

January 2012

Canada Pension Plan Changes - Reminder

Many of the changes to the Canada Pension Plan (CPP) that were announced last year will be implemented in 2012. You may wish to review the changes below to determine if you will be impacted.

Changes Prior to Age 65

Starting in 2012, individuals will be able to collect CPP before age 65, even while continuing to work. In this case, both you and your employer would be required to make CPP contributions.

However, your monthly CPP retirement pension amount will decrease by a larger percentage if you take it before age 65. From 2012 to 2016, the Government will gradually change this early pension reduction from 0.5% to 0.6% per month. This means that by 2016, if you start receiving your CPP pension at the age of 60, your pension amount will be 36% less than it would have been if you had taken it at age 65.

Changes After Age 65

Individuals who decide to work past age 65 and who are collecting CPP will be able to choose to continue to make contributions or may opt out. If you choose to contribute, your employer would also be required to make CPP contributions.

In addition, your monthly CPP retirement pension amount will increase by a larger percentage if you take it after age 65. From 2011 to 2013, the government will gradually change this percentage increase from 0.5% to 0.7% per month. This means that by 2013, if you start receiving your CPP pension at the age of 70, your pension amount will be 42% more than it would have been if you had taken it at age 65.

To learn more about these government changes, contact Reuter Benefits via telephone at 1-800-666-0142 or by email at retire@reuterbenefits.com. For additional details you may contact Service Canada at 1-800-277-9914 or via email at www.servicecanada.gc.ca.