Financial Literacy and the Take-up of Government Benefits

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For more information on the Task Force on Financial Literacy, visit **www.financialliteracyincanada.com**

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Executive Summary

The realization that some Canadians, particularly seniors, are not receiving government benefits to which they are entitled has been a concern for some years. Low take-up of benefit programs represents lost opportunities for citizens and governments alike: citizens are missing out on many hundreds of millions of dollars in benefits, leading to a lower standard of living, and governments are missing opportunities to connect with citizens, to provide information about other relevant programs, and to enhance the financial literacy of the population.

In this report, the take-up of government benefits is presented as one indicator of Canadians' financial literacy—that is, their "knowledge, skills and confidence to make responsible financial decisions." Low take-up rates clearly suggest that some Canadians lack the financial literacy necessary to access all of the government supports available to them. Obstacles to take-up are examined with respect to the steps that individuals need to take to receive benefits—i.e., becoming aware of a given program, understanding its eligibility requirements, and navigating the application process—and the importance of financial literacy to those steps.

The take-up of assisted savings for post-secondary education and retirement is reviewed to highlight why savings rates are not higher, and are in fact quite low, among some population groups. Although financial literacy is an important factor in determining saving behaviour, it is also true that some Canadians living on low or modest incomes cannot afford to save more. In fact, for some people saving is ill advised as it would disqualify them for certain benefits.

The limited data available on the take-up of various government programs indicate that, for most programs targeted to seniors, take-up is as high as 95 per cent or more; however, given the size of this population group (over 4 million) the number of Canadian seniors who are missing out on benefits is substantial (roughly 150,000). By contrast, the take-up of the Canada Learning Bond is as low as 16 per cent. This report reviews why take-up rates vary so much by program, touching on issues such as program awareness, eligibility criteria and the application process.

Various opportunities to increase take-up, such as simplifying eligibility criteria and application processes, are presented. Also discussed are ways in which governments can use their communication with Canadians on specific benefit programs as an opportunity to distribute materials related to financial literacy more generally, addressing topics such as budgeting, the value of compound interest and the tax advantages of saving for education and retirement. Such outreach can help give Canadians the confidence to inform themselves about other government programs that may be of benefit to them.

Background

This report was prepared for the Task Force on Financial Literacy, an independent body established by the federal government to provide advice and recommendations to the Minister of Finance on a cohesive national strategy to strengthen the financial literacy of Canadians. Informed by consultations with Canadians, the strategy will outline overall objectives, including a concrete plan of action and a framework for collaboration among stakeholders for moving forward and measuring progress on financial literacy in Canada.

The focus of this paper is the utilization by citizens of government financial and taxation supports. It accepts the definition of financial literacy proposed by the Task Force: "Financial literacy means having the knowledge, skills and confidence to make responsible financial decisions" (Task Force on Financial Literacy, 2010).

Just as borrowing and saving involve routine decisions in which consumers deal primarily with the private sector, when they receive government supports, pay taxes and take advantage of incentives for retirement and educational savings, citizens deal with governments. A person's understanding of government supports and tax advantages will influence financial planning and decision-making, and can have a profound impact on an individual's – and his or her family's – financial well-being. By the same token, the utilization of government supports, as measured by take-up, provides one indicator of the financial literacy of Canadians: without basic financial "knowledge, skills and confidence," it is difficult for citizens to access all of the benefits to which they are entitled.

This report begins with a discussion of what is meant by the "take-up rate" and its link to financial literacy. This is followed by a review of the steps that a financially literate person needs to take to access government programs. An inventory of some core government programs and tax advantages is then presented, along with data on the extent to which these are being used. The inferences that might be drawn from these data about both the financial literacy of the Canadian population and the effectiveness of program design are then discussed. Finally, recommendations are proposed to increase the degree to which Canadians use government programs and tax advantages to better their financial situation. These recommendations will highlight opportunities to improve the financial literacy of Canadians by providing clear and simple information about government supports that could be advantageous to them.

A note on the methods and evidence used to generate this report is in order. The analyses presented here are based on information in the public domain, including information obtained by the author by means of Access to Information requests. Although there is considerable information in the public domain about the usage of government programs by seniors, there is limited access to such data for other government programs.

It is also important to note that, over the years, the author has communicated with many people who were not receiving benefits to which they were, or might have been, entitled. Thus, this report is also informed by observations about how individuals become aware of missing benefits; these examples, although anecdotal, can help us understand the source of information gaps.[1]

Take-up Rates as a Measure of Financial Literacy

In this discussion, the term *take-up* refers to the ratio of the number of people who actually receive a support to the number who are apparently eligible for and would benefit from that support. This report concerns the contribution that take-up rates can make to understanding and improving financial literacy. If people are not receiving supports that would clearly benefit them, then we might infer that they lack some of the "knowledge and skill" necessary for financial literacy.

1 The author has been receiving questions and complaints by mail, email and telephone from average Canadians on a regular basis over the last 10 years; some of this experience will be reflected in the observations and recommendations in this report.

An important component of citizenship is awareness of our responsibilities and obligations. Citizens are expected to understand their obligation to pay taxes; equally, they have a responsibility to cultivate the knowledge, skills and confidence that will enable them to access the benefits and supports to which they and their dependents are entitled.

One hopes for a high take-up rate so that individuals receive the support intended for them by parliamentarians. Also, the connection between government and citizens created by the uptake of benefits can be used to improve the financial literacy of recipients by informing them of other benefits, how they can be obtained, and their possible effects.

Financial literacy plays a role in the utilization of government supports in a number of respects. First, citizens need to be aware of the existence of any program of potential benefit to them. Second, they need the skills to determine whether they are potentially eligible for the program and, if so, how to apply. Finally, they need the confidence to complete the application process successfully and to ensure they are receiving the appropriate level of benefits.

That said, the government also has an obligation to make it easy for individuals to apply their knowledge, skills and confidence. For example, the "knowledge" component of financial literacy depends not only on citizens informing themselves about government programs, but also on government outreach activities that inform the public. Similarly, the "skill" and "confidence" components of financial literacy require an application process that is relatively clear and simple.

Stages in Receiving Benefits

Ensuring that Canadians receive their intended government benefits not only reduces poverty and income disparities but also enhances financial literacy by increasing beneficiaries' financial knowledge and skills. A number of conditions need to be met to reach this goal:

- **Program awareness.** If the receipt of a benefit is triggered by an application, then potential beneficiaries must know that the program exists. This condition relates to the "knowledge" component of financial literacy.
- **Eligibility awareness.** Also related to the "knowledge" component of financial literacy is the individual's perception that he or she is potentially eligible for a benefit.
- **Document literacy.** Where an application is required to initiate a benefit, the individual needs to know how to satisfy the documentation requirements. This condition relates to the "skills" component of financial literacy.
- **Evaluation.** Those who are receiving a benefit should ideally be able to ascertain whether they are receiving the correct amount and, if they are not, where to go for help. This condition relates to the "confidence" component of financial literacy: citizens must have confidence in their ability to assess whether they are receiving that to which they are entitled *and* the confidence to ask people they do not know—often bureaucrats—some difficult questions.

