

CANADA PENSION PLAN SUMMARY

The Canada Pension Plan (CPP) benefit is paid monthly in accordance with your contributions to CPP. All individuals over the age of 18 in Canada except Quebec that are working and earning more than \$3,500 per year has to contribute to the CPP. The way contributions work, is that you pay half the required contributions and your employer pays the other half but if you are self-employed you make the entire contribution.



STATEMENT OF CONTRIBUTIONS

The statement of contributions shows your total CPP contributions for each year and the earnings on which your contributions are based. It also provides an estimate of what your pension or benefit would be if you and/or your family were eligible to receive it now. To view and print your statement of contributions, you can create a "My Service Canada Account". Otherwise, you can contact Service Canada at **1-800-277-9914** and request a paper copy.

NOTE

CPP payments are considered to be **taxable** income

ELIGIBILITY

- + Be at least a month past your 59th birthday
- + Have worked in Canada and made at least one valid contribution to the CPP
- + Want your CPP payments to begin within 12 months

65 is the standard age to receive CPP.

However, there are options to receiving your CPP earlier or later than 65:

- + **60 - 64** is considered early retirement where you can take a reduced CPP pension (by 0.6% per month)
- + **65 - 70** may result in an increased pension (by 0.7% per month)

WHAT TO CONSIDER

- + At what age you plan on taking CPP (as indicated above);
- + If you are deciding to continue working;
- + If you have savings and/or private pension plan;
- + What you plan on doing when you retire;
- + The lifestyle you would like after retirement;
- + Health, any disabilities, family health history;
- + Other income, for example: business investments, rental income, etc.

Source: [Canada Pension Plan - Overview](#)

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RETROACTIVE PAYMENTS

You can request payments that back date to a maximum of 11 months, or back to your 65th birthday. You can not receive retroactive payments for a retirement pension before age 65.



IN CASE OF DEATH

When a CPP recipient dies, Service Canada must be informed right away to avoid overpayments and benefits will be cancelled. Your estate, spouse or common-law partner, or next-of-kin may be eligible for one or more of the following: the death benefit and/or survivor's pension.

AMOUNT OF CPP

The amount you could receive is based on how much you have contributed, and for how long at the time you become eligible. There are multiple things that can affect your CPP amount, like:

- + **General drop-out provision:** Some of your lowest earning months may be dropped from the CPP calculation.
- + **Child-rearing provision:** If you had little to no earnings because you were the primary caregiver raising your children under the age of 7, born after December 31, 1958.
- + **Credit splitting:** After a divorce or separation, you may equally divide the contributions you and your spouse or common-law partner made while living together.
- + **Survivor benefits:** If you are the estate, surviving spouse, common-law partner or child of a CPP contributor, you may be eligible for survivor benefits.
- + **Pension sharing:** You may be eligible to share your CPP with your spouse or common-law partner.
- + **Foreign benefits:** If you have lived or worked in Canada and in another country, or you are the survivor of someone who has lived or worked in Canada and in another country, you may be eligible for pensions and benefits from Canada and/or from the other country, only if Canada has a Social Security Agreement with the other country.