



12 July 2012

Dear Sir/Madam:

The article *OAS cost may tally \$109B by 2030* (July 11, 2012) unfairly downplays the significance of longevity as a reason for the projected cost increases to the Old Age Security Program.

In fact, there are three main contributing factors to the projected increase of \$73 billion in costs over the twenty-year period: baby boomers (41%, \$30 billion), longevity improvements/declining mortality rates (32%, \$23 billion); and the expected impact of inflation (27%, \$20 billion).

As such, the effect of each contributing factor is significant and none should be characterized as being minor.

Sincerely,

Jean-Claude Ménard
Chief Actuary

