



January 9, 2017

The Honorable Charles Sousa
Minister of Finance
Ministry of Finance
7th Floor, Frost Building South
7 Queen's Park Crescent
Toronto, Ontario M7A 1Y7

Dear Minister Sousa:

Ontario Society of Senior Citizens Organizations *La Société des Organisations des Citoyens Aînés de l'Ontario* (OSSCO) is pleased to provide the Minister and his staff with information and feedback from the seniors' community in its 2017 pre-budget consultations. Please note that the information which we are sharing was gathered in a variety of ways including attendees in our educational programs, surveys as well as consultation with member organizations and non-members bringing an intergenerational perspective.

As part of our submission to the consultation process, we would like to thank you for this opportunity to present directly to The Honorable Charles Sousa, Minister of Finance. This submission is an expansion of our verbal presentation to the Minister on January 9, 2017.

Organizational Background

OSSCO is a collaborative group of community minded organizations and individuals who are committed to improving the quality of life for Ontario's seniors' community. For 30 years, we involve seniors' organizations, networks, alliances and groups that represent persons 55+ with disabilities, ethno cultural, health, native, recreational, retiree and women's groups as well as individuals.

At OSSCO, we deliver a variety of programs including educational and joint educational programs as well as services to seniors, their families and the professionals who are resources to this demographic through select research projects, as knowledge experts and providing information, referral and mediated access.



Through OSSCO's members, we offer more than 400,000 seniors across Ontario a detailed understanding of issues affecting an aging population, opportunities to participate in educational activities aimed at increasing awareness and keep them informed on current issues of interest to aging Ontarians and their families.

We are pleased to have this opportunity to provide our feedback during the provincial pre-budget consultation process and to identify to your Ministry issues from a senior's community perspective for consideration in the upcoming budget.

Acknowledging the Need for Fairness and Equity

Ontario is facing a demographic shift towards an aging population. The report *Shifting the Paradigm on Ageism: Strategies for Positive Active Aging* co-authored by OSSCO with Lynn Lawrie identified what was necessary for older Canadians/Ontarians to remain independent, active and contribute to their community and the economy. This meant that fairness and equity for continued accessible and affordable health care, economic well-being, supportive infrastructure and positive aging so seniors must remain a priority for both the Federal and provincial governments. This need for fairness and equity as well as accountability was voiced again in 2014 by attendees in the *Roadmap for Informed Decision Making* focus groups as well as by attendees at the *Reducing the Risk of Loneliness and Social Isolation in Seniors Symposium* in 2016.

In preparation for our submission, we posted a survey and consulted with select member organizations as well. With 20% of the population projected to be over the age of 65 in the next 10 or so years, there is a "perfect" storm brewing of seniors' poverty. This means with the continuing shrinkage of the Middle Class caused in part to a loss of good paying manufacturing jobs and the impact of international markets, there is a smaller base of working tax-payers capable of sustaining today's social services and programs for an increasing population of seniors. This is a challenge for current and future governments as we currently have more people who are retired than younger people in the work force.



Supporting the Social Participation and Inclusion of Older Persons and Seniors

Relying on the above documents and feedback, OSSCO is highlighting areas which we believe need to be addressed in this upcoming budget year, and captured under the following areas with some points as examples.

These are:

1. Taxes and re-investment
2. Supportive Business Climate: Mental Health
3. Ensuring a Strong Pension for Every Canadian: Leadership and Vision
4. Investing in People's Skills and Talents
5. Infrastructure in Health Care/Homecare Services
6. Energy Poor: When it costs too much

1. Taxes and Incentives

- 1.1. Undertake a review of corporate and personal taxes in order to distribute the burden of taxation equally. In other words provide debt relief by decreasing income disparity.
- 1.2. Align the Provincial government's definition of wealthy individuals with the Federal government and increase income tax rates for those wealthy Ontarians. We anticipate that by increasing the income tax by 2 percent, this could generate up to \$3.2 billion for funding public services and programs.
- 1.3. Taxing retired persons with same tax approach as is applied to people who are working is not a good approach. Retired persons live off 20 - 30 years of savings and some form of universal pension. In retirement they start to incur expenditures such as home health care, paying for assistance in the home i.e. grass cutting, home making that they would normally not incur pre-retirement.

To support the Government's vision of keeping seniors living in community as long as possible, tax benefits (credits) should be given to retired persons who employ people to support them in order to remain in the home. Examples of activities such as cleaning homes, clearing drive ways of snow, grass cutting, companion services, etc. This type of tax benefit would create additional employment opportunities instead of



forcing the senior to move into retirement or LTC facilities. To make this tax credit even more effective would be to offer government funded training programs on small business start ups for adults under the age of 30 targeted to those who are interested in developing services to help keep older persons living in community.

