CANADA PENSION PLAN

The Canada Pension Plan Retirement Pension

Service Canada

Contents

This publication contains general information on the Canada Pension Plan (CPP) retirement pension. In case of dispute, the wording and provisions of the *Canada Pension Plan* and Regulations prevail.

Service Canada delivers the CPP program and services on behalf of Human Resources and Skills Development Canada.

This publication is available on demand in alternative formats such as large print, Braille, audio cassette, CD, DAISY, and computer diskette. Call 1 800 O-Canada (1-800-622-6232) to request a copy. If you have a hearing or speech impairment and use a teletypewriter (TTY), call 1-800-926-9105.

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The Canada Pension Plan

The Government of Canada established the Canada Pension Plan (CPP) program in 1966. It is an earnings-related social insurance program that provides basic benefits when a contributor to the plan retires or becomes disabled. When contributors die, the Canada Pension Plan may provide benefits to their survivors.

The CPP operates throughout Canada. The Province of Quebec administers its own program, called the Quebec Pension Plan (QPP), for workers in Quebec. The two plans work together to ensure that all contributors are protected, no matter where they live.

What is the CPP retirement pension?

A CPP retirement pension is a monthly benefit that people who have contributed to the Canada Pension Plan receive. The pension is designed to replace about 25% of a person's average pre-retirement employment earnings, up to a maximum amount.

For 2011, $48,300 is the maximum amount of employment earnings we use to calculate the pension. The average monthly CPP retirement pension in 2010 was $501.15. In 2011, the maximum monthly pension amount at age 65 is $960.

The CPP is one part of your retirement plan. The other components of your retirement income may include the Government of Canada's Old Age Security (OAS) pension, employer pension plans, and personal savings and investments.

Changes to the CPP you should know about

The CPP is changing to better reflect how Canadians choose to live, work, and retire. These changes were unanimously recommended by federal, provincial, and territorial finance ministers in 2009.

The changes, which the Government will gradually introduce from 2011 to 2016, will give you more options so that you can make decisions that are right for you as you make the transition from work to retirement.

Details of these changes are marked in grey throughout this brochure to help you with your retirement planning. For more information about changes to the CPP, visit the Service Canada Web site at **www.servicecanada.gc.ca**.

Note

These changes do **not** apply to the QPP. For information about the QPP, visit the QPP Web site at **www.rrq.gouv.qc.ca**.

Will I be affected by the changes?

The changes will affect you if you are:

- an employee who contributes to the CPP, whether you are just starting your career or you are planning to retire soon;
- a self-employed person who contributes to the CPP; **or**
- between the ages of 60 and 70 and you work while receiving your CPP retirement pension (or if you work outside Quebec while receiving a QPP retirement pension).

You will not be affected by these changes if you started receiving a CPP retirement pension before December 31, 2010, and you remain out of the work force.

Understanding the CPP

What benefits does the CPP provide?

There are three kinds of CPP benefits:

- the **retirement pension**;
- **disability benefits** (for contributors with a disability and their dependent children); **and**
- **survivor benefits** (including the death benefit, the survivor's pension, and the children's benefit).

Beginning in 2013, there will be a new Post-Retirement Benefit (see page 5 for details).

How is the CPP financed?

The CPP is a contributory plan. This means that all costs are covered by the financial contributions that employees, employers, and self-employed workers pay, and from revenue earned on CPP investments. The CPP is **not** funded through general tax revenues.

What is the CPP Investment Board?

The CPP Investment Board invests CPP funds, broadly following the same investment rules as other pension plans. It was created to operate at arm's length from the federal, provincial, and territorial governments. The Board is accountable to the public and regularly reports its investment results.

Visit **www.cppib.ca** for more information on the CPP Investment Board.

Who contributes to the CPP?

With very few exceptions, every person in Canada who is over the age of 18 and who earns more than the minimum amount ($3,500 per year) must contribute to the CPP (or to the QPP in Quebec). You and your employer each pay half of the contributions. If you are self-employed, you pay both portions.

You do **not** make contributions while you are receiving a CPP or QPP disability benefit. Until 2012, you do not make contributions while you are receiving a CPP retirement pension. At the age of 70, you have to stop contributing to the CPP, even if you have not started your retirement pension.

