income is temporary; the vast majority who live in low income do so for only a short period of time (Lammam and MacIntyre, 2016). Seniors, however, are less able to take steps that will get them out of low income. For instance, they are more likely to have health issues that prevent them from working and they may find it harder to secure employment than their younger counterparts.

[6] A family is defined as an "economic family," which consists of one or more people related by blood, marriage, or adoption.

The second is married couples, again not living with other family, where one spouse is a senior and the other is not. The third type is single (unmarried) seniors who are not living with family members. This final group is made up of seniors whose spouse is deceased, who have divorced, or who have never married. These three family types represent just over three-quarters (76.2%) of the total senior population (see table 2). The remaining seniors live with family other than their spouse (for instance, seniors living with adult children or dependent grandchildren).

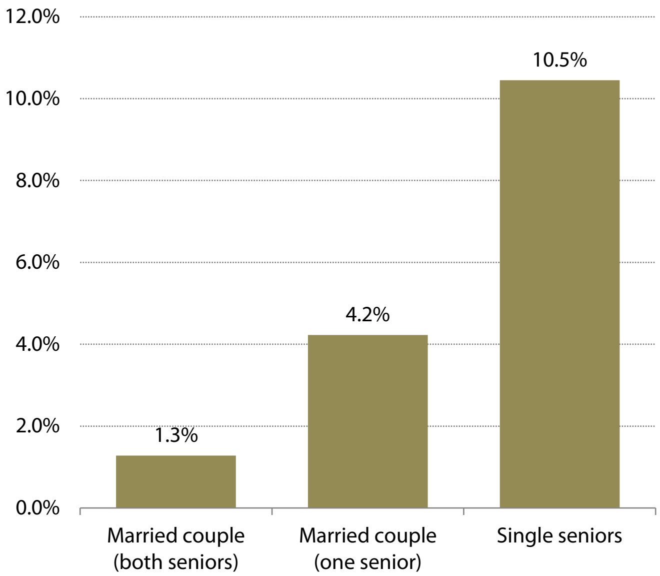
Incidence of low income among senior families

Figure 2 displays the percentage of senior families experiencing low income in 2013 for the selected family types discussed above.[7] There are two important points to take away from the figure.[8] First, for the two family types with married seniors, the percentage of families in low income is relatively small. For families where both spouses are seniors, the incidence of low income (1.3%) is lower than for families where only one spouse is a senior (4.2%).

The second and perhaps more important point is that single seniors living alone are much more likely than their married counterparts to be living in low income. Specifically, the incidence of low income among single seniors is 10.5%, considerably higher than the incidence for the other two family types.[9]

It is important to note that all three senior family types have a lower incidence of low income

Figure 2: Percent of Seniors in Low Income by Selected Family Type, 2013



Source: Calculations by authors based on Statistics Canada's Social Policy Simulation Database and Model version 22.1.

Note: Low income is measured by the after-tax low income cut-off.

[7] LICO can be used to measure the incidence of low income as a percentage of individuals or as a percentage of the total number of families. Figure 2 measures the incidence of families in low income as a percentage of the total number of *families* of each type. In contrast, figure 1 measures the incidence of senior *individuals* in low income as a percentage of the total population of senior individuals.

[8] Unless otherwise specified, the data for seniors in low income is derived from Statistics Canada's Social Policy Simulation Database and Model (SPSD/M) version 22.1. The model is based on the results of the now terminated Survey of Labour and Income Dynamics (SLID) for 2010. As a robustness check, the SPSD/M output was compared to data from the Canadian Income Survey that replaced SLID. Differences were not substantial enough to affect the overall analysis and are largely due to differences in the underlining surveys.

[9] Although the incidence of low income among single seniors remains higher than other seniors, it has also fallen quite dramatically from 64.9% in 1976 (Statistics Canada, 2015b).

Table 2: Selected Family Type as a Percentage of the Total Senior Population and the Low-Income Senior Population

Family type	Percent of total senior population	Percent of low income senior population
Couple, one senior	7.3%	6.1%
Couple, both seniors	37.5%	9.6%
Single	31.5%	65.8%
Total	76.2%	81.5%

Source: Calculations by authors based on Statistics Canada's Social Policy Simulation Database and Model version 22.1.

