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New Reports Caution Against Piecemeal Reforms to Old Age Security

As Canada's first old age pension approaches its 100th anniversary, new NIA reports call for a holistic analysis of the retirement income system

TORONTO, October 28, 2026 —As Canada marks 100 years since introducing its first old age pension, two new releases from the National Institute on Ageing (NIA) argue that ensuring retirement security for future generations will require looking beyond OAS to Canada's retirement income system as a whole.

The First Hundred Years of Old Age Security report examines the evolution of OAS and the Guaranteed Income Supplement (GIS), their role in reducing poverty and providing secure retirement income, and the complex ways these programs interact with taxes, pensions, savings and other government benefits.

Its companion policy brief, **The Next 100 Years of Old Age Security: Policy Considerations**, looks ahead to describe the potential implications of a range of policy levers the government may be considering.

With Canada's population ageing and the number of OAS beneficiaries growing, questions about the program's affordability have become increasingly prominent. But the NIA argues that focusing on the cost of OAS alone risks overlooking both its role within the broader retirement income system and the potential consequences of changing one part of an interconnected system.

"The question shouldn't simply be whether Canada can afford OAS," said Doug Chandler, co-author and Senior Researcher at the NIA. "The more important question is whether our retirement income system as a whole is equitable, adequate and efficient for today's older adults and for the generations that will follow them. OAS does not operate in isolation, and changes to it can have significant consequences for taxes, benefits, retirement savings and other programs."

The Economic Realities of OAS

As the baby boom generation reaches retirement age, OAS/GIS expenditures are increasing. However, the report finds that:

- As a proportion of GDP, OAS spending will peak in the 2030s and then decline
- OAS is taxable income and \$10 billion of the \$60 billion gross expenditures are returned to federal coffers
- Income security provides both economic and social value.
- 6 in 10 Canadians have no workplace pension, making OAS even more critical to their financial security

Looking to the next 100 years

OAS is the foundation of Canada's retirement system and is relied upon by millions of Canadians. Understanding its history, purpose and objectives is critical to charting the path forward.

The report cautions that seemingly straightforward changes to OAS can have consequences elsewhere in Canada's retirement income system. OAS, GIS, the Canada and Quebec Pension Plans, workplace pensions, personal retirement savings and the tax system operate together.

For example, raising the OAS eligibility age could have particularly significant implications for lower-income Canadians who rely on access to GIS and for people who cannot remain in the workforce longer. Changes to the income threshold for clawbacks can increase the marginal effective tax rates for middle-income Canadians.

"After 100 years, including 60 years in its present form, it is entirely appropriate to ask whether OAS remains fit for purpose," said Talia Bronstein, Director of Policy of the NIA and co-author of the report. "But changing one lever without considering what happens elsewhere risks creating new inequities or unintended consequences. We need to understand OAS as one part of a much larger retirement income system and assess how that entire system is serving Canadians."

The NIA, along with 19 partner organizations, call for holistic analysis of Canada's retirement income system to ensure it is meeting the needs of older Canadians today and future generations.

"Almost all older Canadians rely on government-sponsored retirement income programs today, and almost all younger Canadians will rely on them in the decades ahead," said Alyssa Brierley, Executive Director of the NIA. "Younger Canadians also need confidence that these programs will be there when they retire. Ensuring that confidence requires looking beyond the pressures of today and building a retirement income system that can continue to serve Canadians for the next 100 years."

About The National Institute on Ageing

Founded in 2016, the National Institute on Ageing (NIA) is celebrating a decade of impact in our mission to improve the lives of older adults and the systems that support them. Over the past 10 years, the NIA has become Canada's leading voice on ageing policy — convening stakeholders, conducting research, advancing policy solutions and practice innovations, sharing information and shifting attitudes. Our vision remains clear: a Canada where older adults feel valued, included, supported and better prepared to age with confidence.

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