Program Awareness

How is the existence of a program made known? What proactive measures are taken by officials in this regard? Available information on outreach is summarized here; most of this information pertains to programs for seniors, which have attracted public interest and attention in recent years.

The types of outreach activities used by governments range from relatively passive approaches, to more active and targeted activities, to strategies tailored to individuals.[2]

- **Passive approaches** such as websites, booklets and toll-free information lines have their limitations. For example, not all seniors have access to the Internet, or the literacy skills to understand the information made available to the general public. Even in the case of information lines, operators respond to questions but do not necessarily volunteer information that is not explicitly asked for. Thus, eligibility for a benefit that the caller does not know about might not be mentioned (see discussion below on the Canada Pension Plan).
- **Targeted approaches** such as mass mailings to various population groups (e.g., those turning age 65 and those already receiving benefits such as Old Age Security) are used to reach people who are possibly eligible for certain programs.
- **Individual approaches** take advantage of government data sources to identify people who are eligible for benefits but are missing out. In the Canada Learning Bond and the Canada Pension Plan, for example, the name and address of each eligible person is known to officials, enabling a mail-out to people who are thought to be eligible. However, response rates even for such precisely targeted communications have been as low as 40 per cent to 70 per cent (Auditor General, 2006).

Eligibility Awareness

One of the challenges of increasing the financial literacy of Canadians lies in ensuring that citizens are aware of their eligibility for particular programs. To gain this awareness, the individual needs a general sense of how benefits are determined.

Even programs with relative straightforward eligibility criteria can be complex for certain populations, and some eligibility criteria are difficult to understand, even for highly literate

2 This analysis was assisted by a survey of federal government organizations undertaken by the Task Force.

citizens. Those who are challenged by literacy may find it impossible to understand the details of eligibility criteria.

Personal and program changes make high take-up more difficult. In some instances a person's eligibility for a benefit changes from year to year, or even within a year, depending on income or living arrangements.[3] And, when program rules change, citizens' perceptions of a program can be out of date.[4]

The following examples are meant to illustrate types of difficulty that citizens may encounter in determining their eligibility for a program. The eligibility criteria for many programs is complex, making it difficult to describe them simply and accurately; that is, any description that is accurate would also need to be very complex.

Old Age Security (OAS)[5]

Eligibility for OAS is based on residency in Canada: after 10 years of residency one is eligible for partial OAS, and 40 years of residency are needed for maximum OAS. Immigrants who have resided in Canada for fewer than 10 years face a more complex situation. A number of international social security agreements affect eligibility for benefits. Some countries have only residency criteria; others have employment criteria as well. These differences put the onus on citizens to ask the government what they might be eligible for.

Guaranteed Income Supplement (GIS)

The GIS, a benefit for seniors living on lower incomes, attracted a lot of attention over the last decade, leading to significant initiatives to increase take-up. The eligibility criteria are complex and difficult to describe accurately. For example, some government information

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3 For example, someone living in Canada who is not eligible for Old Age Security at age 65 will be eligible later, when he or she has lived in Canada for 10 years.

4 For example, proposed changes to the Canada Pension Plan will end the requirement that those aged 60–64 must retire (have their income drop below a minimal threshold), for at least one month, to receive payments.

5 These and other government programs are described in more detail later in this document.

about GIS indicates that, to be eligible, a person needs to have "little or no other income."[6] This could be misunderstood. According to published guidelines, to be eligible for the GIS a single person would need to have an income below roughly $15,000. Yet this is a simplification; the income excludes OAS, which is not always apparent.[7] Also, this figure is not correct for those receiving partial OAS. Studies conducted for Human Resources and Skills Development Canada demonstrated that awareness of the GIS was not high. In the findings of a survey of seniors who were likely eligible for GIS, "three issues stand out as potentially significant factors for large numbers of seniors—lack of awareness of the GIS, lack of knowledge about the GIS (among those who are aware of it), and perceptions of ineligibility" (COMPAS Inc., 1999).

Canada Pension Plan (CPP)

There is some confusion about whether employed people can receive CPP payments. There may be some general understanding that CPP retirement benefits can start as early as age 60 or as late as age 70, but the requirements for early benefits are complex and the implications profound. To start CPP before age 65, one must have ceased employment.[8] After age 65, there is no such requirement. Proposed legislation will change much of this, but in some ways the regulation will be more complex, making the application process confusing for the average person.

Disability Benefits

Access to a variety of disability benefits relies on a range of criteria. The Disability Tax Credit has one set of regulations, while the disability benefit for the CPP has another. Each province has a welfare program with special provisions for those who are unable to work as a result of a disability. However, because there is no consistency among definitions of

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6 "The Guaranteed Income Supplement (GIS) is provided to OAS pensioners with little or no other income." (Services Canada, Tables of Rates for Old Age Security, Guaranteed Income Supplement and the Allowance, October–December 2010. Available at: www.servicecanada.gc.ca/eng/isp/oas/tabrates/tabmain.shtml. Accessed 14 June 2010.)

7 One survey report indicated that most seniors were unaware that the income used to determine the GIS excluded OAS (COMPAS Inc., 1999).

8 Individuals must earn less than a modest income for the month when benefits start; the regulation is different for those who are self-employed.

“disability,” determining whether one satisfies the requirements for various disability benefits can be very difficult. An in-depth discussion of the range of definitions would be a significant study on its own (see, for example, Torjman, 2007).

Student Loans

The student loan application process is complex. Websites for various provinces can help applicants determine their eligibility, but important nuances may be missed. For example, assets held by a student are deemed to be part of his or her available resources. These include, quite reasonably, financial assets such as a Registered Retirement Savings Plan (RRSP) and/or a savings account. A car is also included, which can prove to be problematic; students who own a car might be ineligible, but the eligibility of those who drive a parent’s car would not be affected. This distinction will not be obvious to every applicant. A very useful study by the Canadian Alliance of Student Associations has demonstrated that misunderstanding about the rules and regulations is common (Kramer et al., 2010).

Document Literacy and the Application Process

To complete an application, individuals must have some degree of “document literacy,” which relates to the “knowledge and skills required to locate and use information contained in various formats, including job applications, payroll forms, transportation schedules, maps, tables and charts.” (Veenhof et al., 2005). The application process has a dramatic impact on the effective delivery of a government benefit. Generally, the more steps required and the more information needed, the greater the chance that those with limited financial literacy or language skills will find completion of the application process difficult and will not take up the benefits to which they are entitled.