Note: Low income is measured by the after-tax low income cut-off.

than families of all ages. The percentage of all economic families living in low income is 12.2%—nearly three times the incidence for married couples with one senior (4.2%) and over nine times the incidence for married couple with two seniors (1.3%). Even single seniors, at 10.5%, have a lower incidence of living in low income than all economic families.

The above discussion emphasizes the overall success of Canada's retirement income system in helping seniors avoid low income. Still, single seniors living alone are financially vulnerable compared to other seniors and they are also over-represented within the low income senior population. Table 2 breaks down the three family types as a percentage of the total senior population and as a percentage of the senior population in low income. Single seniors living alone represent less than a third (31.5%) of all seniors, but they represent two-thirds (65.8%) of seniors in low income. By contrast, 37.5% of seniors are married to another senior, but comprise only 9.6% of low-income seniors.

Given that low income is more prevalent among single seniors than other senior families, it is worth exploring more specifically those single seniors who are at a higher risk of low income, namely, single seniors with no Canada Pension Plan (CPP) income.[10] Figure 3 compares the incidence of low income among single seniors without CPP income to those with CPP income. Nearly half (48.9%) of single seniors with no CPP income are in low income. Meanwhile, the incidence for single seniors with CPP income is much lower, at 8.8%. In other words, a single senior living alone without CPP income is particularly vulnerable to having a low income in retirement.[11]

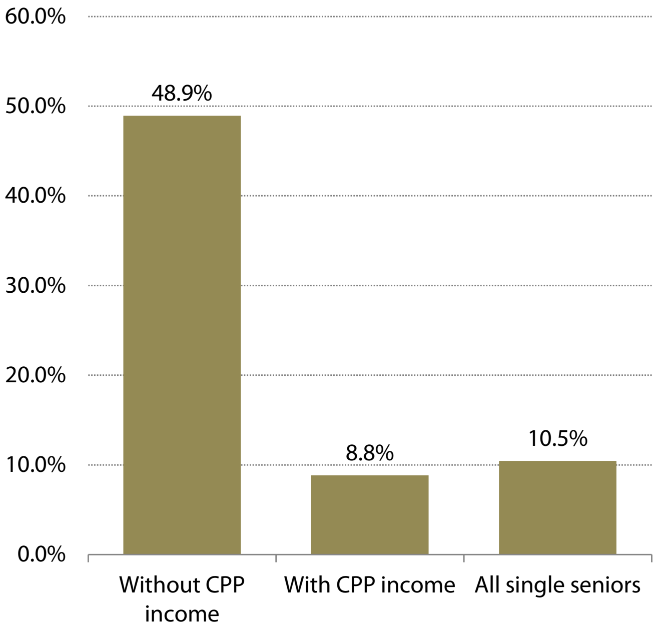
Although single seniors without CPP income make up a very small portion (1.3% in 2013) of the total senior population, they represent 12.4% of the seniors in low income. That is, more than one in 10 seniors in low income are single seniors without CPP income (this figure is a subset of, and not in addition to, the 65.8% of low income seniors that are single).

This is a critical insight into the nature of low income for seniors. As explained above, single seniors are at a higher risk than seniors living with others in terms of experiencing low income. However, it is single seniors with no CPP income, an indication of no qualifying labour income during their working life to secure CPP benefits in retirement, who are particularly exposed to low income in retirement.

10 Here CPP income includes not just retirement benefits but also survivor benefits, disability benefits, and other CPP benefits.

11 According to estimates from Statistics Canada's Social Policy Simulation Database and Model, approximately 37,000 low-income single seniors were without CPP income in 2013.

Figure 3: Low Income Incidence among Single Seniors With and Without CPP Income, 2013



Source: Calculations by authors based on Statistics Canada's Social Policy Simulation Database and Model version 22.1.

Note: Low income is measured by the after-tax low income cut-off.

Low-income single seniors and the Canada Pension Plan

Given the push from the current federal government and several provinces to expand the CPP, we now turn to the question of whether such a policy reform would effectively assist Canada's most vulnerable seniors: single seniors living alone. Although the CPP is not designed to be an anti-poverty tool, there is a perception that expanding CPP would help seniors in a difficult financial situation. There are two key reasons why we should be skeptical. First, the available evidence suggests that seniors in this vulnerable group tend to have a limited work history and therefore receive fewer (or no) retirement benefits from the CPP. Second, increasing CPP benefits for low income single seniors may simply result in a reduction in other government transfers they can receive with little or no overall increase in their total retirement income.

