

## OPINION

# Taxing seniors unfair

Seniors, those who have reached that golden plateau of 65 years, are looking with obvious concern at the federal government's proposed changes in seniors' benefits following adverse reaction from financial gurus who have called them a giant tax grab.

Former local MP and Revenue Minister Garth Turner says the new Seniors Benefit scheme "has the look of policy scratched on the back of an envelope during a four-martini lunch." Even allowing for political differences it is a mark of unusual disrespect for the new policy.

Starting in the year 2001, seniors with an income over \$26,000 face double taxation, Mr. Turner says, citing pension experts at William Mercer Ltd., who claim senior citizens will lose between 47 and 78 cents on every dollar of post-65 income from all sources.

The federal government wants to scrap the Guaranteed Income Supplement and Old Age Security (OAS) and replace them with a new Seniors Benefit which is designed to give more money to the "have-nots" by taxing the "haves."

Under the new Seniors Benefit every senior couple will get a guaranteed basic income of \$18,440 tax-free and indexed to inflation. Single people will get \$11,420. All other income, including the Canada Pension Plan, will cause the Benefit to be taxed back on the first \$16,000 of family income at a rate of 20 per cent. Above \$26,000 50 per cent of each benefit dollar is taxed back.

Under Mr. Turner's scrutiny "this is double taxation, pure and simple . . . Ottawa is not only making it harder for Canadians to prepare for retirement, it is now proposing that retirement income will be heavily taxed."

In his view it will cause massive change in the way people prepare for retirement. As he says, if you're losing between 47 and 78 cents of every dollar to retirement income why buy RRSPs?, for instance. People will be farther ahead having a lot of assets but hardly any income after 65.

The new Seniors Benefit will also discriminate against married couples since unmarried seniors living together could collect 20 per cent more in government income than a married couple. In effect, the scheme also rewards people who save nothing for retirement with a tax-free pension.

Middle-income married couples who have saved to supplement retirement income over the years will be hurt by the new provision where each married person's income will no longer be considered separately for OAS clawback purposes. Under the new scheme their combined incomes over \$25,921 will start the 20 per cent clawback.

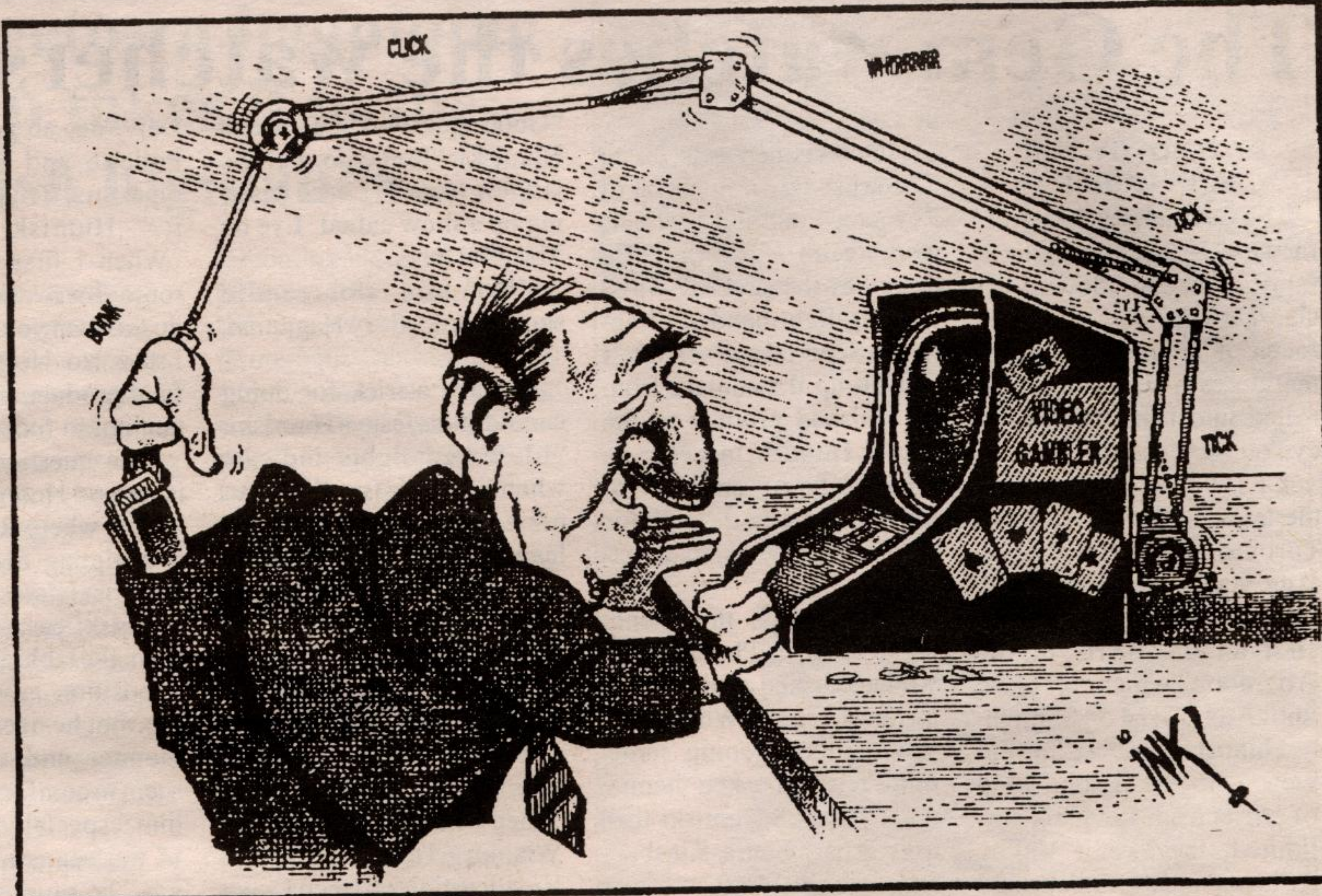
The government also intends to eliminate the basic age credit of \$3,482 under the new plan as well as the existing pension credit of \$1,000 a year.