Beginning in 2012:

- **If you are under age 65 and you work** while receiving your CPP retirement pension, you and your employer will have to make CPP contributions. If you are self-employed, you will have to pay both portions.
- **If you are age 65 to 70 and you work** while receiving your CPP retirement pension, you can opt out of making these contributions. **If you decide to make the contributions, your employer will also have to make CPP contributions.** If you are self-employed, you will have to pay both portions.
- These contributions go toward the new **Post-Retirement Benefit** (PRB), which is an additional benefit for people already receiving a CPP retirement pension. The PRB is effective January 1 of the year following your PRB contribution. This additional benefit will be added to your existing CPP retirement benefit, gradually increasing your retirement income.

These contributions will allow you to continue to build your PRB, even if you are already receiving the maximum CPP retirement pension amount.

Contributions will cease when you:

- stop working; **or**
- choose to opt out of making contributions at age 65; **or**
- reach age 70.

How much do I contribute to the CPP?

The amount you contribute is based on your employment earnings. If you are self-employed, your contributions are based on your net business income (after expenses). You do **not** contribute on any other type of income, such as investment earnings. If, during a year, you contributed too much or earned less than a set minimum amount, your excess contributions will be refunded when you file your income taxes.

You make contributions only on your annual earnings between a **minimum** and a **maximum** amount (these are called your pensionable earnings). The minimum amount is frozen at $3,500. The maximum amount is adjusted each January, based on increases in the average wage. **In 2011, the maximum amount is $48,300.** The contribution rate on these pensionable earnings is 9.9%, split equally between you and your employer. If you are self-employed, you pay the full 9.9%. The maximum contribution for employers and employees in 2011 is **$2,217.60**.

Why are my contributions important?

The CPP uses your contributions to determine whether you or your family are eligible for a benefit and, if so, what the amount of the benefit will be. Important factors include both how long and how much you contribute (up to the maximum each year).

Usually, the more you earn and contribute to the CPP in the years before you take your retirement pension, the higher the benefit will be when you become entitled, because you have built up more CPP pension credits.

Your CPP credits can also be affected by credit splitting if you divorce or separate. For details, see the section called "What is credit splitting?" on page 28.

How does the CPP keep track of my contributions?

Since the Canada Pension Plan was implemented in 1966, the Government of Canada has kept a record for each person who pays into the CPP, and for people who pay into both the CPP and QPP. This information is supplied through the Canada Revenue Agency and Revenu Québec.

It is **important** that you check your T4 slip (the statement of earnings you receive from your employer each year) to make sure your name and Social Insurance Number (SIN) match the name and number on your SIN card. If they do not, we may not have credited your CPP contributions to your CPP record. This could reduce the amount of retirement pension that you are entitled to receive.

If you change your name or lose your Social Insurance Number card, you should call 1-800-206-7218 as soon as possible to speak to a Service Canada representative. If you call from outside Canada, the number is 506-548-7961 (long-distance charges apply).

You can also visit a Service Canada Centre. To find one near you, please call 1 800 O-Canada (1-800-622-6232). If you use a teletypewriter (TTY), call 1-800-926-9105.

How do I find out how much I have contributed?

You can visit our Web site at **www.servicecanada.gc.ca** to view or print a copy of your CPP Statement of Contributions at your convenience. See the section called "Using Service Canada's online services" on page 39 for details.

Your statement shows the total amount of your CPP contributions by year, and the pensionable earnings on which your contributions are based. It also provides an estimate of what your pension or benefit would be if you were eligible to receive it now.

You can also contact us to ask us to send a copy of your statement to you by mail.

Beginning in 2013, any Post-Retirement Benefit contributions you make will also be recorded on your CPP Statement of Contributions.

Check your statement carefully, particularly your earnings and contributions. You should compare these amounts to any previous T4 tax information slips. If you disagree with any of the figures, contact us immediately. A discrepancy could affect the amount of your future CPP benefits.

What if I lived or worked in another country?

Canada has international social security agreements with many countries. These agreements can help you qualify for pensions or benefits from either country. For example, if you did not live or work long enough in another country to qualify under its rules, the time you spent there and the contributions you made may be added to your time and/or contributions in Canada to allow you to meet the eligibility requirements.

If you have lived or worked in another country, you should contact us for more information.

What is my contributory period and how is it used?

The time during which you can contribute to the CPP is called your contributory period. We use it to calculate the amount of any Canada Pension Plan benefit that you become entitled to receive (except for the new Post-Retirement Benefit).

Your contributory period begins when you reach age 18 (or January 1, 1966, whichever is later) and ends when you begin receiving your CPP retirement pension, you reach age 70, or you die (whichever happens earliest).

You do not contribute while you are receiving a CPP disability benefit, or during periods when you have no earnings or when your earnings are below the $3,500 minimum amount.

Beginning in 2012, if you are receiving your CPP retirement pension, you are working, and you are contributing to the CPP, your contributions will **not** be included in your contributory period. Instead, they will count toward your Post-Retirement Benefit.

If I had some low-earning years, will that reduce my pension?

CPP calculations take into account both **how much** and **how long** you contributed. To keep your pension amount as high as possible, we exclude the following periods from the calculation of your retirement pension:

- You can ask us to exclude periods when you stopped working or your earnings were lower while you raised your children under the age of seven.
- We automatically exclude any months when you were receiving a CPP disability benefit.
- We automatically exclude up to seven years of your lowest earnings (15% of your lowest earnings).

Starting in 2012, the percentage of lowest earnings will increase from 15% to 16%, allowing up to 7.5 years of your lowest earnings to be dropped from the calculation, which will likely increase your benefit amount.

In 2014, the percentage will increase again to 17%, allowing up to 8 years of your lowest earnings to be dropped from the calculation.

Deciding when to apply for your CPP retirement pension

How do I qualify?

You qualify for a CPP retirement pension if you worked, you have made at least one valid contribution (payment) to the Canada Pension Plan, and you are:

- at least 65 years old; **or**
- between age 60 and 65, and you meet the requirements of the work cessation test (see definition on page 12).

Your retirement pension does **not** start automatically. **You must apply for it.**

Exception

If you are receiving a CPP disability benefit and you turn 65, your disability benefit automatically changes to a retirement pension. See page 23 for more information.

What is the work cessation test?

The work cessation test is a requirement that people who want to take their CPP pension before age 65 must meet. The work cessation test is only in effect until the end of 2011.

To meet the work cessation test, you have to either:

- **Stop working and receive no earnings** – This means that you are not working by the end of the month before the CPP retirement pension begins and during the month in which it begins.

  Example: If you want your pension to begin in April, you have to stop working by the end of March and you cannot work during the month of April.

  OR

- **Earn less than a specified amount** – This means you earn less than the current monthly maximum CPP retirement pension payment ($960 in 2011) for at least two consecutive months—in the month before your pension begins and in the month in which it begins.

  Example: If you want your pension to begin in April 2011, you need to earn less than $960 in both March and April.

Once you start receiving your CPP retirement pension, you can work as much as you want.

Starting in 2012, the work cessation test will be eliminated. For this reason, you will be able to start receiving a reduced CPP retirement pension as early as age 60 **without** having to stop working or reduce your earnings.

How does my age affect the amount of my pension?

Although the CPP retirement pension was originally intended to start the month after your 65th birthday, you can begin receiving your CPP retirement pension anytime after age 60. Your monthly payment is smaller if you begin receiving it before age 65, and larger if you take it at age 65.

- **If you start your pension before age 65**: The CPP reduces your pension amount by a set percentage for each month before age 65, calculated from the time you begin receiving your pension. If you take your pension at age 60 in 2011, the reduction is 0.5% per month, for a maximum reduction of 30%.

  From 2012 to 2016, this early pension reduction will gradually increase from 0.5% to 0.6% per month. This means that, by 2016, if you start receiving your CPP pension at age 60, your pension amount will be 36% **less** than it would have been had you taken it at age 65.

This adjustment is permanent—if you choose to start your pension before age 65, your reduced pension amount does not increase when you reach 65.

- **If you start your CPP retirement pension at age 65**: You will get the full pension amount you are eligible to receive.
- **If you start your pension after age 65**: The CPP increases your pension amount by a set percentage for each month after age 65 that you delay receiving it, up to age 70.