Moreover, receiving one’s entitlement also requires administrative adeptness. This entails the ability to comply with regulations, to complete forms, and to be unintimidated by bureaucracy. Showing confidence is an integral part of financial literacy.

The application process for programs vary. Many programs have a separate application, some are integrated with income tax reporting, and some require documents from professionals or others. Obviously, to the extent that the payment of benefits is automatic, take-up is improved and lack of financial literacy need not be an impediment.

- **Separate application.** For programs such as OAS, the GIS, the CPP and student loans, which have separate application processes, the recipient must initiate the application. Various outreach activities exist to inform the public about these programs.
- **Integrated application.** The income tax system determines eligibility and, in some cases, initiates benefits for many federal and provincial programs. This has obvious advantages: the vast majority of adults file income tax returns, and those returns are used to assess eligibility for benefits. The income assessed can determine one's eligibility for an income support, such as the GST Credit, or for some non-income supports such as a rent subsidy or prescription drug plan. The application process for the GIS has changed over recent years to increase take-up. It is now better integrated with the OAS application and income tax return. The advent of electronic income-tax filing and commercial software for preparing returns has also presumably had an impact on take-up. When filing is done with pen and paper, there is a chance that an individual will not mark the box to apply for the GST Credit or complete the schedule required for the Working Income Tax Benefit; however, using income-tax filing software minimizes the chance of such errors. Further opportunities to exploit computers for take-up are presented in the conclusions. However, it should be acknowledged that the use of income tax returns to determine benefits can have the effect of excluding the most vulnerable people (for example, homeless persons who do not file returns) from income supports such as the GST Credit and the GIS.
- **Corroborated application.** Some programs require the applicant to obtain validation from a professional (such as a physician for the CPP Disability Benefit or the Disability Tax Credit) or to obtain credentials (such as a social insurance number and RESP for the Canada Learning Bond). Applicants for the Child Tax Benefit may

> need information and co-operation from present or former partners (common-law or divorced spouses), who are often absent. As is discussed later, the low take-up of the Learner Bond is likely related not only to low awareness of the program, but also to the fact that the application process is problematic, given that recipients are parents with very low incomes. They require a social insurance number for the child (for which they may also need to obtain a birth certificate), and then they need to open an RESP. These steps are challenging for Canadians with poor language and/or financial literacy skills.

The eligibility for benefit programs is often linked. For example, GIS eligibility depends on eligibility for OAS, and provincial GIS top-ups depend on eligibility for the federal GIS. These linkages can be a limitation or an advantage: on the one hand, problems with take-up in one program may affect others that depend on it; on the other, information from one program can be used in outreach efforts to identify missing beneficiaries of other programs.

Low take-up can also result from the process by which a benefit is paid. Ontario's Trillium Plan illustrates this problem. This program is designed so that beneficiaries pay the full cost of prescription drugs and receive compensation, after the fact, for amounts that exceed four per cent of their net income. Clearly, this design reduces the take-up of benefits: some people living on low incomes cannot manage the out-of-pocket purchase of necessary drugs.

Evaluation

It is important that Canadians are able to do their own calculations to ensure that they are receiving all their benefits, at the correct amounts. For some programs such as OAS and the Child Tax Benefit, for which calculators are available on government websites, this is quite straightforward. For other programs, double-checking the calculations is virtually impossible for the average citizen: the calculations are so complex, or the definitions used so obscure, that individuals have no chance of verifying whether they are receiving the correct amount. These examples illustrate this point:

- The CPP retirement benefit is of critical importance for Canadians. Although the Statement of Contributions relating to this benefit is readily available, it is not feasible to double-check the calculations. It would not be difficult to develop a spreadsheet on a website so that individuals can double-check the calculations. This would have the benefit of instilling confidence and would also allow individuals to do "what if" calculations to determine the impact of applying for early CPP.
- GIS benefits vary in a simple way, and tables are available to determine the benefit level to which a person is entitled. However, the detailed definition of net income for the purposes of determining GIS is very complex, involving special treatment of wages versus earnings, dividends, capital gains and payroll taxes. Auditing the GIS amount is beyond the ability of the vast majority of citizens.

Data on Take-up

Data on the take-up of many benefit programs are difficult to obtain. Data on some programs do exist, but for the most part they are not in the public domain. Some of these data are available through reports to the Task Force and Access to Information requests.

This section will summarize available data on take-up rates for various programs for which the eligible population can be described. This information exists mainly for programs targeted to seniors, since these are the programs that have attracted the most public attention.

Inventory of programs

The programs included in the following discussion of take-up rates are mostly provided or funded by governments; they include federal, provincial, municipal and sometimes non-governmental organizations (e.g., meals on wheels), and in some cases involve the private sector (e.g., subsidized nursing home care). The programs are not limited to, but will include, the following categories: income support, health supports, student loans, social service supports and legal aid.

Such a list does not include government-provided infrastructure and services for which there is no application process; roads, fire, police or universal benefits for which take-up is not a significant problem; or medicare, hospital care, primary or secondary education.

One might organize a list of government benefits and supports by target population, level of government, and design of the support (universal or targeted) and by whether the benefit varies by income level and/or available assets. The lists given in Tables 1 and 2 are first organized by level of government and then by the target population, and include a short description of the type of support and the target population.

Table 1: An Inventory of Federal Benefits and Supports for which Take-up Rates Could Be Examined

Name of benefit/support	Type	Target population*
Supports for seniors		
Old Age Security (OAS)	Taxable income support – close to universal	Canadians with at least 10 years of residency. Excludes those with very high incomes
Guaranteed Income Supplement (GIS)	Tax-free income support; declines with increasing income	Low-income OAS recipients
Spouses' Allowance	Tax-free income support; declines with increasing income	Low-income spouses (aged 60–64) of GIS recipients.
Survivors' Allowance	Tax-free income support; declines with increasing income	Low-income widows and widowers (aged 60–64)
Canada Pension Plan	Taxable pension income based on contributions	Retired persons (aged 60 and over) who contributed earlier in life
Pensions, RRSPs, RRIFs	Tax assistance for savings for retirement	Those with employment income who participate
Tax-Free Savings Accounts	Tax-assisted savings	Those who choose to save
Supports for children		
Child Tax Benefit	Tax-free income support; declines with increasing income	Low- and modest-income families with children under 18 years of age
Child Tax Benefit – Supplement	Tax-free income support; declines with increasing income	Low-income families with children under 18 years of age
Child Tax Benefit – Disability Supplement	Tax-free income support; declines with increasing income	Families with a child with a disability
Universal Child Care Credit	Taxable income support.	Families with children under 6 years old
Canada Education Savings Grant (which supplements Registered Education Savings Plans (RESPs)	Tax assistance for savings for education plus matching contributions	Families with children under 18 or in a post-secondary institution
Canada Learning Bond	Tax assistance and contributions to an RESP	Children in low-income families

