

Refundable CARP Tax and Budget Poll Report
March 8, 2013

KEY FINDINGS

The majority of members are retired, married and receiving CPP and OAS. Few of those young enough to contribute to an RRSP will do so, and most of those old enough have an RRIF.

The retirement tax measures found most onerous are not being able to claim medical expenses and paying tax on minimum RRIF withdrawals, along with the disadvantage suffered by single seniors compared to income-splitters.

Fewer find the lack of a caregiver tax credit or the OAS income clawback as very onerous, but a significant minority would benefit from more caregiver support. The plurality want to see an end to the minimum RRIF withdrawal, while about half as many want a lower minimum or a commensurate increase in TFSA contribution room.

Solutions for senior poverty include enhancing OAS and GIS for either low income or all seniors and increasing the income threshold for GIS. Solutions to raising the age for OAS centre on repealing the change, or funding seniors between 65 and 67 the difference, either directly for political credit, or through the provinces. Best solutions to CPP and PRPPs are seen to be either a significant or more modest enhancement to contributions and benefits or a voluntary CPP supplement.

Members are equally likely to favourably view a national pharmacare program with either first dollar or co-pay coverage for either all or low income seniors and other groups. Few see no need for national pharmacare. It is expected this program will be paid for either from general revenues or through a compulsory public insurance scheme similar to CPP. Members agree any savings is worth the effort required for provincial bulk drug purchasing, and those who specify a number think between \$500 million and \$1 billion will be saved.

The Conservatives dominate members' political preference, with the Liberals in an increasingly solid second place, followed by the NDP in third.

Detailed Findings - Retirement Taxation

The majority of members are fully retired (79%), while about a tenth are working full (8%) or part time (11%).

Are you working, not working or retired?

WORKING	18%
Full time	8%
Part time	11%
NOT WORKING	82%
Not retired	3%
Retired	79%

Two thirds receive CPP and OAS (64%), while a seventh get CPP only (15%). Incidence of other arrangements is low.

If you're retired, do you receive CPP, OAS and/or GIS?

CPP and OAS	64%
CPP only	15%
CPP, OAS, GIS	6%
CPP and GIS	1%
None of these	5%
NOT RETIRED	9%

Three quarters of members are married (72%) and most of the rest are separated or divorced (12%) or widowed (11%).

What is your marital status?

Married	72%
Divorced/separated	12%
Widowed/widower	11%
Single/never married	6%

Few will contribute to an RRSP (15%) as many are too old (36%) and half say they won't (49%).

Will you contribute to an RRSP this year?

YES	15%
To the maximum	8%
Not to the maximum	6%
Will borrow to contribute	1%
NO	49%
TOO OLD/71+ YEARS	36%
DON'T KNOW	1%

About one half have an RRIF (46%), while 3-in-10 are too young (29%).

Do you have an RRIF?

Yes	46%
No	25%
NOT OLD ENOUGH/UNDER 71 YEARS	29%

Members are most likely to say not being able to claim medical expenses (63%) and the tax on the minimum RRIF withdrawals (60%) are the most annoying tax burdens in retirement, followed by singles not getting the same benefit as income0splitters (58%). Less problematic is the lack of a caregiver tax credit (44%) or the OAS clawback (42%).

How much does not being able to claim all your medical and health-related expenses against your taxable income affect your personal financial security/How much does paying tax on minimum RRIF withdrawals affect your personal financial security/If you are a single senior, how much does not being able to split your pension income as can a married senior affect your personal financial security/ How much does not receiving any tax benefit or income support for your work as a family caregiver affect your personal financial security/How much does the OAS income clawback affect your personal financial security? (Among those who apply in each category)

	Medical expenses	Tax on RRIF	Income Splitting	Care giver	Claw back
AFFECTS	63%	60%	58%	44%	42%
A great deal	15%	16%	22%	12%	10%
Very much	15%	15%	16%	11%	9%
Somewhat	33%	29%	20%	21%	23%
DOESN'T AFFECT	32%	34%	34%	50%	49%
Not very much	20%	20%	7%	16%	16%
Not at all	12%	14%	14%	34%	33%
DON'T KNOW	6%	6%	20%	6%	9%

One third of members think the minimum RRIF withdrawal should be eliminated (37%), while about half this proportion want to see it lowered (18%) or for TFSA room to be increased by the same amount as the withdrawal (17%).

CARP has advocated that minimum RRIF withdrawals be suspended until the market recovers or eliminated altogether. What do you think the government should do in this budget?

End minimum RRIF withdrawal	37%
Lower minimum RRIF withdrawal	18%
Increase TFSA room by RRIF withdrawal	17%
2 year moratorium on RRIF withdrawals	7%
DO NOTHING	11%
DON'T KNOW	9%

CARP Pension Recommendations

Members are presented with CARP's budget submission and ask to evaluate the best ways of achieving its recommendations. One third of members see an OAS/GIS increase for low income seniors as the answer to senior poverty (36%), while a quarter think it should go to all seniors (24%). Half this proportion want the income threshold for GIS increased (12%).

CARP made a formal pre-budget submission to the federal government which emphasized three needs; support for single seniors, replacing OAS for age 65 to 67 for those who need it and enhancing CPP and improving PRPPs (Pooled Registered Pension Plans) to guarantee income security for future seniors. What do you think is the most useful step the government could take in the budget to deal with senior poverty?

