

# Learn more

## about your public pension benefits

Annual newsletter for beneficiaries residing in Canada

February 2012



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### Use our online services

#### My Service Canada Account

Get convenient and secure online access to your information:

- view and print your T4 tax slip(s);
- view your payment information;
- change your mailing address; and more!

Visit [www.servicecanada.gc.ca/msca](http://www.servicecanada.gc.ca/msca) for more information.

#### Direct deposit

Sign up for direct deposit and have your benefit payments deposited automatically into your bank account on the third last banking day of the month. It's fast, reliable, and secure!

To sign up, visit [www.servicecanada.gc.ca/directdeposit](http://www.servicecanada.gc.ca/directdeposit) or call 1-800-277-9914.

#### Be sure to tell Service Canada if:

- you move or your banking information changes;
- someone in your family who receives benefits is no longer eligible or dies;
- your marital status changes;
- you leave Canada for more than six months; or
- a child under 18 entitled to receive a Canada Pension Plan benefit enters or leaves your custody (by birth, adoption, marriage, common-law relationship, death, or other circumstances).

### 2012 payment dates

If you have signed up for direct deposit of your Old Age Security and Canada Pension Plan benefits, your 2012 payments will be automatically deposited into your bank account on the following dates:

January 27	May 29	September 26
February 27	June 27	October 29
March 28	July 27	November 28
April 26	August 29	December 20

If you have not requested direct deposit, your payment will normally arrive by mail during the last three banking days of each month.

### Can someone else contact Service Canada on your behalf?

Your personal information is private and confidential and is not shared without your consent. We take this responsibility very seriously. If you want or need someone to contact us on your behalf, you will need to complete a *Consent to Communicate Information to an Authorized Person* form (ISP1603CPP).

Contact us or visit [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca) for more information.

## Changes to the Canada Pension Plan

Canadians are living longer and healthier lives, and the transition from work to retirement is increasingly diverse. The Canada Pension Plan (CPP) is adapting to better reflect how Canadians choose to live, work, and retire. Changes started in 2011 and are being gradually introduced until 2016.

**If you started receiving a CPP pension before December 31, 2010, and you remain out of the work force in Canada, you will not be affected by the changes to the CPP.**

Starting in 2012, if you work while receiving your CPP retirement pension, you and your employer will be able to make CPP contributions that will count

towards the new **Post-Retirement Benefit (PRB)**. The PRB is a fully indexed lifetime benefit that increases your retirement income. These contributions are mandatory for workers under age 65. Those who are at least 65 but under 70 can elect not to contribute.

Visit [www.servicecanada.gc.ca/cppchanges](http://www.servicecanada.gc.ca/cppchanges) for information to help you understand the changes to the CPP retirement pension, including contributing to the PRB, and to estimate the amount you can expect to receive from this new benefit.

### Not yet receiving your CPP retirement pension?

The CPP offers you flexibility with respect to the age you retire:

- You can receive your full CPP retirement pension at age 65.
- If you take your pension after 65, you can increase your pension by up to 42% (at age 70) starting in 2013.
- If you take your CPP retirement pension early (after age 60 but before 65), your pension will be reduced based on your age at the time your benefit begins. This reduction is gradually changing to a maximum of 36% reduction (at age 60) in 2016.

## More about the Canada Pension Plan

The CPP pays retirement, survivor, death, disability, and children's benefits to those who qualify.

- **If you are a surviving spouse or common-law partner of a deceased CPP contributor**, you may be eligible for a monthly survivor's pension. Dependent children up to the age of 25 may also be eligible for children's benefits (those between 18 and 25 must be attending school full time). The CPP also offers a lump-sum death benefit to the estate of qualifying contributors to help with funeral expenses.
- **If you are a CPP contributor under the age of 65, are not in receipt of the CPP retirement pension, and cannot work at any job because of a severe and prolonged physical and/or mental disability**, you may be eligible for monthly benefits provided by the CPP Disability program. Dependent children up to the age of 25 may also be eligible for children's benefits (those between 18 and 25 must be attending school full time).
- **If you have children born after 1958**, the child-rearing provision may help you receive a higher CPP benefit amount.
- **If your marriage or common-law partnership ends**, pensionable earnings and CPP contributions built up by you and your spouse or common-law partner during the time you lived together are "pension credits" that can be divided equally between you upon divorce or separation.
- **If both you and your spouse or common-law partner are age 60 or older**, you can apply to share your CPP retirement pensions. Pension sharing can result in income tax savings.