Name of benefit/support	Type	Target population*
Supports for the general population		
Goods and Services Tax Credit	Tax-free income support	Low-income Canadians aged 18 and older
Income tax credits (Attendant Care, Medical Expense Tax Credit, Disability Tax Credit)	Tax reductions	For those with a disability or health-related costs
Pension splitting	Tax reductions	Seniors with pension income
Working Income Tax Benefit	Tax-free income support	Low-income individuals with earnings
Employment Insurance	Taxable income support and training	Those with past paid employment who are unemployed or on maternity/ parental leave
Health-related supports		
Attendant Care Deduction	Tax reduction for the cost of a medical attendant	For those spending on this
Medical Expense Tax Credit	Tax reduction for those with high medical costs relative to income	For those spending on this
Disability Tax Credit	Tax reduction	For those with a severe and prolonged disability
Supports for other target populations		
Benefits for veterans	Tax-free income supports and assistance with health-related costs	Veterans
Benefits for First Nations	Taxation and medical benefits and support for post-secondary education	Registered Indians

* Many of these programs are very complex; these are general descriptions of the target population and are not precise.

Table 2: An Inventory of Provincial Benefits and Supports for which Take-up Rates Could Be Examined

Name of benefit/support	Type	Target population*
Supports for seniors		
Quebec Pension Plan	Taxable pension income based on contributions	Retired persons (aged 60 and over) who contributed earlier in life
Provincial top-up to the Guaranteed Income Supplement (GIS)	Tax-free income support; declines with increasing income	GIS recipients with very low incomes
Health benefits: nursing homes, prescription drug plans	Subsidy for required nursing home service and prescription drugs.	Varies by province
Property tax subsidy / deferrals / credits	Subsidy for the cost of property taxes	Varies by province
Local transit discounts	Subsidy for the cost of public transit	Varies by municipality
Health-related supports		
Provincial drug plan benefits	Subsidized costs for prescription drugs	Varies by province; often targeted to lower-income families
Home care	Subsidized costs for home care services	Varies by province; often targeted to lower-income families
Nursing home subsidies	Subsidized costs for nursing home care	Varies by province; often targeted to lower-income families
Assistive devices	Subsidized costs for, or loan of, assistive devices	Varies by province; often targeted to lower-income families
Dental and/or optical (care and devices)	Subsidized costs for dental and/or optical care	Varies by province; often targeted to lower-income families

Name of benefit/support	Type	Target population*
Social supports		
Welfare / social assistance	Tax-free income support	Families with no financial alternatives
Legal aid	Subsidized or free legal services	Varies by province; usually targeted to those with no financial alternative and often restricted to criminal cases
Social housing (rent geared to income)	Reduced rent, usually in proportion to income	Low-income families

* Many of these programs are very complex; these are general descriptions of the target population and are not precise.

Utilization of Government Benefit Supports for Saving

One area of concern for the Task Force is the savings of Canadians. Two purposes for savings are of particular interest: saving for retirement and saving for post-secondary education. Savings decisions in both of these areas have powerful long-term consequences. A decision not to save can result in a dramatic fall in standard of living at retirement or in an unrealized opportunity for post-secondary education.

The next two sections will discuss how many Canadians are saving for retirement and education. The conclusion that Canadians do not know enough to save is simplistic: many people cannot afford to save, are not allowed to save, and would be ill-advised to save. There remains a question of why many middle- and higher-income Canadians do not save even though they can afford to.

Saving for Retirement

The Task Force has recognized the ongoing Research Working Group on Retirement Income Adequacy (Mintz, 2009), whose focus on financial literacy and saving for retirement is a useful illustration of how savings behaviour and the take-up of beneficial programs are influenced by program design and administration.

Incomes at retirement are determined by a number of factors, including access to public programs (OAS, the GIS and the CPP/QPP) and private savings through employer pension plans and RRSPs, and, more recently, Tax-Free Savings Accounts (TFSAs). For some, earnings still supplement other retirement income sources.

Currently, there is considerable concern that some groups of Canadians are not saving, or are not saving enough, for retirement (see, for example, Mintz, 2009). The Task Force has highlighted data on RRSP utilization is these terms: "[I]n 2007, only 31 per cent of eligible taxpayers made use of their RRSP contribution room, with a median contribution of approximately $2,780 — representing only about six per cent of the total eligible room available" (Task Force on Financial Literacy, 2010).

Since the first two tiers of retirement income (OAS/GIS and CPP) are mandatory, the concern relates to under-utilization of the voluntary third tier, pensions and RRSPs/TFSAs.

Many Canadians with lower incomes do not save; however, this is not seen as an issue, since the OAS/GIS and CPP ensure a reasonable standard of living at retirement, relative to the pre-retirement income of this population group. The concern is mostly for middle- and higher-income Canadians without employer pension plans who are not saving. Attaining their desired standard of living at retirement means drawing on pension plan income and/or savings that they have accumulated in their RRSPs, TFSAs, equity in a home and/or business and non-sheltered savings.

An analysis of retirement savings published by the C.D. Howe Institute makes a number of points that are pertinent here. Table 3, drawn from that study, illustrates that approximately 21 per cent of Canadians approach retirement with no savings other than CPP/QPP (Shillington, 2003b). The C.D. Howe analysis makes another point that is important for our understanding of financial literacy. Many lower- and modest-income Canadians have savings in RRSPs that were not rational, given that the GIS subjects RRSP withdrawals to a 50 per cent clawback (Shillington, 2003b; Senate of Canada, 2010). These "futile savers"[9] represent about 32 per cent of those nearing retirement.

9 "Futile savers" are those who obtain little benefit from savings.

Table 3: Distribution of Households Headed by Individuals Near Retirement (Aged 55–64), by State of Retirement Savings, 1999

	Households, %	Average retirement savings, $
No retirement savings	21	–
Futile retirement savings (under $100 K)	32	40,000
RRSPs without employer pension (over $100 K)	6	300,000
RRSPs to supplement employer pension (over $100 K)	41	400,000
Total	100	193,000

Adapted from Shillington, 2003b. Data source: Statistics Canada, *Survey of Financial Security* (1999).

Advancing financial literacy is difficult when rational advice differs from one population group to another; for example, RRSP saving is rational behaviour for middle- and higher-income Canadians but is ill-advised for those living on low or modest incomes.

