



Old Age Security pension recovery tax

If your net world income exceeds the threshold amount (\$81,761 for 2022), you have to repay part or your entire OAS pension. Part or your entire OAS pension is reduced as a monthly recovery tax.

You must pay the recovery tax if:

- your annual net world income is more than \$81,761 (for 2022, in Canadian dollars), and
- you live in a country where the non-resident tax on Canadian pensions is 25% or more

Recovery tax period	Income year	Minimum income recovery threshold	Maximum income recovery threshold	
			Age 65 to 74	Age 75 and over
July 2022 to June 2023	2021	\$79,845	\$129,757	\$129,757
July 2023 to June 2024	2022	\$81,761	\$134,626	\$137,331
July 2024 to June 2025	2023	\$86,912	\$141,917 ¹	\$147,418 ¹

Calculate the repayment amount

Your repayment calculation is based on the difference between your income and the threshold amount for the year. The first step is to figure out how much higher your income is than the threshold. You must repay 15% of that amount.

Example:

The threshold for 2022 is \$81,761.

If your income in 2022 was \$96,000, then your repayment would be 15% of the difference between \$96,000 and \$81,761:

$$\$96,000 - \$81,761 = \$14,239$$

$$\$14,239 \times 0.15 = \$2,136$$

You would have to repay \$2,136 for the July 2023 to June 2024 period.

▼ Note:

This calculation is presented for reference **only** and is not official. In order to calculate your true and accurate repayment amount, please refer to the [Calculating OAS recovery tax](#) chart in the T4155, Old Age Security Return of Income guide for Non-Residents.

Return of Income form

In January, you **will** receive:

1. an Old Age Security Return of Income form that you must fill out
2. an NR4 Old Age Security information slip to use when you fill out your Old Age Security Return of Income form

Your NR4 Old Age Security information slip shows the amount of Old Age Security (OAS) paid to you in the previous year and the amounts deducted for taxes. When you fill out your Old Age Security Return of Income form, be sure to enter the amounts that are indicated on your NR4 OAS slip. Also, be sure to enter the OAS repayment amount on line 23500 of your Old Age Security Return of Income form.

You must send the Old Age Security Return of Income form to the Canada Revenue Agency (CRA). **If the CRA does not receive this form, you will stop receiving your OAS payments beginning in July.** To make sure that your OAS pension payments are not interrupted, be sure to submit your Old Age Security Return of Income form **by April 30.**

i ▼ Note:

If you live in a country where the non-resident tax on Canadian pensions is lower than 25%, you do not need to file an Old Age Security Return of Income form.

How does the recovery tax deduction work

Once your Old Age Security Return of Income form is received, the net world income you report is used to estimate your Old Age Security (OAS) pension repayment amount for the following tax year. The repayment amount is then divided monthly and deducted from your OAS pension payments as a recovery tax. You will receive a letter informing you of any recovery tax deductions being withheld from your OAS pension payments.

What if these deductions cause financial hardship

In that case, you may ask the Canada Revenue Agency to review your situation.

▼ Note:

If you live outside Canada and receive an Old Age Security (OAS) pension, you must also pay the non-resident tax. This tax is deducted from monthly OAS pension payments.

The total of the non-resident tax and the OAS recovery tax cannot be more than the amount of OAS benefits you receive.

Canadian publications and forms

[Canada Revenue Agency forms and publications.](#)

Service Canada [forms](#) and [publications](#).

You can also contact the nearest [Canadian Government office abroad](#) for forms and publications, or visit the [Publications section](#) of the Consular Services website.

Questions about your taxes

Canada Revenue Agency

Telephone: 1-800-959-8281 (toll-free in Canada and the United States)

Telephone: 613-940-8495 (from all other countries)

TTY 1-800-665-0354 (toll-free in Canada and United States)

Fax: 1-705-671-0794

Find out more about the [Canada Revenue Agency](#).

Footnotes

- 1 These amounts are not final for the 2023 income year and will be adjusted to reflect the quarterly adjustment of OAS benefits for the October to December 2023 quarter.
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