1.4. Tax incentives should be provided to support active aging for seniors who join gyms and other similar facilities such as recreational facilities. This tax incentive creates a four (4) fold benefit:

- 1.4.1. older persons remain physically (and socially) active which therefore leads to a healthier lifestyle
- 1.4.2. assist in containing the cost of health care as well as reducing social isolation as Ontarians age
- 1.4.3. tax incentive reduces further financial hardship on the older person; and,
- 1.4.4. new jobs are created in the fitness and nutrition sectors as a result.

1.5. We would encourage your Ministry to take a leadership role on the subject of the current Federal tax system as it impacts CPP recipients/pensioners who may wish to continue to work while collecting CPP and the RRSP program. Today's Federal tax structure would not permit the pensioner to work without punitive consequences; nor does the RRSP program assist the senior who has been contributing for many years into that program. When we survey why Ontarians under the age of 65 do not contribute to the maximum of their RRSP, we learned of the pressures of reduced spending, but we also learned that the RRSP administrative fees and taxation upon withdrawal from the plan created greater disincentives for future saves in that program.

1.6. Taxes are a price we pay for a decent society. By addressing the widening wage gap between the wealthy and the poor we continue to encourage introducing a 2% surtax on high income earners. The Federal government has already created a lower threshold therefore increasing revenues to government and more equity amongst the taxpayers.

1.7. We are asked to again encourage the Government to eliminate tax incentives for companies who out-source work out of country, and to promote/recognize companies who hire older adults for previously outsourced jobs. Incentives such as recognition awards should be provided to employers who strive to achieve an intergenerational workforce reflective of today's society. As well incentives should be provided to



employers who use older adults as mentors to support younger workers and vice versa.

- 1.8. Ensure that public funds are used responsibly so as to maximize the level of financial support available for services and programs especially for older persons. Review the value of “cut backs” to programs as they impact older persons’ wellbeing across all Ministries.

For example reducing OHIP paid programs such as physiotherapy and occupational therapy creates immediate “savings” on a budget line for the Ministry of Health. In the long term reduction to this publicly funded program leads to poorer physical and mental health of older adults, slower recovery from knee and hip surgeries as well as decreased mobility which leads to increased social isolation. By reviewing the pharmacist weekly dispensing fee charges in long term care facilities, and asking the pharmacists to dispense medications for longer periods of time i.e. biweekly or monthly, it may create real “savings” to the province.

2. Supportive Business Climate: Mental Health

- 2.1. As Ontarians age, there are additional pressures on those “sandwiched” between younger and older family commitments. Older workers especially women take the primary role of Caregiver in families. The recent Panel Discussion and Workshop on Caregiver-Friendly Workplaces identified the need for employers to be incentivized so that the employee could enter and exit the workplace to deal with Caregiver commitments, without fear of job loss or punitive action for potential mental health issues such as depression or medication addictions in dealing with their personal situation. Opportunities exist for the Minister to take a lead role with the federal government and have the worker while on a leave or who temporarily exit the workforce continue to contribute to CPP, therefore increasing their federal pension upon retirement.
- 2.2. Caregiver stress and illness is not included in the direct cost of service provision. OSSCO encourages the Minister to take a leadership role and look at tax incentives for Caregivers who invest in supporting active aging seniors in community, and not rely on the “neighbour’s” role model as proposed by the Ministry of Health and Long Term Care and its Patients First proposal which does not recognize the importance of the Caregiver as an active partner within the health care system.



3. Ensuring a Strong Pension Plan for Everyone: Leadership and Vision

3.1. Financial planning education and support is needed in order to help people be aware of benefit restrictions. For example, many seniors were not aware that OAS will cut back if you work and earn a certain amount. They were not aware that CPP disability which can bridge wage loss to retirement age is reduced once you reach 65 as the assumption is that OAS will replace it. Government needs to take a leadership role in the education and provision of information for financial planning as part of curriculum, starting within the secondary school system so that younger generations know how to effectively plan and save for their older years.

3.2. Federal Pension income reform is needed and the premise of what are adequate income supplements (a 'right' as seniors) also need to be revisited. With the Minister of Finance keeping CPP and OAS on the federal government's agenda it recognizes that the majority of Ontario retirees live off their savings and CPP. With a changing work force moving from full time to part time positions, the current pension plan and income supplements no longer meet the financial needs of future retirees.

OSSCO recommends that the Minister of Finance and Ontario takes a leadership role amongst the provinces in the amending and revising of the current CPP/OAS structure to reflect the new realities of work for those under the age of 55 as well as RRSP/RRIF's and the tax free savings account.

