

What age to start your CPP retirement pension

According to the Government of Canada, the standard age to begin to receive your Canada Pension Plan (CPP) retirement pension is the month after your 65th birthday. However, you can start your CPP retirement pension anytime after 60 years of age. By taking the CPP retirement pension early, it is reduced by 0.6% for each month you receive it before age 65. You can also delay receiving your pension to age 70. By delaying the CPP retirement pension, your monthly payment will increase by 0.7% for each month you delay. Regardless, there is no financial advantage to waiting past the age of 70. The best age to start collecting your CPP retirement pension depends on your personal situation. Your health, financial situation and retirement plans should influence your decision on what age to start your CPP payments. The amount you get depends on how long you paid into the CPP, how much you paid into the CPP and what age you start your CPP retirement pension. The CPP is not meant to cover all your retirement income needs. It provides a modest financial base, along with Old Age Security and your personal savings.

Figure 1: Breakeven comparison of your cumulative CPP received starting at age 60 and 65

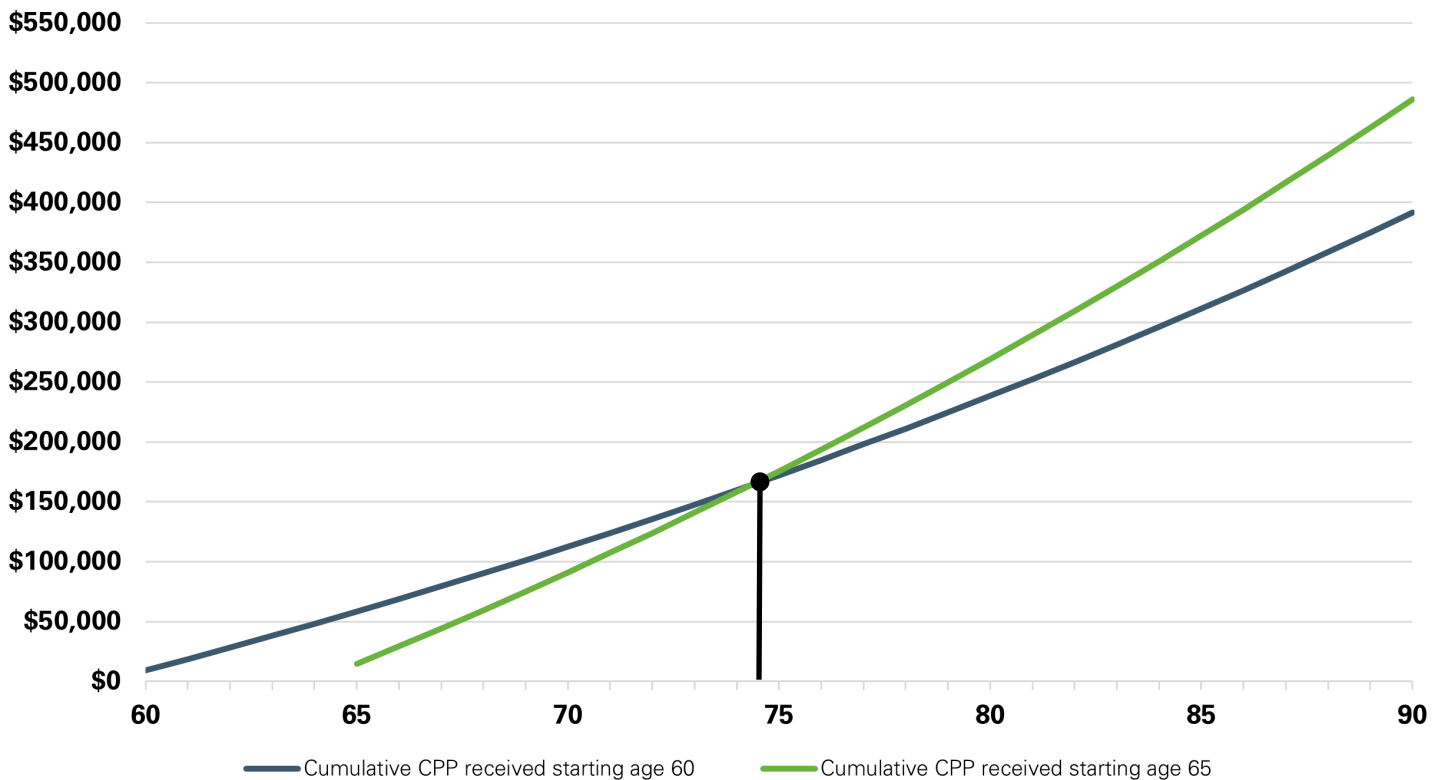
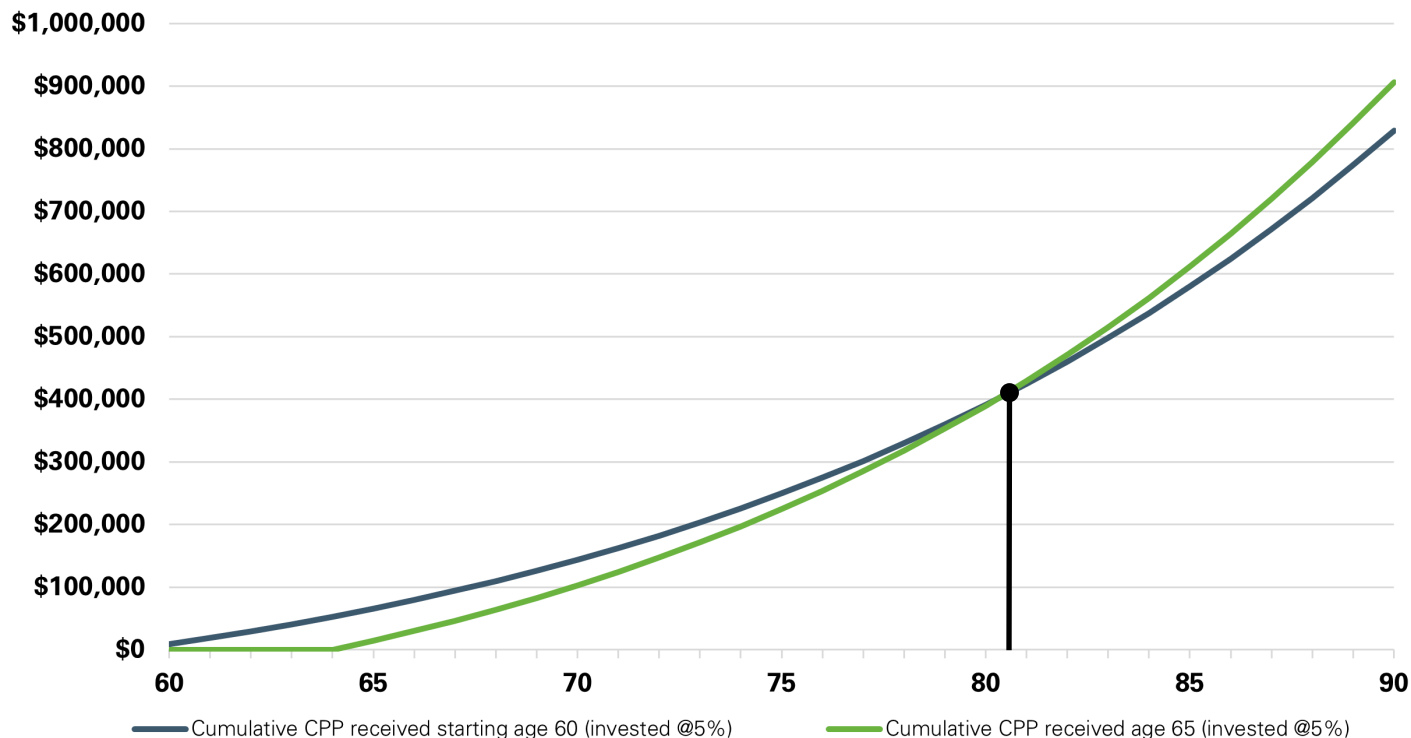


Figure 2: Maximum Monthly Pension

Age 60	Age 61	Age 62	Age 63	Age 64	Age 65	Age 70
\$770	\$857	\$944	\$1030	\$1,117	\$1,204	\$1,709

Figure 3: Breakeven comparison of your cumulative CPP received starting at age 60 and 65 and invested at 5%



Changes to the CPP

As stated on the Government of Canada website, as of January 1st, 2019, CPP is being gradually enhanced over a period of seven years in small increases. This means you will receive higher benefits in exchange for making higher contributions. The enhancement increases the CPP retirement pension, post-retirement benefit, disability pension and survivor's pension you may receive. Eligibility for CPP benefits stays the same.

Note: Breakeven comparison prepared using 2021 maximum annual CPP pension amounts of \$9,245 at age 60 and \$14,445 at age 65 plus a 2% inflation adjustment.

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What Age To Start Your CPP Retirement Pension. Government of Canada, <https://www.canada.ca/en/employment-social-development/campaigns/cpp-choice.html#h3>.
Canada Pension Plan Enhancement, Government of Canada, <https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-enhancement.html>.
CPP retirement pension: When to start your pension, <https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-benefit/when-start.html>