

Take the Literacy Challenge

Calculate Your Spouse's Allowance (SPA)

Test your understanding of the following text and solve the calculation required to answer the following question. All the information you need is in the text or the question below.

Question: How much allowance are you entitled to if you are a 63 year old woman with no income who is married to a pensioner with:

- **\$4000 (Annual Income from T5 Interest)**
- **\$433.52 (Monthly OAS Pension)**
- **\$335.59 (Monthly Guaranteed Income Supplement (GIS) at the married rate)**

Amount of Benefits: The SPA is an income-tested benefit. The maximum amount payable to the spouse of a pensioner is equal to the combined full OAS pension and the maximum GIS at the married rate. The maximum amount for a widowed person is somewhat higher. The maximum monthly SPA is reduced by \$3 for every \$4 of the beneficiary's monthly income for a widowed spouse or the couple's combined monthly income. This happens until the OAS-equivalent is reduced to zero. Then, for a couple, both the GIS-Equivalent portion of the SPA and the pensioner's GIS are reduced by \$1 for every additional \$4 of the couple's combined monthly income. For a widow or widower, the GIS-equivalent portion is reduced by \$1 for every additional \$2 of monthly income.

How to Calculate Your Spouse's Allowance (SPA) The Plain Language Approach

Question: How much allowance are you entitled to if you are a 63 year old woman with no income who is married to a pensioner with:

- **\$4000 (Annual Income from T5 Interest)**
- **\$433.52 (Monthly OAS Pension)**
- **\$335.59 (Monthly Guaranteed Income Supplement (GIS) at the married rate)**

Follow the 8 steps below to calculate your Spouse's Allowance:

1. Enter your spouse's monthly OAS Pension in Box A

\$ 433.52	A
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2. Enter your spouse's monthly GIS at the married rate in Box B

\$ 335.59	B
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3. Add Box A plus Box B and enter the amount in Box C

\$ 769.11	C
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4. Enter the combined annual income of yourself and your spouse in box D (exclude OAS in Box A and GIS in Box B)

\$ 4,000	D
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5. Divide Box D by 12 and enter the result in Box E

12	
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\$ 333.33	E
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6. Multiply Box E by .75 and enter the result in Box F

.75	
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7. Box F is the reduction on your monthly Spouse's Allowance

\$ 249.99	F
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8. Subtract Box F from Box C to find the monthly amount of your Spouse's Allowance

\$ 519.12	G
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