

# FSAC ASFC

Funeral Service Association of Canada | Association des services funéraires du Canada

## CPP Death Benefit Frozen in Time

The financial strain that low-income Canadians, seniors and families are placed under when making end-of-life arrangements has grown exponentially over the past number of years. This has been accentuated by the current inflationary crisis in Canada.

Canadians who have contributed to the Canada Pension Plan (CPP) during their lifetime are currently eligible for a lumpsum of \$2,500 through the CPP Death Benefit. However, this amount is a reduction from the \$3,580 which was previously offered up until 1998, prior to it being arbitrarily reduced by the government. Since then, the amount has not increased nor been tied to inflation, therefore eroding its true value over time. In effect, the benefit has lost over 67% of its value since 1998 due to inflation. If the benefit had been tied to inflation at \$2,500 in 1998, it would be valued at \$4,182 today. The original \$3,580 CPP Death Benefit would be worth nearly \$6,000 today.

While the certain increased supports that the government has provided to seniors through Old Age Security (OAS) and the Guaranteed Income Supplement (GIS) has helped them in the short-term, low-income Canadians future prospects continue to be challenging.

FSAC believes that every Canadian, no matter their financial status during their lifetime, deserves a dignified funeral upon their passing. With inflation driving up costs in Canada, support is needed now more than it has ever been.

While the \$2,500 CPP Death Benefit has supported seniors for decades, it does not provide enough for end-of-life arrangements today.



## Recommendation

FSAC recommends that the Government of Canada restore the CPP Death Benefit to its original level of \$3,580 and tie it to inflation.

This would ensure that all low-income seniors, families and Canadians would be able to afford their culturally, religiously, and dignified end-of-life arrangements.



## About FSAC

The Funeral Service Association of Canada (FSAC) is the leading national association for deathcare professionals representing funeral homes, cemeteries, crematoriums and suppliers from across Canada.

One of the most important aspects of the funeral service profession is caring for the deceased in a dignified manner and guiding the bereaved through the many decisions that must be made when a death occurs. FSAC has been providing advocacy, leadership and education to funeral service professionals for over 100 years. We have enjoyed a good working relationship with the Government of Canada and its many departments on issues concerning veterans, seniors and all Canadians.