



JOHNSTONE'S JOURNAL is published monthly, and designed to provide topical information of interest not only to plan administrators, but to all employees who enjoy coverage under the benefit plan. Feel free to make copies, and use as a payroll staffer.

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January 2016

## Canada Pension Plan More Than a Retirement Plan

If you're starting to think about phasing into retirement or retiring all together, you will want to know how the Canada Pension Plan (CPP) works for you. Here's a summary of what you need to keep in mind.

### Pension Income and More

The standard age to begin collecting a CPP retirement pension is when you reach age 65, which is the month after your 65th birthday. However, you can take a reduced CPP retirement pension as early as the month after your 60th birthday. You can also take an increased pension after reaching age 65. For help in deciding when to start collecting CPP, go to: [www.esdc.gc.ca/en/cpp/index.page](http://www.esdc.gc.ca/en/cpp/index.page)

In addition to monthly retirement pension, you may be eligible for:

- Pension splitting: You may be eligible to split your CPP retirement pension with your spouse or common-law partner if you meet **all** of the requirements.
- Credit split: The CPP contributions you and your spouse or common-law partner made during the time you lived together can be equally divided after a divorce or separation.
- Child-rearing provision: You may be eligible to increase your CPP retirement pension if you had no or low earnings because you were the primary caregiver raising your children.
- Foreign benefits: If you have lived or worked in Canada and in another country, or you are the survivor of someone who has, you **may** be eligible for pensions and benefits from Canada and from the other country.
- Survivor benefits: If you are the surviving spouse, common-law partner or child of a CPP contributor, you may be entitled to receive CPP survivor benefits.

### Collecting CPP While Employed

Since 2012, employees have had the choice to begin collecting CPP pensions as early as age 60 without having to retire. In these cases, the "work cessation test" is no longer applicable and employers and employees will continue to make mandatory contributions unless they have completed an Election to Stop Contributing to CPP (form [CPT30](http://www.cra-arc.gc.ca/E/pgb/ff/cpt30/README.html) located at: [www.cra-arc.gc.ca/E/pgb/ff/cpt30/README.html](http://www.cra-arc.gc.ca/E/pgb/ff/cpt30/README.html)).

### Are these employees eligible for group benefits?

Employees who choose to begin collecting a CPP pension early may also request a change in the hours they work as part of a transition into retirement. As long as you continue working the minimum hours each week (as defined by the benefit contract) you will continue to receive all benefits without interruption.

### What if an employee collecting CPP Pension income becomes disabled?

Group disability policies protect employees who are unable to work due to illness or injury. The amount of benefit payable is based on a percentage of your reported income, less any offsets; such as income payable by other sources like **CPP**. If you are under age 65 and receive CPP pension income, and then become disabled, your long term disability benefit (if included in your benefit package) may be reduced.

### When You Decide to Start CPP

Your CPP retirement pension does not start automatically. You must apply for it. Before you apply, you must:

- be at least a month past your 59th birthday;
- have worked in Canada and made at least one valid contribution to the CPP; and
- want your CPP retirement pension payments to begin within 12 months.

For more information on the Canada Pension Plan, visit their website or call 1-800-277-9914. To apply online, go to [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca).