

**MEMORANDUM**

**NTC-C 25-2025**

**Subject: Information on Free Transit for Seniors**

**Date: Tuesday, August 26, 2025**

**To: Niagara Transit Commission Board**

**From: Brad Griffin, Manager of Financial Strategy and Performance**

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The purpose of this memo is to provide information related to a request from The City of Niagara Falls. The City of Niagara Falls's Council, through a motion, requested the Niagara Transit Commission to investigate the feasibility of providing significantly discounted fares for seniors at their Council meeting of July 29, 2025.

As part of the fare harmonization initiative launched on July 1, 2025, staff previously conducted a jurisdictional scan of peer transit agencies across Southern Ontario to compare senior fare discounts. This scan has since been updated to reflect any changes to discount programs and to evaluate the feasibility of offering free transit fares for seniors. The update aligns with the request for information regarding free transit for high school students, as outlined in report NTC-C 24-2025. Additionally, the review includes an assessment of fare options within the Niagara Transit system, in response to a request from the City of Niagara Falls.

It should be noted that the City of Niagara Falls put forward a motion in 2024 for the Niagara Transit Commission to establish a discounted senior fare that is competitive with others in the Golden Horseshoe. Further to that request and through the fare harmonization that just became effective July 1, 2025, a Senior 31 Day pass and 10-ride pass was priced at a 45% discount and 31% discount respectfully, which is consistent with peers across the Greater Golden Horseshoe. In addition to this, a Transit Benefit Pass was established for low-income individuals and families with savings of 50% when compared to an Adult pass, which also applies to seniors, if they meet the criteria.

These significant discounts represent savings of up to 50% and are designed to support affordability for older adults while maintaining a balanced and sustainable fare system. The current structure allows seniors frequent and affordable access to transit services without eliminating the revenue and reporting structures required to continue to qualify these trips for provincial funding.

## *Current Fares (July 1, 2025)*

- A 31-day pass for seniors is priced at \$55, compared to \$100 for adults.
- A 10-ride pass for seniors costs \$20, while the equivalent adult fare is \$31.
- In addition, a 31 Day Transit Benefit Pass is available for \$50 for individuals who meet income-based eligibility criteria.

The updated jurisdictional review confirms that most transit systems in Southern Ontario offer discounted fares for seniors rather than free fare programs. These discounts are often embedded into long-standing fare structures and reflect a balance between supporting affordability for seniors and maintaining sustainable transit funding models.

## **Capacity Considerations**

One of the primary concerns related to the implementation of a free or further discounted fare policy for seniors is the potential impact on service capacity—particularly within microtransit-served areas and on all specialized transit services. These services are already operating under significant pressure during high-demand periods and are more sensitive to fluctuations in ridership due to their limited vehicle availability, operating funding and on-demand nature.

Introducing free fares or further discounts for seniors may lead to a measurable increase in demand, especially among those who rely more heavily on accessible, door-to-door transit options. Without corresponding investments in adding service hours, this could result in an increase in existing service delays or increased trip denials.

While fixed-route services may have some capacity to absorb modest increases in ridership, ongoing monitoring would be necessary to ensure service quality is not compromised. Any increase in senior ridership, especially on the demand-responsive services—should be closely evaluated in relation to current service levels and resource availability.

## **Financial Impact**

Implementing free fares for seniors would have an estimated annual cost of \$650,000 for the first year. This figure includes both the loss of fare revenue (\$555,000) and the reduction in Provincial Gas Tax (PGT) funding (\$95,000), as PGT allocations are directly tied to paying ridership.

In addition to this estimate, any required increases in microtransit or specialized service levels to accommodate increased senior ridership have not been costed, as there is currently insufficient data available to reliably project service demand impacts. These services operate under constrained capacity and would require further investment to maintain service quality when demand grows.

There would also be additional administrative costs associated with:

- Distributing and managing free senior passes
- Handling increased booking volumes on microtransit and specialized services
- Verifying and managing eligibility

These costs, while secondary to lost revenue, could still be material—particularly if pass programs require manual verification or customer service support to administer.

This financial impact would need to be addressed either through additional municipal investment or by identifying other offsetting funding sources. Absent that, there is a risk of service reductions or delayed investments elsewhere in the transit system.

### **Summary**

The current fare structure already provides substantial financial relief to seniors and is in line with peer systems in the Greater Golden Horseshoe. Transitioning to a free fare or further discounted model for seniors would introduce significant financial and operational pressures. The most notable impacts would be felt in microtransit and specialized services, which are already under-resourced and capacity-constrained.

The estimated annual cost for offering free fares of \$650,000—reflecting both fare revenue loss and potential decreased eligibility for Provincial Gas Tax funding—represents a substantial budgetary consideration. Additional service costs could increase this figure further but cannot be reliably estimated at this time. Staff recommend maintaining the current senior fare structure that was arrived at through the fare harmonization process effective July 1, 2025 while continuing to monitor ridership trends and service capacity, particularly within demand-responsive services.

**Other Pertinent Reports**

- NTC 21-2024- Expansion of Transit Benefit Pass Eligibility
- NTC 7- 2025- Transit Benefit Pass Update
- NTC 22-2024- Harmonization of Fares

Respectfully submitted and signed by



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