# Have you applied for all your Old Age Security benefits?

The Old Age Security (OAS) program provides income security to seniors who meet the age, legal status, and residence requirements. Benefits include the basic OAS pension, the Guaranteed Income Supplement (GIS), the Allowance, and the Allowance for the Survivor.

- **If you are 65 or older**, have lived in Canada for at least 10 years after turning 18, and are a Canadian citizen or a legal resident of Canada, you should apply for the OAS pension. You can apply as early as one year before your 65th birthday.
- **If you are eligible for the OAS pension and have little or no other income**, you should also apply for the GIS. Because this supplement is based on marital status and income, you may qualify now, even if you did not qualify in a previous year.
- **If you are an OAS pensioner and you experience a drop in income**, you may be eligible for the GIS.
- **If you are 60 to 64** and your spouse or common-law partner receives the OAS pension and is eligible to receive the GIS, you should apply for a benefit called the Allowance.
- **If you are 60 to 64**, have little or no income, and your spouse or common-law partner has died, you should apply for a benefit called the Allowance for the Survivor.
- **If you receive GIS, Allowance, or Allowance for the Survivor benefits**, you can earn up to \$3,500 a year in employment income without having your benefits reduced.
- **If you receive GIS, Allowance, or Allowance for the Survivor benefits**, you can renew these benefits by simply filing your tax return by April 30 each year. If you do not file your tax return on time, or if Service Canada needs further information, you will receive a renewal form in the mail.
- **If you are eligible for GIS, Allowance, or Allowance for the Survivor benefits and you retire or suffer a loss of pension income**, it may be possible to have your benefits adjusted.

## What's new?

On July 1, 2011, enhancements to the GIS, the Allowance, and the Allowance for the Survivor came into effect. These enhancements are being automatically provided to vulnerable seniors who rely almost exclusively on their OAS pension, the GIS, and either the Allowance or the Allowance for the Survivor to make ends meet.

## Remember you must apply

Canada Pension Plan and Old Age Security benefits are not provided automatically. You must apply for them. Retroactive payment of benefits is generally limited to no more than 12 months.

## Administrative penalties

Administrative penalties under the Canada Pension Plan and Old Age Security are now in force. Individuals who want to come forward and correct inaccurate or incomplete information or to disclose information that they did not divulge during previous dealings with Service Canada should contact Service Canada for help to begin the process.



## Are you or your family members eligible for international benefits?

If you lived or worked in a country that has a social security agreement with Canada, you or your family members may be eligible for old age, disability, or survivor benefits from that country, from Canada, or from both.

From Canada or the United States, contact Service Canada at **1-800-454-8731** or visit **www.servicecanada.gc.ca**. If you use a teletypewriter (TTY), call **1-800-255-4786**.

From outside Canada and the United States, call **613-957-1954** (collect calls accepted).

**BY MAIL**  
**International Operations**  
**Service Canada**  
**Ottawa ON K1A 0L4**  
**CANADA**

## Take advantage of tax savings for seniors and pensioners

- **If you are 65 or older**, you can claim the **age amount** on your 2011 personal income tax and benefit return. You can use this non-refundable tax credit to reduce your total federal income tax payable. The maximum age amount for the 2011 tax year is \$6,537.
- **You and your spouse or common-law partner** may be able to split your eligible pension income (excluding OAS and CPP pensions) to reduce your combined taxes.
- **You can take advantage of the Tax-Free Savings Account (TFSA)**, a registered general-purpose savings vehicle that allows Canadians to earn tax-free investment income. Any income earned within a TFSA and any withdrawals made from it do not affect your eligibility for federal income-tested benefits and tax credits.

For more information on tax-related measures, call the **Canada Revenue Agency** at **1-800-959-8281** or visit **www.cra.gc.ca/seniors**. If you use a teletypewriter (TTY), call **1-800-665-0354**.

Do you need help completing your annual income tax return? The Community Volunteer Income Tax Program can help most low-income Canadians with simple tax situations. Visit **www.cra.gc.ca/volunteer**, or call the Canada Revenue Agency to find out if this program can help you.

### How to contact Service Canada

**CLICK** **servicecanada.gc.ca**  
**CALL** **1-800-277-9914 (toll-free in Canada and the United States)**  
**613-957-1954 (call collect from outside Canada and the United States)**  
**TTY: 1-800-255-4786**  
**VISIT** **a Service Canada Centre**

**BY MAIL**  
**Service Canada**  
**PO Box 8522**  
**Ottawa ON K1G 3H9**  
**CANADA**

**We will need your Social Insurance Number to access your information.**