



Shedding some light on government benefits

Along with your group retirement plan and personal savings, government benefits will form a part of your retirement income. Old Age Security (“OAS”) and the Canada Pension Plan (“CPP”)/Quebec Pension Plan (“QPP”) are the main government benefits. Government benefits are intended to fund a portion of your retirement.

Here are some facts that shed some light on OAS and the CPP/QPP, when you can start collecting from these plans, and how much you can receive at retirement.

What is OAS?

Old Age Security (OAS) pension, which includes the Guaranteed Income Supplement (“GIS”), is paid by the Government of Canada. It provides monthly benefits starting at age 65 if you have lived in Canada for at least 10 years since the age of 18. The Guaranteed Income Supplement (GIS) provides a monthly non-taxable benefit to OAS pension recipients who have a low income and are living in Canada.

What are CPP and QPP?

The Canada Pension Plan and Quebec Pension Plan are contributory governmental pension plans that provide benefits to workers at retirement or in the event of severe disability. The CPP applies in all provinces in Canada, except Quebec. In Quebec, the QPP applies.

Do you receive CPP/QPP and OAS benefits automatically?

For CPP, you can apply a maximum of 12 months before you would like to receive your first payment.¹ For QPP, it's 1 to 3 months before.² For OAS, the month after you turn 64 years old, you may receive a letter from Service Canada informing you that you are automatically enrolled to receive OAS benefits at age 65. If not, you will need to apply to start receiving benefits. If you were automatically enrolled in the OAS pension, you should apply for your GIS three months before your 65th birthday.

OAS and CPP/QPP at a glance

Benefit	Related to employment	When payments start	Benefit Amount	Taxable	Reduced if income during retirement too high
OAS	No	Age 65 but you can defer receiving your OAS pension for up to 60 months (5 years) for a high monthly amount.	Depends on years lived in Canada	Yes	Yes
GIS	No	Age 65*	The amount of the GIS you receive depends on your marital status and your previous year's income (or in the case of a couple, your combined income).	No	Yes
CPP/QPP retirement pension	Yes	Age 65 (or between 60 and 65 with a reduced amount; after age 65 with an increased amount)	Depends on how much and how long you pay into plan	Yes	No

* You qualify for the GIS if you meet **both** of the following conditions:

- you are receiving an Old Age Security pension; and
- your annual income (or in the case of a couple, your combined income) is lower than the maximum annual threshold.

To get more info about the CPP and OAS, call 1-800-277-9914 or visit www.canada.ca

To get more info about the QPP, call 1-800-463-5185 or visit http://www.rrq.gouv.qc.ca/en/retraite/rrq/calcul_rente/Pages/calcul_rente.aspx

¹ www.canada.ca Canada Pension Plan – What you need before your start

² www.rrq.gouv.qc.ca Application for a Retirement Pension Under the Québec Pension Plan