Before we elaborate on each of these points, it is important to clarify that discussions about expanding the CPP typically involve increasing the CPP's retirement benefits along with increasing CPP contributions during one's working years, as opposed to increasing other CPP benefits such as the survivor benefit (Milligan and Schirle, 2014; Kesselman, 2010). There are a number of ways to increase CPP retirement benefits but two approaches have been prominent in the debate about CPP expansion.[12]

First, retirement benefits and contributions can be increased by raising the earnings threshold required for CPP contributions, referred to as the year's maximum pensionable earnings. Raising the maximum pensionable earnings threshold, which is currently $54,900, would require Canadians to contribute more to the CPP with the understanding that they will receive a larger benefit when they retire. A second approach is to increase the percentage of average pensionable earnings that would be replaced in retirement by the retirement benefit (the current replacement rate is 25%), while increasing the CPP contribution rate (i.e. payroll tax) to fund the added benefits.

Those earning below the current $54,900 threshold would not be affected at all by the first approach to increasing CPP retirement benefits. Since seniors with low incomes in

[12] The two approaches for increasing CPP retirement benefits are not mutually exclusive and some have suggested implementing a combination of both (Kesselman, 2010).

retirement tend to have had lower incomes during their working lives (Finnie et al., 2013), low income seniors are unlikely to be affected by this type of reform. Thus, the analysis that follows focuses on a model of CPP expansion that would directly affect low-income seniors, namely, increasing the pensionable earnings replacement rate with a concurrent increase in the CPP contribution rate.

Limited work history

The retirement benefit that an individual receives from the CPP depends on their work history, earnings during their working years, and contributions to the program over the years.[13] Canadians with a limited work history receive a lower CPP benefit, while those with no work history (and thus no CPP contributions) receive no CPP benefits. An expanded CPP would do little or nothing to help these seniors.

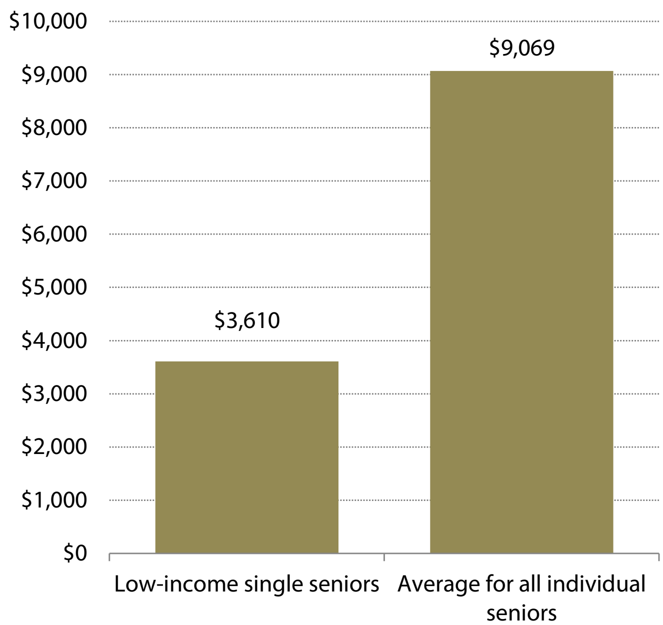
While direct data on the work history of low-income, single seniors is not readily available, the available evidence suggests they have limited work history.[14] Evidence for this is the relatively low level of CPP income they receive.[15] In 2013, low-income, single seniors received an average CPP income of $3,610—approximately 40% of the average CPP income of all individual seniors ($9,069).

[13] For details on how CPP benefits are calculated, see Clemens and Emes (2016).

[14] For further discussion on this point, readers are encouraged to see Bazel and Mintz (2014).

[15] CPP income is not restricted to CPP retirement benefits; the program also provides survivor benefits, disability benefits, and other benefits. A key difference between retirement and survivor benefits, for instance, is that retirement benefits depend on the contributions and work history of the recipient, while survivor benefits depend on the work history of the spouse.