From 2011 to 2013, this late pension increase will gradually rise from 0.5% to 0.7% per month. This means that, by 2013, if you start receiving your CPP retirement pension at the age of 70, your pension amount will be 42% **more** than it would have been if you had taken it at 65.

- **If you start your pension after age 70**: There is no financial benefit in delaying receiving your pension after the age of 70.

How do I decide when to take my retirement pension?

The decision is yours, and depends on your circumstances. Some considerations are:

- whether or not you still earn an income and contribute to the CPP;
- how long you have contributed;
- how much you have contributed and the amount of CPP retirement pension you can expect to receive;
- your other retirement income;
- your health; and
- your retirement plans.

What happens if I don't work after the age of 60 and delay receiving my pension until I turn 65?

For many in this situation, the extra five years of no earnings will lower the amount of CPP retirement pension payable at age 65. This happens because the period you are expected to pay into the CPP continues until you start receiving your retirement pension. For this reason, you should carefully consider your personal situation before deciding when to start your CPP retirement pension.

Can I get an estimate of my CPP retirement pension before I decide to apply?

Yes. For an estimate of your CPP retirement pension, check your *CPP Statement of Contributions*. You can view and print an up-to-date copy of your statement by visiting our Web site at **www.servicecanada.gc.ca** and using the My Service Canada Account online tool. You can also call us to ask us to send you a copy of your statement.

The closer you are to the date you want your pension to begin, the more accurate the estimate will be.

In addition, the Canadian Retirement Income Calculator can help you estimate your future retirement income, including what your CPP and Old Age Security benefits will be when you are ready to retire. To use the calculator, visit **www.servicecanada.gc.ca**.

Applying for your retirement pension

When should I apply?

Although you are not required to do so, we recommend that you apply at least six months before you want your pension to begin.

Are there limits on back payments of CPP benefits?

Yes, there are legislative restrictions on retroactive payments. In general, Service Canada can only pay retroactive payments of CPP benefits for up to 12 months (11 months plus the month you apply). For this reason, if you delay applying for your CPP retirement pension after you turn 70, you risk losing benefits. For more information, contact us.

How do I apply?

To apply for your CPP retirement pension, you have to complete an application form.

You can complete the form on the Internet (see “Using Service Canada’s online services” on page 39 for details). At the end of the application process, you will be asked to print and sign a signature page and mail it to Service Canada.

If you prefer to complete the application form on paper, you can print the form from the Internet, complete it by hand, and return it to us by mail. You can also contact us and ask us to mail an application kit to you.

Should I ask to have the child-rearing provision applied to my pension calculation?

If your earnings either stopped or were lower because you were raising your children under the age of seven, you can ask us on the application form to exclude that period of time from the calculation of your retirement pension. This is called the child-rearing provision. If we approve your request, we will not count these child-rearing years when we calculate the amount of your benefit, which will likely increase your benefit amount. Please contact us to find out more.

If I have contributed to both the CPP and QPP, where do I apply for my retirement pension?

Which plan you pay into—CPP or QPP—depends on where you **work**, not where you live. If you work in Quebec, you pay into the QPP. If you work in any other province or territory, you pay into the CPP. Depending on where you work over the years, you may pay into **both** plans.

The two plans provide similar benefits. If you pay into only one of the plans, you apply to **that** plan for your pension or benefits.

If you have contributed to both the CPP and QPP, you apply to the QPP if you live in Quebec when applying for a benefit, and to the CPP if you live elsewhere in Canada when you apply.

If you live outside Canada, you apply to the QPP if you were living in Quebec before you left the country. If you lived in any other province or territory before you left the country, you apply to the CPP.

Regardless of which plan pays your benefit, the amount is calculated according to your contributions to both plans and the legislation of the responsible plan.

What if I am incapable of applying?

If, because of an illness or infirmity, you are incapable of applying for a CPP pension or benefit, your designated representative can apply on your behalf.

What happens if I die before I have the chance to apply for my retirement pension?

If you die before applying for your CPP pension, we **cannot** pay your retirement pension benefits to anyone else unless you were over 70 when you died and your estate submits a CPP retirement pension application no later than one year after your death. In this case, we can pay up to 12 months of retirement benefits to your estate.

Your estate may also be eligible for the CPP death benefit if minimum contribution requirements are met. In addition, your spouse or common-law partner may be eligible to receive the CPP survivor's pension, and your dependent children may be eligible to receive the CPP children's benefit.

For more information about the death benefit, the survivor's pension, and the children's benefit, visit our Web site at **www.servicecanada.gc.ca** or contact us.

Receiving your retirement pension

When does my pension begin?

From age 60 up to 65 – Until December 2011, you can start receiving your retirement pension the month after you stop working or after you earn less than the allowable maximum pension payment ($960 in 2011) for two consecutive months (see page 12 for more details).

Unless you ask for a specific start date, the retirement pension is effective the month after we receive your application.

- If you apply to receive your retirement pension when you turn 60, your pension will start the month after your 60th birthday.
- If you apply to receive your retirement pension after you turn 60 but before you turn 65, your pension will start the month after we receive your application (or at a later date, if you specify one).

Starting in 2012, you will be able to take your CPP retirement pension as early as age 60 **without** having to stop working or reduce your earnings.

From age 65 on – You can start receiving your pension the month after your 65th birthday (or at a later date, if you specify one). You can also choose to receive back payments for a maximum of 12 months (11 months plus the month we receive your application). However, such retroactive payments can go back no further than the month after your 65th birthday. Please note that choosing to receive back payments if you are under the age of 70 means your retirement pension will begin at a lower rate. The adjustment is permanent. After age 70, there is no reason to wait to apply for your retirement pension.

Do I get cost-of-living increases?

Yes. We will increase your CPP pension payments to reflect increases in the cost of living as measured by the Consumer Price Index. We adjust payments in January of each year, if needed.

Starting in 2013, any Post-Retirement Benefits you receive will also be indexed, and will be adjusted in the same way.

Your monthly payments will **not** decrease if the cost of living goes down.

When will I receive my payments each month?

If your payment comes by **cheque**, it usually arrives during the last three banking days of each month. If you sign up for **direct deposit**, the money will be deposited in your account during the third-last banking day of each month. For more information on direct deposit, see page 36.

Can I receive CPP payments outside Canada?

Yes, we can make payments anywhere in the world.

What if I change my mind after I start receiving my pension?

If for any reason you change your mind after you start receiving your CPP pension, you can cancel your retirement pension up to six months after it starts. **You must request the cancellation in writing.** You must also pay back **all** the benefits you received, and pay CPP contributions on any applicable earnings while you were receiving the pension.

As of 2012, if you want to cancel your retirement pension and you worked while you were receiving it, any CPP contributions you made toward the Post-Retirement Benefit will not be refunded to you if you earned more than the year's basic exemption of $3,500. These contributions will go towards your future CPP retirement benefits under the plan.

What if I become disabled after I begin receiving my CPP retirement pension?

Your CPP retirement pension can be replaced by a disability pension. You may be eligible to receive a disability benefit if:

- you stopped work because of a disability;
- you are under the age of 65;
- you have been receiving your CPP retirement pension for less than 15 months; and
- you have been deemed to be disabled, as defined by the CPP legislation, **before** the effective date of your retirement pension.

If you meet the above criteria and you are granted a disability benefit, you must make a written request to cancel your retirement pension in favour of the disability benefit.

Any retirement pension payments you have already received may be deducted from your disability benefit.

What happens to my disability benefit when I turn 65?

When you turn 65, If you are receiving a CPP disability benefit, it will automatically change to a retirement pension. Your CPP retirement pension will likely be less than your disability benefit. However, at 65, you can also apply for the Old Age Security (OAS) pension and, if your income is low, you may be eligible to receive the Guaranteed Income Supplement. Your spouse or common-law partner may also be eligible for the Allowance. You will automatically receive an OAS application form at least six months before you turn 65.

For more information on the CPP disability benefit, visit our Web site at **www.servicecanada.gc.ca**, or contact us to order the booklet called *Canada Pension Plan Disability Benefits*.

For more information on OAS, the Guaranteed Income Supplement, and the Allowance, visit our Web site at **www.servicecanada.gc.ca** or contact us.

When do CPP pension payments stop?

The last payment is for the month in which the contributor dies.

Sharing your retirement pension

What is pension sharing?

Spouses or common-law partners who are together, who are both at least 60 years old, and who are both receiving the CPP retirement pension can share their CPP retirement benefits. This is called pension sharing, and may result in tax savings. If only one of you is a CPP contributor, you share that one pension. The overall benefits paid do not increase or decrease with pension sharing.

Note

To share your CPP retirement pension, you must apply.

What is a spouse or a common-law partner?

A spouse is a person to whom you are legally married. According to the CPP legislation, a common-law partner is a person of either sex who has lived with you in a conjugal relationship for at least one year.

How does pension sharing work?

If only one of you is a CPP contributor, you can apply to share that one pension.

If both of you are CPP contributors, either you or your spouse or common-law partner can apply to receive an equal share of the CPP retirement pensions for the years you have been together.

The portion of your retirement pension that can be shared is calculated by counting the number of months you and your spouse or common-law partner lived together during your joint contributory period. Your joint contributory period is the time during which either one of you could have contributed to the CPP or the QPP if you had sufficient earnings.

Your tax slips will show the amounts each of you received during the previous year.

The combined total amount of the two pensions stays the same.

Notes

- The new Post-Retirement Benefit is not eligible for pension sharing.
- Pension sharing is not the same thing as pension income splitting. For information about pension income splitting, visit the Canada Revenue Agency Web site at **www.cra.gc.ca/seniors** or call 1-800-959-8281.

When can we start sharing our pensions?

Pension sharing starts as soon as we approve your application. We cannot back-date a pension-sharing arrangement.

Either one of you can apply to share your pensions if you are applying for or already receiving a CPP retirement pension. The application form is available online, or you can contact us to get one. It includes more information about pension sharing and how to apply.

What documents do I need to apply for pension sharing?

The documents you need will depend on when you apply.

If you apply for pension sharing at the same time as you apply for your retirement pension, you will need your Social Insurance Number, and your original marriage certificate or proof of your common-law relationship.

If you and your spouse or common-law partner already receive CPP retirement pensions, only your original marriage certificate or proof of your common-law relationship is needed.

When does pension sharing stop?

Your pension-sharing arrangement stops on whichever occurs earliest:

- the month after the month Service Canada approves a written request submitted by both you and your spouse or common-law partner asking us to end the arrangement;
- the 12th month after you separate;
- the month you divorce;
- the month your common-law relationship ends;
- the month when the spouse or common-law partner who has never paid into the CPP (or QPP) begins contributing; **or**
- the month one of you dies.

What happens to my CPP retirement pension when pension sharing ends?

When pension sharing ends, we will adjust the amount of your CPP pension so that it becomes what it would have been if there had been no pension-sharing arrangement.

During the time you lived together, if you contributed less to the CPP than your spouse or common-law partner or if you were not employed, the end of pension sharing could decrease the amount of your CPP benefits. If you contributed more to the CPP than your spouse or partner, your CPP benefit amount could increase.

Splitting your pension credits

What are CPP pension credits?

The CPP contributions you make over the years are called pension credits. Generally, the more credits you have, the higher your CPP benefits will be.

What is credit splitting?

When a marriage or common-law relationship ends, the CPP credits built up by a couple while they lived together can be divided equally between them. These credits can be split even if one spouse or common law-partner did **not** pay into the CPP.

The impact of credit splitting on spouses and common-law partners who are no longer together can vary considerably, depending on individual circumstances.

Credits accumulated toward a Post-Retirement Benefit by an individual receiving the CPP retirement pension will not be subject to credit splitting.

For more information on credit splitting, visit our Web site at **www.servicecanada.gc.ca** or contact us.

Combining CPP pension benefits

Can I receive another pension from the Canada Pension Plan while I am getting a CPP retirement pension?

Yes. Even if you are already receiving a CPP retirement pension, you can also receive a CPP survivor's pension if you are eligible. The two pensions will be combined into a single monthly payment.

Please note the following restrictions to pension amounts:

- The most we can pay a person who is eligible for both the CPP retirement pension and the CPP survivor's pension is an amount based on the maximum retirement pension (which is more than the maximum survivor's pension).
- The total amount of combined CPP pension benefits we pay is adjusted based on the survivor's age and other benefits he or she receives.

In other words, you cannot receive a maximum survivor's pension while also receiving a maximum CPP retirement pension.

Note

The rules for combining benefits do not apply to the new Post-Retirement Benefit. If you receive a Post-Retirement Benefit, it will be added to your CPP retirement pension, even if you receive the maximum retirement pension.

Appealing a decision

What if I do not understand or if I disagree with a CPP decision that affects me?

If you do not understand a decision or if you disagree with a decision that affects your pension, you have the right to an explanation. If you contact us, we will explain the reasons for our decision.

If you are not satisfied with our response, you can ask us to reconsider the decision. To do this, you must send a letter to your Service Canada regional director no later than 90 days after receiving notice of our original decision. For the mailing address for your region, please visit our Web site at **www.servicecanada.gc.ca** or contact us.

If you are still dissatisfied after the reconsideration, you can appeal the decision. If you would like to know more about the appeal process, please contact us.

Protecting your information

Who can see the information in my CPP file?

Your privacy is protected by law.

The *Canada Pension Plan* and Regulations ensure that only specific departments and agencies authorized by the Minister of Human Resources and Skills Development are entitled to review relevant parts of your records. Personal information in your file cannot be given to other departments, agencies, or individuals without your consent.

The *Access to Information Act* also prevents the release of information about you without your consent. There are two exceptions: information can be released if it has already been made public, or if the release is allowed under the *Privacy Act*. The Government of Canada can only use information for the purpose for which it was collected, unless it is using it to comply with a warrant or subpoena, or to enforce a law.

Can I see the information on my file?

Yes. You have the right to review information about you that is kept on file by the Government of Canada. To help citizens access information about themselves, the Government publishes a document called *Info Source: Sources of Federal Government Information* every year.

To review this information, you must complete an information request form. This form, as well as copies of *Info Source: Sources of Federal Government Information*, are available at Service Canada Centres and other government offices. These documents are also available at public libraries, at most rural post offices, in Canadian missions abroad, and on the Internet. You can find the Info Source Web site at **www.infosource.gc.ca**.

How can I correct inaccurate or incomplete information or provide information not previously disclosed?

You can come forward to correct inaccurate or incomplete information or to disclose information that was not previously disclosed. If you make a disclosure before we begin an investigation, you may be exempted from a penalty and potential prosecution.

If you would like to make a disclosure, call Service Canada at 1 800 O-Canada (1-800-622-6232) or visit a Service Canada Centre for help to begin the process.

Paying taxes on your CPP retirement benefits

Are my CPP retirement payments taxable?

Yes. Like most other retirement income, your CPP retirement pension is taxable.

Any Post-Retirement Benefit you receive will also be taxable.

If you wish, you can ask Service Canada to deduct income tax each month. Contact us for more information.

Note

If you are a non-resident of Canada for income tax purposes, your CPP payment may be subject to non-resident tax up to a maximum of 25% of the gross benefit amount. The tax rate depends on the country where you live. If your income is low, you can apply for a reduction in the tax withholding rate.

When do I pay the income tax on my retirement pension?

If you live in Canada, contact the Canada Revenue Agency to find out how you can pay the income tax on your retirement pension and on any Post-Retirement Benefit you receive.

If you live in Canada or the United States and you have tax-related questions, call 1-800-959-8281. If you have a hearing or speech impairment and use a teletypewriter (TTY), call 1-800-665-0354.

For international tax enquiries (including non-resident enquiries), call the International Tax Services Office at:

From Canada and the United States: 1-800-267-5177

If you have a hearing or speech impairment and use a teletypewriter (TTY): 1-800-665-0354

From all other countries: 613-952-3741 (collect calls accepted)

Or write to:

International Tax Services Office
Canada Revenue Agency
2204 Walkley Road
Ottawa ON K1A 1A8
CANADA

How do I include pension information on my tax return?

Early each year, you will receive a T4A(P) tax information slip (or an NR4 information slip if you are a non-resident of Canada) showing the amount of CPP payments you received during the previous year. You should use the information on this T4A(P) or NR4 tax slip to help calculate your income tax, and submit the slip with your income tax return.

Can I get my T4A(P) and NR4 tax information slips online?

