



# Reuter Benefits Group Plan Member Newsletter July 2009



## Proposed Canada Pension Plan Changes

Federal Finance Minister Jim Flaherty recently announced proposed changes to the rules regarding Canada Pension Plan (CPP) benefits. At this time the Department of Finance Canada has not identified changes to Quebec Pension Plan Benefits.

These changes would provide individuals with more options during their later years of employment, as they would enable Canadians to continue working while receiving benefits. The rules are proposed to take effect in 2012.

Current rules state that Canadians who wish to retire prior to age 65 must cease working for at least two months before collecting benefits or earn less employment income than they receive in Canada Pension Plan benefits.

### ***The following areas have been identified to change:***

1. Individuals who wish to receive CPP benefits as early as age 60 could do so without leaving their jobs or reducing the number of hours worked.
2. Individuals age 65 and over would be able to draw on CPP, continue to work and still contribute to CPP to increase the amount of benefit they would eventually receive.
3. Adjustment to benefits:
  - ◆ Under the new rules, the reduction for receiving benefits prior to age 65 would be 36% at age 60 (compared to 30% under the current plan).
  - ◆ The increase to the benefit amount received for individuals waiting later to collect would be 42% at age 70 compared to the current increase of 30%.

These changes are a reminder to plan members of the importance of reviewing both their lifestyle expenses and resources during retirement to ensure that they make informed decisions.

If you have any questions regarding these proposed changes, please contact Reuter Benefits at 1-800-666-0142 or email [retire@reuterbenefits.com](mailto:retire@reuterbenefits.com).