Figure 4: Average CPP Income Received by Low Income Single Seniors versus the Average for All Individual Seniors, 2013



Source: Calculations by authors based on Statistics Canada's Social Policy Simulation Database and Model version 22.1.

Moreover, approximately one in five low-income, single seniors (18.9%) received no CPP income at all.[16] In other words, a substantial segment of the low-income, single senior population does not have any income from CPP retirement benefits (including survivor benefits and any other form of CPP benefits).[17]

[16] Table 2 shows that 65.8% of all low-income seniors are single and living alone. Further, the subset of single seniors without CPP income represents 12.4% of all seniors in low income. The percentage of low-income single seniors without CPP income can be derived by dividing 12.4% by 65.8%.

[17] It is possible that some low-income, single seniors with no CPP income are eligible for retirement benefits but have yet to take up the benefits. Seniors that delay take-up of CPP retirement benefits

Unfortunately, the data on CPP income from Statistics Canada does not allow us to distinguish between retirement benefits and other forms of CPP benefits such as survivor benefits. Some of the CPP income that low-income, single seniors receive is derived from their own work history and some is from the work history of a former spouse.[18] For example, a single senior could receive CPP benefits as a legacy from a deceased spouse, although the amounts are relatively low.[19] A widow is eligible to receive 60% of their deceased spouse's benefits if they do not have any CPP benefits of their own (Canada, ESDC, 2016b).[20]

Further evidence of the limited work history of low-income, single seniors can be found in this group's demographics. The overwhelming majority of low-income, single seniors are women. Specifically, in 2013, seven of 10 (69%) low-income, single seniors were women (see table 3). As an illustrative example, a senior woman living alone who is widowed or divorced and with a limited work history has a higher likelihood of experiencing financial difficulties in retirement.

Table 3: Percentage of Low-Income Single Seniors, Female and Male, 2013

	Number of single seniors	Percentage of total
Female	104,000	69%
Male	47,000	31%

Source: Statistics Canada, 2015a.

Note: Low income is measured by the after-tax low income cut-off.

Traditionally, women had lower rates of participation in the formal labour market, with less than half participating in the labour force before 1980 compared to a labour force participation rate for women of 61.2% in 2015. Someone turning 65 in 2016 would have been 25 in 1976, when the labour force participation rate of women was 45.7% compared to 77.7% for men (see figure 5). That difference has narrowed over time but has not yet disappeared.[21] This suggests that many of the current cohorts of senior women have participated less in the formal job market than their male peers and therefore qualify for fewer CPP retirement

receive an actuarially adjusted benefit, meaning that the annual size of the benefit is increased.

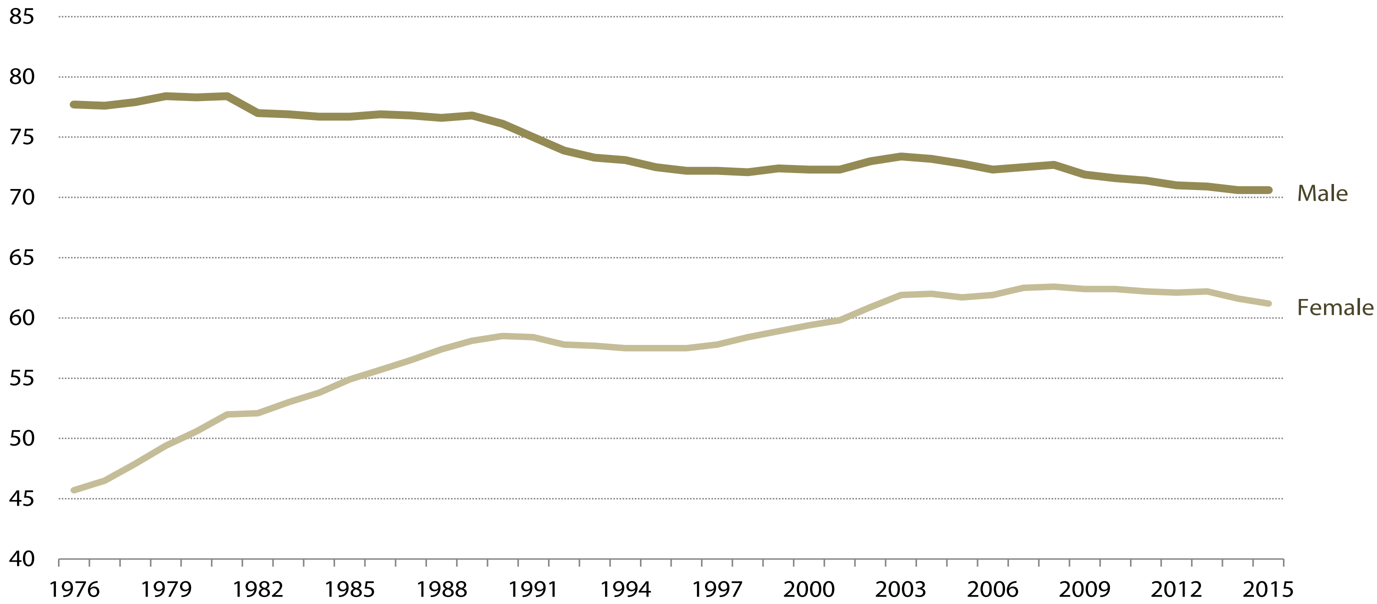
[18] Seniors who are single due to a divorce may receive a portion of the former spouse's CPP income. There is a provision for requiring divorced couples to split CPP credits earned over the period that they lived together (Canada, ESDC, 2016a). However, take-up of CPP credit splitting is surprisingly low (Canada, ESDC, 2008). In 2004, the total number of Canadian divorces and separations outside of Quebec was 60,163, but there were only 9,085 individuals applying for a credit split.

