

OAS at 65 or 70: what deferral adds and what it can cost

Old Age Security (OAS) rises by 0.6% for each month it is delayed after 65, up to 36% at 70, and it rises a further 10% at 75 either way. No Guaranteed Income Supplement is paid while OAS is delayed, and the waiting does not make the supplement larger. Deferral avoids the recovery tax only in the years when no OAS is paid.

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The enrolment letter starts OAS at 65 unless the person acts

Around their 64th birthday, many people receive a letter from Service Canada saying they have been enrolled in Old Age Security (OAS) automatically and do not need to apply.¹ OAS is the monthly federal pension paid from age 65 to people who meet its residence rules. The letter means that payments begin at 65 if nothing else happens. The Old Age Security Act requires the government to give notice in writing before it waives the application. It also lets the person decline that waiver in writing before turning 65.²

A person who wants a later start has to tell Service Canada. My Service Canada Account has an option called Delay receiving OAS/GIS pension.¹ A program toolkit published by Employment and Social Development Canada adds that the choice to delay can be made in writing up to 6 months after the 65th birthday.³ Someone who sets the letter aside and does nothing has chosen to start at 65.

Each month of waiting adds 0.6%, up to 36% at 70

The Act raises the pension by 0.6% for each month from the month after a person qualifies to the month the application is approved. Months after age 70 earn no increase.² Five years of waiting is 60 months, and 60 times 0.6% is 36%. From October to December 2026,

the maximum OAS is \$762.50 a month when started at 65 and \$1,037.00 a month when started at 70.⁴⁵

These are maximums. A partial pension, based on fewer than 40 years in Canada after age 18, receives the same percentage on a smaller base.⁵ Years lived in Canada after OAS starts do not raise the payment.⁵ A person who is still adding residence years may therefore gain from a later start in two ways. In that case, the Act compares the possible amounts and pays the greatest of them.²

The 10% increase at 75 is separate from deferral

A second increase comes later and needs no request. The OAS pension rises by 10% automatically in the month after a person turns 75.⁶ The Act applies this increase to a deferred pension as well, on top of the deferral increase.² From October to December 2026, the maximum for people aged 75 and over is \$838.75 a month.⁴ As an illustration only, a pension of \$1,037.00 started at 70 would become \$1,140.70 with the 10% added. Service Canada says the increase at 75 does not change the amount of the Guaranteed Income Supplement.⁶

Months of deferral are months without the Guaranteed Income Supplement

The Guaranteed Income Supplement (GIS) is a monthly payment for people with a low income who receive OAS. A person who is not receiving the OAS pension cannot get the GIS.⁵ The toolkit states that, while OAS is delayed, the person is not eligible for the GIS. During that time, a spouse or common-law partner also cannot get the Allowance, a benefit for some partners aged 60 to 64.³

The waiting does not produce a larger supplement either. Service Canada says that GIS and Allowance amounts do not increase when OAS is delayed. It also says there is no benefit to waiting for people who are eligible for the GIS.⁵ From October to December 2026, the GIS for a single person can be up to \$1,138.90 a month, and the income limit for a single person is \$23,112.⁴ For a single person with very little other

income, one month of delay can give up a GIS payment larger than the full OAS pension.

Deferral removes the recovery tax only in years without OAS

The OAS recovery tax, often called the clawback, applies to higher incomes. For 2026 income, it starts at net income of \$95,323, and the amount owed is 15% of income above that threshold.⁷ Under the Income Tax Act, the tax is the lesser of two amounts: 15% of the income above the threshold, or the OAS received.⁸ A person who has not started OAS receives none, so there is nothing to recover for those years.

For this reason, a person with a high salary from 65 to 69 may pay no recovery tax in those years by deferring. The tax itself does not go away. Once a larger pension starts, the same 15% rule applies, and a larger pension takes a higher income to recover in full.

Timing matters as well. Recovery tax is withheld from each monthly payment based on income in an earlier year.⁷⁸ A pension that starts at 70, right after a high-earning year, can therefore have tax withheld from its first payments even if income has dropped. Form T1213(OAS) is the Canada Revenue Agency form for asking to reduce the recovery tax withheld at source.⁹

Deferral works differently at each end of the income range

For a person who expects to receive the GIS, a delay gives up payments that are not made up later, because the supplement does not grow. For a person whose income stays above the recovery tax threshold until 70, the years without OAS are also years without the recovery tax. Most people fall somewhere between these two cases. Health, savings, and a spouse's benefits also affect the result, and that weighing belongs to each person and their own advisers.

The question of when to start stays open until 70, but the enrolment letter does not wait that long. A person who wants to delay has a limited time after the letter arrives to say so, and the payments at 65 start on schedule if no request is made.

Notes

1. Government of Canada, “Old Age Security: Apply, delay, or change your start date”, page modified 2026-09-09. <https://www.canada.ca/en/services/benefits/publicpensions/old-age-security/apply.html> (accessed 2026-10-06)
2. See section 5, from subsection 5(4), on waiving the application, the written notice, and declining the waiver, and section 7.1 on voluntary deferral, including 7.1(3) on paying the greatest amount and 7.1(5) on the increase at 75. Justice Laws Website (Government of Canada), “Old Age Security Act (R.S.C., 1985, c. O-9)”, Act current to 2026-09-21. <https://laws-lois.justice.gc.ca/eng/acts/o-9/page-2.html> (accessed 2026-10-06)
3. Employment and Social Development Canada, “The Old Age Security program toolkit”, page modified 2025-11-07. <https://www.canada.ca/en/employment-social-development/programs/old-age-security/reports/oas-toolkit.html> (accessed 2026-10-06)
4. Government of Canada (Employment and Social Development Canada), “Maximum Benefit Amounts and Related Figures: Canada Pension Plan (2026) and Old Age Security (October to December 2026)”, page modified 2026-09-29. <https://www.canada.ca/en/employment-social-development/programs/pensions/pension/statistics/2026-quarterly-october-december.html> (accessed 2026-10-06)
5. Government of Canada, “Old Age Security: When to start your retirement pension”, page modified 2026-10-02. <https://www.canada.ca/en/services/benefits/publicpensions/old-age-security/when-start.html> (accessed 2026-10-06)
6. Government of Canada, “Old Age Security: How much you could receive”, page modified 2026-09-29. <https://www.canada.ca/en/services/benefits/publicpensions/old-age-security/benefit-amount.html> (accessed 2026-10-06)
7. Government of Canada, “Old Age Security pension recovery tax”, page modified 2026-09-29. <https://www.canada.ca/en/services/benefits/publicpensions/old-age-security/recovery-tax.html> (accessed 2026-10-06)
8. Subsection 180.2(2) sets the tax as the lesser of the OAS benefits received and 15% of income above the threshold. Subsections 180.2(3) and (4) set the monthly withholding using an earlier base taxation year. Justice Laws Website (Government of Canada), “Income Tax Act (R.S.C., 1985, c. 1 (5th Supp.)), section 180.2”, Act current to 2026-06-17. <https://laws-lois.justice.gc.ca/eng/acts/i-3.3/section-180.2.html> (accessed 2026-10-06)
9. Canada Revenue Agency, “T1213OAS Request to Reduce Old Age Security Recovery Tax at Source”, page modified 2026-09-03. <https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t1213oas.html> (accessed 2026-10-06)

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