TFSAs were introduced, in part, to provide an opportunity for GIS recipients to amass tax-assisted savings, given that RRSPs are "toxic" for this group (Senate of Canada, 2010). The initial participation rate for TFSAs has been stronger than expected,[10] but the longer-term impact is uncertain.[11]

However, although TFSAs address the GIS problem, they also complicate the retirement savings landscape: individuals must decide how to maximize the benefit from savings; use a TFSA or an RRSP (or both). A simple, alternative remedy to this problem might have enhanced the "confidence" dimension of financial literacy. If the GIS had ignored the first few thousand dollars of income from RRSPs, as it does now for wages, then everyone could have been given the same advice to use and maximize RRSPs. Low-income seniors would be informed that they could remove a modest amount from the RRSP each year without facing a clawback.

10 In the first year of the program, 4.7 million taxpayers contributed $15.8 B (Horner, 2010).

11 For a longer discussion, see Senate of Canada, 2010.

The fact that many Canadians without employer pension plans are not saving enough for retirement can be attributed to a number of factors, which include the following:

- The poorest are not allowed savings. If they use welfare, social housing or other asset-tested benefits such as subsidized child care, beneficiaries are not allowed to amass savings beyond trivial amounts (Stapleton and Shillington, 2008).
- Many Canadians living on low or modest incomes would be well advised not to save in an RRSP, in view of the GIS clawback.
- Those without pension plans are more likely to be living on low or modest incomes and may find savings less affordable, given the greater demands on their income that results from the absence of other employer benefits (e.g. dental, disability, and drug plans).

Saving for Post-secondary Education

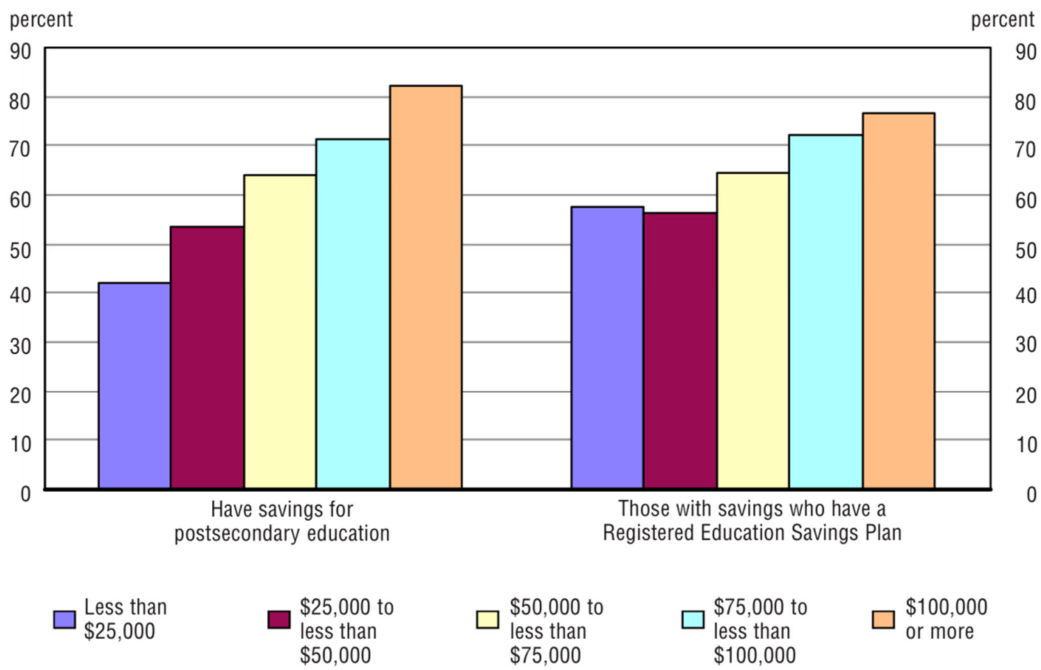
The interest of the Task Force in advancing savings includes savings for education. Participation in savings vehicles for education has been the focus of considerable research, not all of which can be reviewed here. However, findings relevant to take-up rates are presented.

The major incentive to saving for post-secondary education are Registered Education Savings Plans (RESPs), which have some tax advantages and for which there are some matching contributions through the Canada Education Savings Grant.

Awareness of RESPs is very high: 75 per cent to 80 per cent of Canadians, regardless of income, know about these savings vehicles, and awareness varies only slightly with the age of the parents. It would seem that lack of awareness is not an important barrier to investment in RESPs. Rather, RESP take-up varies most dramatically by income and the education of the parent (Knighton et al., 2009). This suggests that savings rates may be influenced both by parents' income and their expectations for their children.

The research has established that the use of assisted saving programs for education such as RESPs has concentrated in higher incomes groups (Milligan, 2002), and that lack of income is the most important impediment to saving for post-secondary education by families with low incomes (see Figure 1). The research also indicates that making the administration of RESPs easier would increase the number of families who use this savings vehicle (EKOS Research Associates, 2008).

Figure 1 Proportion of Children Whose Parents Saved for their Post-secondary Education, by Parental Income



Source: Statistics Canada, 2008.

Lower-income Canadians are under-represented in post-secondary education (Corak et. al., 2004). The reasons for this are complex and involve not only financial resources, but also perceptions about social class, social exclusion, debt aversion, and difficulties in accessing support (Shillington 2003a).

The policy response to low participation rates in RESPs for lower-income families was the Canada Learning Bond, which contributes to an RESP for lower-income Canadians without any need for parental contributions. The low take-up of this program (discussed in more detail in the next section) illustrates the financial literacy challenges that can hinder the effectiveness of a program even when it offers "free money."

Until recently, parents with very low incomes were not allowed to have an RESP if they were using an asset-tested social support (e.g., subsidized child-care). This constraint no longer applies—a positive consequence of the Learning Bond. However, despite this policy change, some low-income parents may still believe that RESP assets would make them ineligible for some social supports.

It is also likely that many families with low incomes who have educational aspirations for their children do not use RESPs because they plan on using student loans. A recent study by the Canadian Alliance of Student Associations (Kramer et al., 2010) detected problems in the understanding of the student loan program that led to problems with effective access. The key findings were as follows:

- Students were very poorly informed about the details of the government financial aid system.
- A large number of students were unaware of aid that might be available to them.
- Many students who had loans did not know the basic details about repayment.
- Sources of financial aid information had an impact on student knowledge. One quarter of students relied on friends and family for information about financial aid, and these individuals performed the worst on a financial aid quiz. Students who reported using information imparted by high school guidance counsellors did not perform much better. The most effective sources—federal and provincial government websites—were used by only about 40 per cent of students

The reliance on friends and family for information on government programs is a chronic challenge; the information they provide is often inaccurate, particularly for programs that are complex or evolving.

Summary on Savings

Saving for post-secondary education and retirement is accepted as responsible behaviour for families, but there is evidence of inadequate savings by many. This discussion on savings for retirement and for education highlights a theme concerning financial literacy. Financial literacy and rational choice are advanced when the accepted advice, at least in general terms, is the same for everyone. This makes it easier for programs to be well understood.

That said, one expects a lower savings rate for lower-income families where monies are being used for necessities. But removing prohibitions against saving for those lower-income families receiving social supports can help only those who wish to save. The increased savings present an opportunity for increased financial literacy as participants learn how their support works and are influenced by their savings.

Although higher take-up rates are desirable, no one should expect a 100 per cent take-up for RRSPs, given that OAS/GIS and the CPP generate an adequate retirement income, relative to the pre-retirement income of Canadians with low incomes; no one should expect a 100 per cent take-up rate for RRSPs, given the existence of GIS clawbacks; no one should expect a 100 per cent take-up rate for RESPs, given that not all children are expected to pursue past-secondary education; and no one should expect a 100 per cent take-up rate on *any* tax-advantaged savings plan, given that there are Canadians who live on very low incomes.

Program Take-up Rates among Seniors

Take-up rates for most programs targeted to seniors are very high, at 85 per cent and higher. This reflects the broad awareness of the programs and outreach efforts that have been undertaken. That being said, individual seniors who are missing benefits might be missing out on several thousands of dollars a year that could significantly improve their standard of living.

Take-up of Old Age Security

In 2001 an official from Human Resources and Skills Development Canada (HRSDC) appearing as a witness before a House of Commons committee indicated that about 2.5 per cent of eligible seniors are not receiving OAS payments; this rate represents about 100,000 seniors. A more recent estimate of four per cent was provided by HRSDC.[12] This figure amounts to about 160,000 seniors and accounts for almost $1 billion of pre-tax benefits.

Data have been collected as part of the research conducted by Informetrica Ltd. (Ottawa, Ont.) for the evaluation section of HRSDC. The research used Statistics Canada databases to estimate the take-up rates of OAS, the GIS, and the spousal and survivors' Allowances and how those rates varied by province and territory and by other demographic characteristics. HRSDC has not given permission to publish these data.

Take-up of the Guaranteed Income Supplement (GIS)

Recent estimates of the number of seniors who do not receive a GIS to which they are entitled range from about 135,000 (Auditor General 2006) to about 150,000.[13] There are now annual mailings to these seniors, but the Auditor General (2006) has reported that "only between 41 and 71 percent of seniors who received the pre-filled applications each year apply for benefits" (p. 8).

A range of studies on the GIS by Statistics Canada yielded numbers in a similar range. They also indicated improvement in take-up rates over time. It is noteworthy that take-up is high among younger seniors and among seniors eligible for larger GIS payments (Poon, 2005;

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12 "It is estimated that 96 percent of eligible seniors receive the basic Old Age Security (OAS) pension and close to 90 percent of eligible low-income seniors receive the Guaranteed Income Supplement (GIS)" Liseanne Forand, Senior Associate Deputy Minister, HRSDC. [2010.] Undated letter to Candice Hoeppner, MP, Chair, Standing Committee on Human Resources and Skills Development.

13 Ibid.

Luong, 2009). Experience has shown that about 80 per cent of those who miss out on the GIS are women, particularly those who are very elderly.[14]

Receipt of GIS could be automatic for those who have filed their income tax return. Legislation was recently passed (Bill C-36) that goes some way toward making GIS automatic for new seniors; there is now an option on the OAS application so that future GIS benefits will be sent automatically. Hopefully, all seniors will choose this option to make their GIS automatic. Over time, this should increase the take-up of GIS.

Take-up of the Allowances

There are two Allowances for seniors aged 60 to 64 years who are widowed or are married to someone aged 65 or older. Marital status as well as income testing determines eligibility for these programs. Estimates of the take-up rate are difficult to obtain because marital status reported on surveys or on income tax returns is very unreliable. In 2000, HRDC documents indicated that the take-up rates were 39 per cent for the allowance for widows/widowers allowance, and 55 per cent for the allowance for spouses.[15]

Take-up of the Canada/Quebec Pension Plan (CPP/QPP)

Take-up data for CPP are not reported, but values do surface occasionally. According to HRSDC, in 1999 approximately 55,000 eligible Canadians were missing out on CPP retirement benefits.[16] This number represented about 1.8 per cent of beneficiaries. Of these 55,000 it would appear that roughly half were in receipt of OAS and would therefore have been very easy to reach. Several years later, in 2007, a Senate committee was told that "about 26,000 individuals who are in receipt of Old Age Security, GIS payments or CPP survivor benefits … have not applied for their CPP benefit" (Standing Senate Committee on National Finance, 2007).

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14 This statement is based on HRSDC documents obtained by means of an Access to Information request filed September 2002; response received 4 March 2003.

15 Ibid.

16 Ibid.

The contrast between CPP and QPP in outreach is worth noting. Purportedly the number missing their QPP is very low. Officials in Quebec use computerized databases to identify eligible seniors, who are then phoned or even visited to ensure that they apply for their benefits[17] (for further discussion see Standing Senate Committee on National Finance, 2007).

There is some confusion between CPP survivor and retirement benefits. Often individuals are not aware that the survivor program exists and do not apply for benefits.[18] Also, CPP recipients are not aware that there is both a CPP survivor and a CPP retirement benefit. They could be receiving either benefit and not be aware that they are entitled to both. It is not clear on the CPP cheque which benefit one is receiving.

Take-up of Benefits for Children and Families

Take-up of the Child Tax Benefit

The take-up for the Child Tax Benefit is 95 per cent[19]; that is, those receiving this benefit represent about 95 per cent of families with children who, based on their income, are eligible.

Take-up of the Canada Learning Bond

The experience with the Canada Learning Bond illustrates the extreme difficulty that can be experienced reaching vulnerable Canadians. Introduced in 2006, the Learning Bond can be contributed to a RESP for children in families receiving the Child Tax Benefit Supplement. To be eligible, one must have quite a low family income: less than roughly $30,000 a year. The Learning Bond provides $500 in the year a child was born (2007 and after) and $100 every year after that. As there is no requirement for matching funds, this is “free money.”

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17 As Jean-Claude Ménard, Chief Actuary for the CPP, told the Senate committee: “I worked at the QPP for 18 years. QPP continues to be successful reaching people and there is no reason why CPP cannot do exactly the same” (Standing Senate Committee on National Finance, 2007).

18 This statement is based on direct communication with many people who have approached the author for assistance and advice.