[19] The estate of a deceased CPP contributor could also receive up to $2,500 in pension benefits as a lump-sum payment (Canada, ESDC, 2016c).

[20] It has been suggested that increasing the survivor benefits from 60% to 100% is an alternative way of expanding CPP that would benefit single seniors whose spouse has passed away (Bazel and Mintz, 2014). This idea warrants some consideration but is not necessarily the best method of targeting low-income, single seniors in general. For one thing, not all single seniors have a deceased spouse entitled to CPP benefits. For another, higher survivor benefits would lead to a reduction in other government transfers.

[21] In 2015, the participation rate for women is 61.2% versus 70.6% for men. The trend lines in figure 6 suggest that future cohorts of senior single women will have more work history and may be less likely to experience low income because they qualify for larger CPP benefits.

Figure 5: Labour Participation Rates in Canada for Males and Females, 1976-2015



Source: Statistics Canada, 2016.

benefits. In fact, in 2015, according to a recent Statistics Canada study, 10.7% of women aged 65 and over have never worked for formal pay in their lifetime (Hudon and Milan, 2016). The share of senior men in a similar situation is much lower at 2.1%.

Reduction in other government transfers

What would be the effect of expanding the CPP on low–income, single seniors with a work history and sufficient contributions to the CPP to receive retirement benefits? Expanding the program would not be effective since increasing their retirement incomes through higher CPP benefits would likely result in a reduction in transfers from other government programs targeting these low-income seniors.

The federal government's Guaranteed Income Supplement (GIS), which provides a cash transfer to low-income seniors who are eligible for Old Age Security (OAS), is a prime example.[22] The amount that low-income seniors receive from GIS depends on their annual level of income and whether they are single or part of a couple. Single seniors can receive a maximum benefit of $774 per month or approximately $9,283 per year (Canada, ESDC, 2015b).[23] This includes a GIS top-up benefit that is an additional transfer for single seniors, which is not available to seniors who are part of a couple.

Critically, the cash transfer is reduced as other income from the CPP and other private pen-

[22] To be eligible for Old Age Security, a senior must have lived in Canada for at least 10 years after turning 18 (Canada, ESDC, 2015a).

[23] This does not include the federal government's recent increase to the maximum GIS benefit for single seniors, which is $947 a month and comes into effect July 2016.

sions (including RRSPs and RPPs), investments, or employment increases. However, for the purposes of calculating the GIS transfer, the first $3,500 of employment income is exempt, as is income from OAS, meaning that a senior can receive OAS transfers without losing GIS transfers. The main GIS transfer is reduced by a dollar for every two dollars of the recipient's non-exempt income. The top-up for single seniors is reduced by a dollar for every four dollars of income above a certain income threshold.[24] If the single senior's non-exempt income is over $17,304, they do not receive a GIS transfer.

