

Do I need to wait until age 65 to collect the Canada Pension Plan (CPP)?

An individual can qualify for CPP early if that person meets the following requirements: The individual must be at least age 60, and either have stopped working or earned less than the current monthly maximum CPP benefit in the month the pension begins and the prior month.

For example, if a person turned 60 in July of 2008, the first CPP cheque could come in August of 2008, the month after the person turned 60. If the taxpayer returns to work in a month September of 2008 or later, CPP withholdings would not apply on any of the person's future earnings.

When taking CPP early the amounts are reduced by one-half of 1% per month. For example, by taking the CPP five years early the CPP payments would be 30% less than that which would have been received at age 65 (6% per year times 5 years = 30%).

For more information on whether or not to take the CPP early feel free to contact our local DJB office in Grimsby.

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