OAS/GIS enhancement for low income seniors	36%
OAS/GIS enhancement for all seniors	24%
Increase income threshold for GIS eligibility	12%
OAS supplement low income seniors 60 to 64	9%
Increase casual earnings determined GIS eligible	8%
NOTHING	4%
OTHER	2%
DON'T KNOW	6%

One third think the decision to raise the age for OAS should be reversed (37%) and half this proportion think either the federal government should fund the provinces to replace OAS for those between 65 and 67, or to do it themselves and claim credit (18% each). More than a tenth think nothing needs to be done (13%).

What do you think is the most useful step the government could take in the budget to deal with the proposal to raise the age of eligibility for OAS?

Repeal OAS age change	37%
Fund provinces replace OAS seniors 65/67 who need it	18%
Take credit for funding this as a federal measure	18%
Fund provinces replace OAS all seniors 65/67	5%
NOTHING	13%
OTHER	2%
DON'T KNOW	7%

About a third think the best step for CPP is a significant enhancement to contributions and benefits (31%) followed by a quarter who opt for modest enhancements (24%). One fifth suggest an optional voluntary supplementary CPP (19%).

What do you think is the most useful step the government could take in the budget to deal with CPP and PRPPs, working with provinces where necessary?

Significant enhancement to CPP contributions/benefits	31%
Modest enhancement to CPP contributions/benefits	24%
Supplementary, voluntary CPP layer	19%
Mandatory employer contributions for PRPPs	5%
Defined benefit option for PRPPs	4%
Legislate fee caps on PRPPs	1%
NOTHING	3%
OTHER	1%
DON'T KNOW	12%

National Pharmacare

When asked how a putative national pharmacare program would work, relatively equal proportions opt for first dollar coverage for seniors and low income groups (19%), income tested first dollar coverage for all (18%), co-pay coverage for all (17%) or co-pay coverage for seniors and low income groups (14%). A tenth don't see a need for the program (9%).

If Canada had a national drug coverage or pharmacare program, how would it best be administered?

1st dollar coverage for seniors/low income groups	19%
Income tested 1st dollar coverage for all Canadians	18%
Co-pay coverage for all Canadians	17%
Co-pay coverage for seniors/low income groups	14%
1st dollar coverage for all Canadians	9%
Income tested 1st dollar coverage just for seniors	5%
DON'T NEED NATIONAL PHARMACARE	9%
OTHER	1%
DON'T KNOW	7%

More than a third think such a program would best be funded from general revenues (37%), while just fewer think it should be funded by mandatory public contributions similar to CPP (32%).

How should a national or provincial pharmacare program be funded?

From general tax revenues	37%
Mandatory public insurance like CPP	32%
From special surtax	7%
Voluntary public insurance plan	5%
Private insurance	3%
DON'T NEED NATIONAL PHARMACARE	8%
OTHER	1%
DON'T KNOW	9%

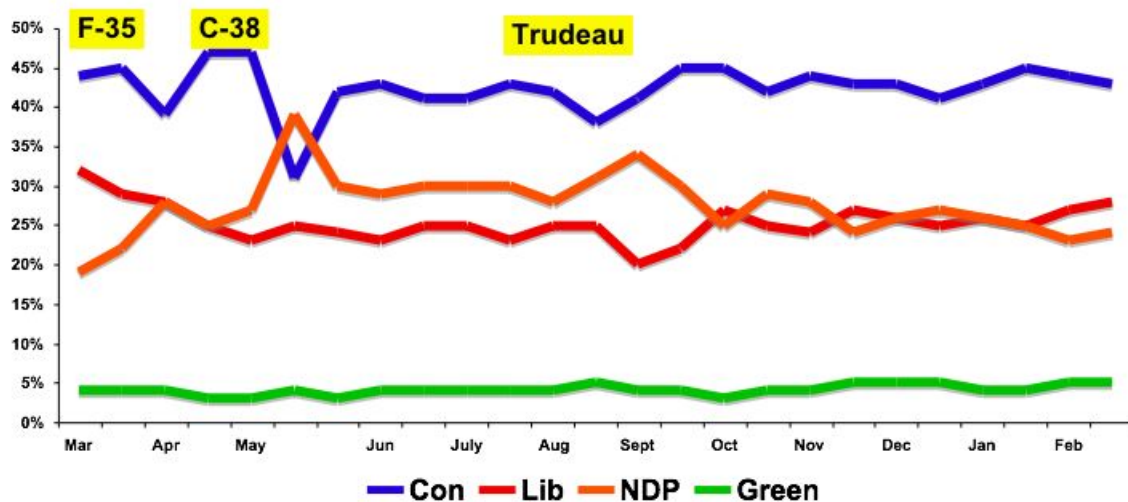
When asked how much needs to be saved in order to justify the political cost of provincial bulk drug purchase, the plurality say any savings justifies the effort (37%), while more than a quarter don't know (29%). Among those with a view, the optimum amount is somewhere between \$500 million and \$1 billion.

In order to coordinate provincial bulk purchasing of generics, all the provinces would have to agree to participate, then agree on prices and fees. This would be a complex political process. What level of savings would be necessary to justify this amount of political effort?

More than \$10 billion	3%
\$5 billion to \$10 billion	5%
\$1 billion to \$5 billion	8%
\$500 million to \$1 billion	6%
\$100 million to \$500 million	4%
\$50 million to \$100 million	3%
\$10 million to \$50 million	3%
Less than \$10 million	1%
ANY SAVINGS IS WORTH THE EFFORT	37%
DON'T KNOW	29%

Electoral Preference

The Liberals now lead the NDP, 28% to 24% for second place, but the Conservatives remain comfortably in first (43%).



Almost 2400 CARP Poll™ panel members responded to this poll between February 22 and 25, 2013. The margin of error for a probability sample this size is about plus or minus 2%, 19 times out of 20