

Vincent & Sunila Taylor

Page 1 of 2

The Clerk of the Standing Committee on Finance
Fax # 613-996-1626

August 5 2011

Re: OLD AGE SECURITY

Our local MP, Mr. Ed Holder, has invited suggestions from constituents concerning tax policies.

My concern relates to the clawback of OAS benefits for incomes exceeding \$66,000⁺ per annum.

Is it correct that the OAS is funded from general tax revenues, mainly income tax and GST/HST?

This means that I have contributed payments for 50 years with no OAS in return.

Yes, my income is above \$66,000⁺. It is not my income that is high, but my expenses are high as a result of 3 periods of unemployment in earlier times. I must therefore continue to work when I should be

To Page 2

Vincent & Sunila Taylor

Page 2 of 2

retired because I get nothing back for 50 years of contributions to support the OAS system.

If you insist on a clawback, my suggestion would be to clawback 25% of the OAS benefits. The other 75% would be included in taxable income, and may get taxed (for example) at 40%.

On \$5000⁰⁰ of OAS, the government would therefore recover \$2,750⁰⁰, for a tax rate of 55%, and I would at least retain \$2,250⁰⁰ as a small recognition of 50 years of contributing through my tax deductions.

The present system is a relic of the Liberals' "Robin Hood" approach -- take from those who "have" and give to those who "have not" -- good to a point, but unfair when carried too far.

Sincerely,
Vincent Taylor

You may acknowledge my submission by email