3.3 We ask the Ministry to ensure that provincial job protection programs recognize that care giving obligations are not linear and that Caregiver stress and illness is seen as a direct cost of service provision. Tax credits should be provided to the caregiver to recognize their "unpaid" work, which may prevent the senior from entering a LTC facility or rehabilitation prematurely, therefore saving the province millions in care facility costs. This is especially important for an individual who exits the workforce as a result of elder care.

4. Investing in Skills and Talents: Access to Work for Older Persons

4.1. Laws need to be revisited to see if they are adequate and aligned e.g. Employer's benefit plans and insurance plans or WSIB provide employee protection only to age 65. Older persons continue to work beyond the normal age of retirement for a variety of reasons including increased CPP benefits when taken at age 70. To force an



individual on ODSP to move to CPP at age 65 may be a Human Rights violation, not recognizing the individuals' desire to postpone accessing CPP.

- 4.2. Older persons sometimes need additional education to remain competitive in the job market (e.g. technology training). Such education should be available through provincial retraining programs and seniors should be made aware that it is available. We also encourage the government to provide incentives to employers to hire older workers who have been retrained. This is a similar approach which is currently used for youth and young adults.
- 4.3. Workers aged 50 - 70 need specialized job search information and assistance, knowledge how to capitalize on their existing skills and experience and help with small business start up. OSEB funding was beneficial to adults 50+ and as demonstrated by Centennial College's Entrepreneurship division, has a success rate of 90%. Employment Ontario centres fund the retraining of older adults but offers no follow-up, coaching or assistance to re-enter a new job market or how to seek work after being unemployed for more than 12 months. This cycle results in a lack of economic opportunities to workers for 20 years of potential employment and future retirement savings.
- 4.4. Intergenerational alliances need to be created so that older workers can help and support younger workers and vice versa. Government is encouraged to review other jurisdictions for models such as the U.K. that have developed intergenerational alliances

5. Infrastructure in Health Care /Homecare Services

- 5.1. A stable, sustainable Medicare funding plan is required from the Federal government to deal with a projected shortfall of \$11 billion in the budget. Ontarians 55+ also want a commitment to reduce the continued privatization of health services which undermines the principles of universality amongst the provinces. The government knows from its experiences with Long Term Care that the non-profit sector has better quality outcomes. The non-profit sector provides a greater number of jobs and is more economical in service and program delivery than the private sector. Creating an environment where the non profit sector is the backbone of the home care system could further enhance job creation and new economic benefits in communities across Ontario.



- 5.2. OSSCO recommends that new efficiencies are found, through government's operational reviews, standardization of guidelines and policy of what maximum and minimum costs for services should be. For example, within the current structure of 14 CCAC's, immense effort is expended to manage more than 1,000 homecare service agreements and no two are alike. In OSSCO's response to the Minister of Health and Long Term Care on the Patients First Proposal, participants in OSSCO's feedback process included Unifor, Retired Teachers of Ontario, Municipal Retirees Association of Ontario, United Seniors of Ontario, Concerned Friends, Canadian Pensioners Concerned, National Pensioners Federation, etc. represented more than 600,000 seniors voices. It was concluded that the Patients First Proposal did not result in any cost savings to the government or the taxpayer. They could not identify any health care benefit to the user as a result of this change, and cautioned the Minister of the potential to create an unstable workforce, and unidentified costs of amalgamation, relocation, systems changes, etc.
- 5.3. With its experience across all departments, the Provincial government has the best understanding of what fair market value for service and the importance of standardized pricing. In this economic climate, our submission to the Minister of Health and Long Term Care recommended a fiscal review of benefits versus costs as well as enhancing service delivery and transparency. We are asking that this expertise is applied and that standardization of guidelines for what is an acceptable fee for purchased home care services in Ontario can be used. Any savings can then be reinvested into the determinants of health for seniors as well as other areas within the community-based system which may create new jobs. This re-investment could also help curtail the Ministry of Health and Long Term Care's Budget while creating new employment opportunities (and a new tax base) in communities where they are needed.
- 5.4. Ensure that health care services and access to those health care services are standardized across the province. Currently services available in one region of the province may not be available or the citizen may have limited access. This creates inequities and barriers for access across the province as people move between LHIN's and CCAC's.

While the Ministry of Health and Long Term Care focuses on the proposed changes in Patients First, OSSCO recommends that the province's home care services are attached to the patient, not a sub-region, a CCAC or a LHIN. Ontarians know what a fair price to purchase a service is regardless of where they live, and this service should be available whether the patient receives health care in Sudbury and moves to



Chatham to be closer with family. With its experience across all departments, the Provincial government has the best understanding of what fair market value for service is and how these funds can be allocated to eliminate inequities across regions and jurisdictions.