Yes. You can use the Tax Information Slips online service to:

- view your CPP and OAS tax information slips on the Internet and print them for your income tax return; and
- notify us online if you wish to stop receiving your CPP and OAS tax information slips by mail.

To access the service, visit **www.servicecanada.gc.ca/msca**.

Receiving other benefits

Am I eligible for other benefits?

You may be. If you are 65 or older, you may be eligible for a pension under the *Old Age Security Act*. If you have a low income, you may also qualify for the Guaranteed Income Supplement. For more information, please contact us.

If you are between 60 and 64, are the spouse or common-law partner of an Old Age Security pensioner, and have a low income, you may qualify for the Allowance. If your spouse or common-law partner has died, and you are between age 60 and 64, you may be eligible for the Allowance for the Survivor. For more information, visit our Web site at **www.servicecanada.gc.ca** or contact us.

You may also be eligible for benefits under the *War Veterans Allowance Act* administered by Veterans Affairs Canada, or for benefits under the Employment Insurance program from Service Canada, as well as other provincial/territorial and municipal income assistance and services. For more information, visit our Web site at **www.servicecanada.gc.ca**.

Do my CPP benefits affect the amount I receive from other programs?

Yes, they may. Income-tested benefits, such as the War Veterans Allowance, Employment Insurance, the Guaranteed Income Supplement, the Allowance, and the Allowance for the Survivor, as well as provincial/territorial social assistance ("welfare"), take your CPP income into account. CPP benefits may also affect how much you get from your employer pension or private-sector disability insurance.

Most workers' compensation programs also take CPP income into account.

Beginning in 2013, if you receive a Post-Retirement Benefit, this may also affect the amount of benefits you receive from other programs.

Signing up for direct deposit

Can you deposit my CPP pension payment directly into my bank account?

Yes. Through our direct deposit service, we can deposit your payment directly into your bank account in Canada. Direct deposit is also available in the United States and in a number of countries overseas.

The benefits of using direct deposit include:

- always receiving your payments on time; and
- knowing that your cheques will never be lost, stolen, or damaged.

You can sign up for direct deposit when you apply for your CPP retirement pension.

If you are already receiving benefits by cheque and want to switch to direct deposit, you can sign up over the telephone if you live in Canada. When you contact us, in addition to your Social Insurance Number, be sure to have your banking information available, including the institution name and number, the branch number, and your account number. You can find this information on your personal cheques.

You can also change the way you receive your CPP benefits by going online at **www.servicecanada.gc.ca/msca.**

If you live outside Canada, you must apply for direct deposit in writing. To download an enrolment form for direct deposit in the United States, please visit our Web site at **www.servicecanada.gc.ca** or contact us.

If you live outside Canada and the United States, please visit our Web site at **www.servicecanada.gc.ca** to find out if direct deposit is available in your country of residence. You can download a direct deposit enrolment form from the site, or you can call us at 613-990-2244 (collect calls accepted) to have one mailed to you. You can also request an enrolment form by writing to:

International Direct Deposit
PO Box 7000
Matane QC G4W 4T5
CANADA

The Government of Canada's service provider for foreign payments will automatically convert your pension payment to the currency of your country of residence approximately five banking days before it is deposited into your account. Because the exchange rates change regularly, the amount deposited into your account may be different from month to month.

We do **not** charge you service fees for the direct deposit service. However, some financial institutions may charge you fees. Please contact your bank or financial institution for more details.

Using Service Canada's online services

My Service Canada Account is a fast and convenient way to securely:

- view and print your CPP and OAS tax information slips sooner;
- view your most recent payment amounts;
- view your CPP Statement of Contributions; and
- view and change your address or your direct deposit information.

For information on how to create your own My Service Canada Account, visit **www.servicecanada.gc.ca/msca**.

On our Web site, we also provide you with access to forms for programs and services delivered by Service Canada and its partner departments.

To find a form, visit **www.servicecanada.gc.ca**.

Contact us

Click **servicecanada.gc.ca**

Call 1-800-277-9914 (toll-free in Canada and the United States)

If you have a hearing or speech impairment and use a teletypewriter (TTY): 1-800-255-4786

From outside Canada and the United States (collect calls accepted): 613-990-2244

Visit a Service Canada Centre

Note

Please have your Social Insurance Number ready when you call.

Notes