In the event of a CPP expansion, an increase in CPP income could be offset by a reduction in the GIS transfer for those eligible for both CPP and GIS. This means that the total net increase in income would be less than what is implied by the increased amount of CPP income. Specifically, a two-dollar increase in CPP income for low income seniors could translate into a one dollar decrease in the GIS transfer, resulting in a net increase of only half of the new CPP income.[25] The net increase could be even less for single seniors who are receiving the top-up benefit; they would face an additional GIS transfer reduction of a dollar for every four dollars of new CPP income. Combined, the two reduction rates could result in a senior's GIS transfers being reduced by three dollars for every four-dollar increase in CPP income.[26]

Moreover, low-income seniors may also lose out on transfers from provincial programs in the event of a CPP expansion. For example, Ontario's Guaranteed Annual Income System (GAINS) provides an additional cash transfer to seniors who receive GIS, up to a maximum of $83 per month (Ontario, Ministry of Finance, 2014). Similar to the GIS, the cash transfer from GAINS is reduced by a dollar for every two dollars of other income, including CPP income. Transfers from GAINS cease when income (excluding OAS and GIS income) reaches $1,992. Adding together the dollar reduction of GIS and the dollar reduction in GAINS, single seniors in Ontario with low income could gain nothing from a two-dollar increase in CPP income.

Another provincial example is Saskatchewan's Senior Income Plan (SIP). The SIP provides a maximum transfer to GIS-receiving single seniors living at home (as opposed to a special care home) of $270 per month up to an annual income of $4,560 (again excluding OAS and GIS income) (Saskatchewan, 2016). For every

[24] The top-up for single seniors was initially introduced in the 2011 federal budget and had a maximum transfer of $600 (Canada, Department of Finance, 2011). This maximum transfer was reduced by a dollar for every four dollars of the recipient's non-exempt income above $2,000. The 2016 budget increased the top-up for single seniors. Starting in July 2016, low-income, single seniors will receive a maximum increase of $947 per year if their income (besides OAS and other exempt income) is $4,600 or less. They will receive a partial increase up to income of $8,400 (Canada, Department of Finance, 2016).

[25] An increase in income of less than $2 per month or $24 per year might not result in a decrease in GIS transfers. This is because, for the purposes of calculating GIS cash transfers, income is rounded down to the closest multiple of $2 a month. In other words, a single senior who has an annual income of $888 would receive the same cash transfer as one with an income of $911, but a single senior with an annual income of $912 would receive a dollar less every month (Canada, ESDC, 2015b).

[26] Because higher CPP retirement benefits will presumably be matched by a higher contribution rate, CPP expansion would reduce the disposable income of contributing Canadians during their working years with little gain in retirement for low income seniors.

two dollars of income, the SIP cash transfer to single seniors is reduced by $1.422 (or 71%) (*Seniors Income Plan Regulations*, R.S.S., 2002, S-25.1, 5(1)). This is higher than the reduction rate for the main GIS transfer, and together, a combined reduction in SIP and GIS could mean that the recipient has a lower total income after expansion of CPP retirement benefits.

The relatively small net gain (or in extreme cases an actual loss) from the expansion of CPP retirement benefits is further eroded by the fact that CPP income is taxable. The portion of the increased CPP income that is lost to taxes comes on top of the transfer reduction in GIS and provincial programs, meaning the net income gained from a higher CPP retirement benefit can be even lower than what is implied by transfer reductions alone. The combined personal income tax rate and transfer reduction rate is referred to as the marginal effective tax rate. According to calculations by Laurin and Poschmann (2014), the marginal effective tax rate on taxable pension income can be higher than 100% for low-income seniors. In other words, an increase in CPP income can translate into a reduction in total income for low-income seniors.

Conclusion

The federal government and several provinces have expressed support for expanding the Canada Pension Plan. However, expanding CPP benefits would not address a key problem area in Canada's retirement income system. The available evidence shows that single seniors in low income tend to have a limited work history and therefore receive a low level of CPP retirement benefits, or none at all. For low-income, single seniors who do receive CPP retirement benefits, expanding the program could simply reduce cash transfers from government programs such as the Guaranteed Income Supplement, resulting in little or no overall increase in retirement income.

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