Sound fair? Not to me. Under the guise of helping those who need help the most, the government is suggesting it is foolish to save for your own retirement. It will certainly reward those who, like the creatures in Aesop's Fables, spend as they go with no thought for the 'morrow.

For those 60-65 years of age now there is some relief from the new measures. If you are 60 years old or older on Dec. 31, 1995, you can still elect to receive the existing OAS and penalties rather than the proposed new benefits. Those only a few years away from 60 will have to replan their retirement strategy soon to avoid the new penalties.

It may well be, as Garth Turner suggests, an ill-conceived attempt to save a public pension system in trouble. Most people would certainly not deny help to those in the lower income brackets, who because of ill luck or humble income were never able to put money away for those golden years. However, most would draw the line at assisting those who were not prudent with their resources and want to poach on the public purse. Especially when it often took considerable sacrifice to save for retirement.

If you're concerned write to MP Julian Reed and to Finance Minister Paul Martin and tell them of your concerns before we get that 50 per cent flat tax.



## Your LETTERS

### JET fees hit arts

To the Editor:

Sixteen years ago, my husband John and I bought a seat plaque in the soon-to-be Halton Hills Cultural Centre to commemorate the arrival of our daughter, Genevieve. It seemed appropriate as both events signified new beginnings; new exciting years to come.

Sixteen years ago, all the arts groups in Halton Hills and their enthusiastic supporters worked together for a common goal — the community. They included, to name a few, the Georgetown Little Theatre, Acton Arts and Crafts, Arts and Crafts of Georgetown, Globe Productions, Credit Valley Artisans, The Palette and Pencil Club, The Georgetown Rug Hookers, The Heritage Hand Weavers, The Georgetown Choral Society, The Acton Citizens Band, The Halton Hills Arts Council, the Royal Canadian Legions of both Acton and Georgetown, The University Women's Club of Georgetown, the Rotary Club and other service clubs, and the family of John Elliot. Along with straight donations, two examples of fundraising efforts included the Georgetown Little Theatre's seat plaques and the Rug Hookers beautiful wall hanging that we see in the theatre today.

Sixteen years ago, the students at both public and separate schools in Halton Hills raised money to purchase the panels that surrounded the construction site at \$100 each. Not only did the young people of our community raise several thousand dollars, but on each of the panels they purchased, they painted terrific scenes commemorating the history of Halton Hills.

Sixteen years ago the Architectural Advisory Committee worked many, many hours with the architect, collecting pertinent data, such as the appropriate design for the library, theatre, gallery and meeting

room complex.

Sixteen years ago, all of the hours, all of the energy, all of the personal expense was given voluntarily, willingly, enthusiastically and graciously by everyone in Halton Hills because we realized the importance and necessity of a library and cultural centre in our community. What a unique and wonderful accomplishment it was for such a small population as Halton Hills!

After 16 years of being able to use the wonderful facilities of the library (remember the old church?), to sit comfortably in the theatre seeing excellent local performances (remember Wrigglesworth auditorium?), to view well displayed artwork in the gallery (remember the cramped areas?), I don't think there is anyone who regrets the effort. Volunteer contributions are still being provided by the Arts Alive Committee and the Friends of the Gallery.

But the recent rental fee increases of the Cultural Centre facilities are now at a point that the very groups and individuals that helped build it are considering relocation. If Globe Productions takes its popular, local talent elsewhere, how will the lost revenue be made up? Which group will be the next to leave? Georgetown Little Theatre? Here we go — back to Wrigglesworth!

For amateurs and semi-professionals, to create an artistic production or show is a labour of love. If you break even — great! If you lose money, you have to skimp on the next show. If you make money, it just goes to helping produce the next work of art. In reality, there is no profit but a lot of soul!

Everyone today has to economize. Artists, production managers, anyone involved in putting together a good show are pros when it comes to creative financing. The administration would also benefit from creative solutions and moving away from the traditional 'raise the rent' approach.

I hope the decision makers will reconsider their options, remember that the Cultural Centre facilities would not even exist if it weren't for the volunteers, and support the now at a point that the very groups

See ARTS, page 9

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