

Canada Pension Plan { Retirement benefit
Disability benefit
Survivor benefit.

YBE - Year's best Exemption.

YMPZ - Year's Maximum Pensionable Earning.

now employee and employer contribution:

$$\text{Total} = \frac{10.5\%}{2} \times \min[(YMPZ - YBE), (\text{actual income} - YBE)].$$

self-employed: $10.5\% \times \min \dots$

Canada/Quebec Pension Plan (CPP/QPP).

CPP Retirement Pension Benefit (RPB)

- One must apply to receive CPP RPB.
- The 'normal' retirement age is 65 but can start receiving RPB anywhere from age 60-70.

$\begin{array}{c} 60 \\ \uparrow \\ \text{age } 65 \\ \downarrow \\ 70 \end{array}$
 reduced by 0.60% per month.
 increased by 0.70% per month.

Post Retirement Benefit (PRB).

- Can earn PRB each year being paid CPP
- PRB is 2.5% ($1/40$) of max CPP paid, adjusted for a person's age and actual earnings.

CPP's changes

- Disability Benefit: unable to engage in any gainful employment
- to eligible, you must have made CPP contribution in 4 of the last 6 years to receive any sort of disability benefit (1998).
 - 4 of 6 years \rightarrow 3 of 6 years (2001).

Survivor Benefit:

- Pension payable to an eligible spouse and to dependent children and a small lump sum death benefit.
- Eligibility criteria: If contributions were made to CPP for not less than $\frac{1}{3}$ rd of the total number of calendar years within the contributory period but not less than 3 years or for at least 10 years.

Determination of CPP Payments.

The RPB benefit is based on contributor's earning history from age 18 to when they apply. And the low earning certain period could be ignored or dropped. the "dropout" provisions include:

- When you're eligible for a CPP disability pension.
- Period when you stopped working to look after kids < 7 years old.
- Up to 17% of lowest earning years, provided there's at least 120 months left.