19 Based upon information received from the Task Force on Financial Literacy Secretariat.

The challenge for the success of this program, though, has been to ensure that eligible parents are aware of the program and take the necessary steps to create an RESP. This means obtaining a social insurance number for the child, which in turn requires a birth certificate. For some low-income families, the cost of obtaining the birth certificate is a significant hurdle; as well, navigating the administrative hurdles is a challenge, particularly for recent immigrants.

In the first few years of implementation, take-up was about five per cent: only one in 20 of those eligible received the benefit. Currently, take-up has increased to 16 per cent (Greenaway, 2010). Recent research on programs to assist in savings for education has suggested that, among low-income parents, awareness of how the savings programs work is very low. Even awareness of the Learning Bond, which is targeted to low-income children, is very low, at about 10 per cent (EKOS Research Associates Inc., 2007).

When Great Britain created a similar program, the Child Trust Fund, the government mailed vouchers to all eligible parents. If the parents did not use the voucher to contribute to a Child Trust Fund, then the government established an account on behalf the child. So, in a manner of speaking, take-up is 100 per cent, and awareness of the program is in fact very high, at 98 per cent (Child Trust Fund, 2007). This illustrates how a program can be designed to ensure a very high take-up.

Take-up of the Canada Education Savings Grant (CESG)

The CESG is the federal contribution made to RESPs that supplements parental contributions. HRSDC reported to the Task Force that take-up for the CESG was 39.3 per cent (HRSDC report to the Task Force).[20] This may understate somewhat the proportion of parents with savings for post-secondary education. A Statistics Canada study found that "[i]n 2008, almost 7 in 10 children (68 per cent) aged 0 to 17, whose parents expected them to go beyond high school, had savings for their postsecondary education … Of children who had savings put aside for their education, 69 per cent had savings in RESPs"

20 Based upon information provided by the Task Force on Financial Literacy Secretariat.

(Knighton et al., 2009, p. 36). This suggests that about 46 per cent of these parents had an RESP, which attracts the CESG.

Take-up of Registered Retirement Savings Plans (RRSPs)

Income tax data indicate that only about 31 per cent of taxpayers use their eligible RRSP room and that those who do use only about 6 per cent of their available room (Task Force on Financial Literacy, 2010). Statistics Canada survey data indicate that, among families headed by those aged 55–64 years, that is, nearing retirement, about 67 per cent have an RRSP; about 50 per cent of those without an employer pension have an RRSP. Median amounts in the RRSP for those without an employer pension are about $40,000.[21]

Take-up on Tax-Free Savings Accounts (TFSAs)

TFSAs have been available only since 2009; during the first year of this program 4.7 million taxpayers contributed $15.8 billion (Horner, 2010).

Why Do Take-up Rates Vary?

This report examines the issues of take-up and financial literacy by examining the frequency of situations whereby people do not receive a benefit for which they are apparently eligible. Low take-up can be evidence of limitations in the "knowledge, skills and confidence" that constitute financial literacy. It can result simply from a lack of awareness that a program exists, or of the level of benefits to which one is entitled. Other factors, such as complex program design, a lack of government outreach efforts and the characteristics of the target population can also play a role. Sometimes lack of take-up reflects limited government budgets and limitations in human resources, equipment or other required resources. This might be the case for legal aid, medicare, subsidized housing or child care, or nursing homes.[22]

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21 This analysis is based on data from Statistics Canada, *Survey of Financial Security* (1999). Data from this survey year are used in view of the large sample size.

22 Some of the literature uses the term *service rate* or *participation rate* for circumstances where non-receipt results from resource limitations (see, for example, Hernanz et al., 2004).

It would appear that take-up rates are highest for programs that:

- are universal: awareness of the program is high because virtually all Canadians are eligible (e.g., OAS, CPP/QPP);
- have no application form or are as automatic as possible (e.g., the age credit in the income tax system);
- have no associated cost for applying for benefits or obtaining the necessary documents, and for which a minimum of record-keeping or documentation is needed (e.g., Child Tax Benefit, GST Credit);
- have extremely simple and clear eligibility criteria;
- require information about the claimant only: when information is required of a spouse or ex-spouse, compliance can be difficult where discord exists; this can be a problem with the Child Tax Benefit, for example;
- use a system whereby governments proactively identify and contact those eligible for benefits (e.g., this is exemplified by the manner in which Quebec ensures that eligible seniors are receiving their QPP retirement benefit).

Take-up is also typically higher when:

- beneficiaries have professional advisors who are aware of the program;
- beneficiaries prepare their income tax returns using computer software that automatically triggers the application.

The impact of program design on take-up has been the subject of much research, principally in the United Kingdom and United States; this is summarized in a literature review published by the OECD (Hernantz et al., 2004). The study's findings, outlined in Box 1, emphasize simplicity, transparency and outreach and also highlight the need to consider the complications that arise when benefits from one program adversely affect eligibility for another.

Box 1: Suggested Policy Measures to Increase Take-up Rates

Review and simplify administration rules

- Simplify application procedures.
- Make access rules transparent and objective, to reduce the uncertainty related to the awarding of claims.
- Mount advertising campaigns to inform potential beneficiaries about the existence of and application procedures for welfare programs that respond to their needs.

Improve interactions with other elements of the welfare state

- Make greater use of one-stop shops to avoid fraud and better inform potential beneficiaries (to improve interactions between various welfare benefits).
- Consider carefully the effects of tax reforms on incentives to take up welfare benefits (to improve synergies with the tax system).

Strengthen empirical evidence and research

- Produce regular estimates of take-up rates for various programmes, based on the same data and standardized procedures.
- Make administrative data more readily available to the research community.
- Conduct ad hoc surveys at regular intervals (e.g., every 5 years).

Adapted from Hernanz et al., 2004

Even when program design is simple, the personal characteristics of potential beneficiaries limit the gains that can be achieved in take-up. Language barriers may also be a challenge especially for immigrants. Lower-income Canadians also face distinct financial literacy challenges in being aware of and accessing the very government programs that are targeted to them. Because the general public is often unaware of the regulations governing these targeted benefits, advice given by family and friends can be wrong. Also, the eligibility criteria for benefits based on income (and often assets) are often complex and difficult to understand. Targeted programs include welfare, social housing, legal aid, child care subsidies and student loans. It is worth noting that these programs are generally designed by administrative officials, who are comfortable with credentials and complicated rules, on behalf of a recipient population with whom they often have little contact (for an in-depth discussion, see Shillington 2003b).

Canadians living on low incomes typically do not have access to expert financial advice, and the consequences of poor decisions are often very costly (Shillington, 2005; Robson et al., 2009).

Where a benefit is perceived as being small or its duration limited, or where the application process is complicated, take-up will be a challenge. Some take-up problems do not stem from a lack of awareness or understanding; some people decide that a benefit is not worth the effort, or that they do not need or want the support. They may also be aware that receiving one benefit will make them ineligible for another, more valuable, benefit. There are other groups for whom take-up is low. These include those who are participating in the underground economy and do not wish to report their income, and some marginalized populations that have difficulty with documentation, such as homeless people and illegal immigrants.

Despite these considerations, take-up is a useful measure of the financial literacy of Canadians with respect to those individuals who are not utilizing available supports that would indisputably benefit them.

Conclusions and Policy Recommendations

Take-up rates reflect a tension between two obligations: the obligation of individuals to inform themselves about programs and their possible entitlement to those programs; and the obligation of governments to present information that describes benefits, eligibility criteria and benefit levels in a clear, accurate and accessible fashion.

When financial literacy as defined by the Task Force is advanced, Canadians are more likely to know about and receive the government benefits to which they are entitled; this take-up, in turn, promotes financial literacy by making available additional financial resources that can help citizens inform themselves of other benefits for which they may be eligible. Connecting Canadians to their benefits also provides opportunities for government to distribute materials related to topics such as budgeting, the value of compound interest, and the tax advantages of saving for education and retirement. This may give Canadians more confidence to inform themselves about other government programs and personal financial planning and management more generally.

Clearly, enhancing take-up and financial literacy with regard to government programs and financial literacy presents both challenges and opportunities.

Challenges

Efforts to increase take-up present challenges with respect to program design and the characteristics of individuals. The complexity of a program can make it difficult for citizens to determine whether they are eligible and, if so, for what amount. Informing certain population groups about government programs can be complicated by factors such as linguistic barriers among newcomers to Canada or cognitive disabilities among the very old. Moreover, financial decisions about savings are inherently complex; they involve matters that are the purview of experts, such as budgeting, tax planning, life insurance, pensions and annuities, but many Canadians with modest incomes cannot afford to pay for professional advice. This situation can be even worse for people on low incomes: experience with the GIS, for example, has indicated that financial advisors can be unaware of how benefits work when they are targeted to lower-income Canadians. Advice that is appropriate to the general population can be unhelpful for those living on low incomes, for whom regulations governing supports such as social housing, subsidized child care and the GIS create incentives and eligibility criteria that are different from those for the general population.

Opportunities

Developments in information technology provide a number of opportunities: computers can be used by governments to link files to identify those who are missing their benefits;

computerized telephone dialing can be used to contact those missing their benefits; and interactive websites can be developed to enable Canadians to confirm their eligibility, check the calculation of their benefits, and conduct what-if scenarios. The advent of computer software to complete income tax returns provides an opportunity to inform Canadians about benefits of which they may be unaware. Websites that describe government programs, as well as income-tax software, can also be linked to information on the basic tenets of financial literacy, including the advantages of budgeting, the personal and tax advantages of savings for education and retirement, and the benefits of compound interest rates.

Financial literacy programs that are part of formal education and continuing education should teach people about government programs so that the awareness of programs, at least, can increase. Basic skills such as better budgeting (for example) could increase the ability of individuals to take advantage of programs such as TFSAs, RESPs and so on.

For a number of government programs, regulations governing eligibility and the level of benefits could be simplified (e.g., Canada Learning Bond, OAS, the GIS, and the CPP). Simplifications could also be made to the application process and eligibility criteria.

Application Process

As described with respect to the GIS and the Canada Learning Bond, eliminating unnecessary steps in the application process could help to increase take-up. Where applications are needed, they should be as clear as possible, using plain language.

Outreach

The "low-hanging fruit" for improving take-up are programs where governments can identify those who are very likely eligible. Service Canada does have general mailings for those turning 65, and for those thought to be eligible for GIS and the CPP, but these are of limited value. Phone calls may be necessary to reach seniors, particularly older seniors.

The Quebec government has demonstrated that, for the Quebec Pension Plan, the take-up rate can approach 100 per cent. It uses various computer systems to identify individuals who are not receiving benefits to which they are entitled.

Governments already use community groups to reach particular populations. This approach may need to be expanded for certain vulnerable populations, such as very old seniors, immigrants, and people on very low incomes.

Complexity of Eligibility Criteria

Simplicity in eligibility regulations can improve take-up by leaving less room for confusion. Virtually every program has some degree of complexity in its regulations, whether related to residency, income or family composition; some of these, serving little policy purpose, contribute to confusion about eligibility.

The more universal a program and the more automatic its application, the greater the take-up will be. Take-up is "enhanced by automatic or default enrollment and lowered by administrative barriers" (Currie, 2004; see also Remler et. al., 2001).

The following are specific examples of how criteria could be simplified:

- The regulations covering disability for CPP and the Disability Tax Credit and for social assistance could be simplified by sharing definitions and resources for the determination of eligibility.
- The income definition for the GIS is impossibly complex and needs to be simplified. The treatment of OAS and earnings needs to be transparent and simplified. The exclusion of wages but not self-employment income serves no purpose and is often described incorrectly in government documents.
- The inclusion of partial OAS in the GIS for immigrants is not well understood and leads to confusion about the income level at which benefits cease. A clearer way of assisting lower-income immigrant seniors could easily be developed.

- The income definition for the GIS, which includes grossed-up dividends and partial capital gains, is impossibly complex; it serves no policy purpose and obscures how income affects the benefit level.
- The complexity of the current program eligibility criteria makes it difficult to describe the program accurately and with simple language. Often government websites simply ask Canadians to call a toll-free number.
- Websites might also be modified to help Canadians determine their eligibility for themselves. It is critically important that such websites use plain language, avoid technical terms and be precise (e.g., describing GIS as a program for those with "little or no income" invites misinterpretation).
- Instead, one could have websites where information is gathered (years in Canada, family composition, income) and Canadians are advised of their eligibility and their level of benefit. These exist for student loans and could be developed for OAS, the GIS and the CPP.

These recommendations point to some important underlying trends that offer grounds for optimism, namely the increasing ability and use of technology to increase awareness and take-up, and a growing recognition of the importance of simplifying or eliminating application processes. We may be encouraged by an increasing appreciation for the potential of financial literacy to play a role in improving take-up, and for improved take-up to provide opportunities to promote financial literacy.

Appendix: List of Acronyms

CESG	Canada Education Savings Grant
CPP	Canada Pension Plan
GIS	Guaranteed Income Supplement
GST	Goods and Services Tax
HRSDC	Human Resources and Skills Development Canada
OAS	Old Age Security
QPP	Quebec Pension Plan
RESP	Registered Education Savings Plan
RRSP	Registered Retirement Savings Plan
TFSA	Tax-Free Savings Account

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