6. Energy Poor: When it costs too much

Seniors in rural or northern Ontario most likely have lived in the same house all their life. It's a beautiful, but there is not a stitch of insulation in the walls. Twenty to thirty years ago, Ontarians were good savers and now some collect a pension. These seniors have learned how to live on a decreasing income - but rising utility costs mean that they are dipping more into their retirement savings. While their income is relatively good the cold winter has resulted in high utility bills. Seniors keep the home much cooler than they would like. Those added sweaters might not adequately keep them warm. They think it may be the home that is making them sick. To add insulation into the house will cost thousands of extra dollars the senior does not have. They will have to retrofit their house from Hydro-as-heating which they were encouraged to use when they built it 30 years ago because they cannot pay the monthly \$1,200 utility bills.

Living in rural or northern Ontario means the senior has no choice but to drive as there is no adequate, if any, public transportation. The senior must drive between communities for basics of daily living such as purchasing groceries, dentist or doctor visits, or driving 4 - 6 hours for cancer treatment. The new "cap and trade" tax affects everything from the cost of heating housing - individual, high density housing, private or subsidized, transportation - individual, industrial, commercial or public transportation, manufacturing of goods and products, delivery of services i.e. community based as well as cost of food (farm to table), and many others.

While a \$300 additional annual heating cost may not create a long term hardship for an income earner of \$50,000 or more, this tax will cripple an 88 year old single female in subsidized housing who lives on less than \$16,000 a year. Hard choices will be made - does this senior give up their daily visit to the library because they cannot afford to get to it? If they stay in their apartment, will that senior become lonely, withdrawn, isolated? What about nutrition ... will making a fish bone soup do as a replacement for calcium tablets? How will they pay their hydro?



We ask the Minister to reconsider this tax which will cost Ontarians \$9.2 billion more in 2017 so that elders in Toronto, in Leamington, in Cochrane and elsewhere in Ontario will not have to make those hard decisions or risk becoming homeless, or enter into a state of ill health.

With more people between the ages of 55 - 64, than below 50, placing an additional tax will prevent this demographic from further saving for their retirement in the last critical years of work. According to a projection by the Canadian Labour Congress there is a pending seniors' poverty storm on the horizon as a result of the high cost of energy in Ontario.

Downloading Hydro rate increases and the cap and trade in succession over a 1 year period, will affect Ontarians 55+ in unimaginable ways, including stagnating job creation and reducing spending, all which affect a stable tax base.

7. Conclusion

We hope that identifying in the Provincial Pre-Budget feedback process what is important to Ontarians 55+ and providing insight on how to address these issues that it will assist the Government in finding opportunities to fine tune policies and programs to continue to meet the needs and requirements of aging Ontarians and their families. This includes keeping in mind the creation of new economic opportunities for older persons 55+ who may wish to or need to continue working to the age of 70.

The current tax structure on income of older persons should be revisited, recognizing the additional expenses which are incurred as people age. Older persons ask that all levels of government work together so that they can respond effectively to an aging population and client need changes.

Facing cuts to needed services for seniors, those with acute or chronic illnesses to resolve a deficit that was created as a result of a slow growing economy or lack of attention to spending billions of dollars by various Ministries does nothing more than put a strain on the vulnerable in Ontario for budgetary issues beyond their control.

Growing demand for services and support are intensified by a population which is aging and requiring more non-medical support such as those provided by not-for-profit organizations. This sector is already underfunded and relies heavily on the goodwill of volunteers, family and community support. The Government must lead the way to



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address how communities think of vulnerable groups such as seniors instead of having them blamed for as threats to healthcare finances, provincial budgets, and more.

A review of our current social and health policy is essential, to modernize it, and improve the lives of older Ontarians, and their families. There are opportunities to reach this objective through policies such as: encouraging companies to participate in retraining unemployed and under employed workers; linking older and younger workers; overcoming barriers to credential recognition for newcomers and immigrants; creating programs to encourage older persons (and those under the age of 30) to start small businesses; and, improvements to access for training and retraining programs in all program streams, trades and professions.

By calling on corporations and wealthy Ontarians to become fair tax partners, the provincial government has a real opportunity to stimulate the economy and deliver the recovery that Ontarians want.

OSSCO is pleased to work with the Minister of Finance and Government to assist in meeting the needs of seniors who are most vulnerable to government policies and provide feedback on the impact of future policy changes. If you have any questions please do not hesitate to contact. We thank you for this opportunity.

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