

BETTER GIS BENEFITS FOR EMPLOYED LOW INCOME SENIORS

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On July 1, 2008, changes came into effect which benefits low income pensioners who choose to continue working and who receive employment income. The amendment to the *Old Age Security Act* increased the Guaranteed Income Supplement (GIS) employment income exemption to \$3,500 from the previous maximum of \$500.

The GIS is a monthly benefit provided to low income seniors who receive Old Age Security benefits. The amount of the benefit generally decreases as the income of the senior increases. For every \$2.00 of income that a senior may receive from other sources, such as CPP income or interest income, the senior receives \$1.00 less in GIS benefits. Income from employment is treated differently, in that some of the employment income is not included in the calculation of "income" for purposes of calculating GIS entitlement.

Now, the first \$3,500 of employment income received by seniors is exempt from the calculation of "income" for GIS purposes. Employment income still counts as income for tax purposes.