

Canada Pension Plan Disability Benefits



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Introduction

The Canada Pension Plan (CPP) Disability Benefit is the largest long-term disability insurance program in Canada. It is designed to provide financial assistance to CPP contributors who are not able to work regularly because of a severe and prolonged disability (as defined by the CPP legislation). Service Canada pays monthly CPP disability benefits to eligible applicants and their dependent children.

This booklet provides general information about CPP disability benefits—who is eligible, what benefits are available, and how to apply for those benefits.

What we mean by “disability”

The CPP defines a disability as a medical condition that is severe and prolonged. Severe means that you have a mental or physical disability that regularly stops you from doing any type of substantially gainful work. Prolonged means your disability is likely to be long-term and of indefinite duration or is likely to result in death.

Who is eligible for a CPP disability benefit?

To qualify for a CPP disability benefit, you must:

- have a severe and prolonged disability as defined by the CPP legislation;
- be under age 65;
- have earned a specified minimum amount and contributed to the CPP while working for a minimum number of years. For example, in 2016, the minimum amount of earnings to qualify for CPP disability benefits is \$5,400 (this amount is usually adjusted each year); and
- have contributed to the CPP in four of the last six years at or above the minimum amount of earnings, or in three of the last six years if you have contributed at or above the minimum amount of earnings for at least 25 years.

To remain eligible, you must continue to have a disability as defined by the CPP legislation.

For more information on annual minimum amount of earnings and contributions, visit www.canada.ca.

What if I have not contributed for enough years?

If you have not contributed for enough years, this would usually mean that you would not qualify for CPP disability benefits.

However, you may still qualify if:

- you delayed applying for disability benefits (that is, you had enough years of contributions when you first became disabled, and you have been continuously disabled since then, but you do not have enough recent contributions now because you stopped working);
- your CPP contributions stopped or were reduced because you were raising your children who were under the age of seven;
- you have obtained enough CPP credits from a former spouse or common-law partner through credit splitting to make you eligible;
- you had periods of coverage in another country with which Canada has a social security agreement (periods of coverage in that country's benefit plan, when added to your CPP contributions, may be enough for you to meet the minimum requirement); or
- you were not able to apply because of your medical condition.

If you need more information, please visit our Web site or contact us.

What if I am receiving a disability income from another organization?

You can receive disability income from other organizations, such as an insurance company or a provincial social assistance program, and still be eligible to receive the CPP disability benefit.

If your application for a Canada Pension Plan disability benefit is approved, and while awaiting approval you received disability payments from other organizations, you may have to reimburse the payments you received from these organizations.

If you choose, Service Canada will reimburse these organizations for you. The other organizations will ask you to sign a consent form to allow Service Canada to reimburse them directly. Please note that we can only reimburse another organization from the first retroactive payment and the first monthly payment.

Contact the other organization (such your insurance company or social assistance program) for details relating to your particular case.

Applying for CPP disability benefits

When to apply

You should apply when you develop a severe long-term or terminal medical condition that prevents you from working regularly at your own job or any other job.

Do not delay in sending your completed application forms, as you could lose several months of benefits. The date your application is received affects when the benefit begins.

How to apply

To apply, you must complete and sign a written application. Visit our Web site and print the forms, or contact us for an application kit containing the necessary forms.

The kit includes:

- general information and guide;
- application forms for you and your dependent children (see *Benefits for children under 25* on page 15);
- a questionnaire about your work history and medical condition;
- a medical report to be completed by your doctor (if you have more than one doctor, choose the one who knows the most about your main medical problem);

- a consent form to give Service Canada permission to get additional information on your condition from other medical and non-medical sources such as your medical doctor, your employer, disability insurers, and hospitals to process your application; and
- a form to complete if you reduced your working hours or stopped working to care for your children who were under the age of seven.

If you are not able to apply on your own, you can have someone apply for you. If someone else completes the forms for you, you must sign them before submitting them unless the person who completes and signs them is your legal representative.

If you are aged 60 to 64

If you are aged 60 to 64 and you think you might qualify for a CPP disability benefit, you may want to apply for both a CPP retirement pension and a disability benefit at the same time. You cannot receive both benefits at the same time, but you may qualify to begin receiving a retirement pension while you wait for your CPP disability benefits application to be assessed, which usually takes longer.

If you are already receiving a CPP retirement pension when you apply for disability benefits, we will switch you to disability benefits if:

- your application for disability benefits is approved;
- you are still under the age of 65;
- you have been receiving your CPP retirement pension for less than 15 months at the time you apply for your disability benefits;

- you meet the minimum contributory requirements; and
- you have been deemed to be disabled, as defined by the CPP legislation, before the effective date of your retirement pension and before the age of 65.

Note

If your disability benefit is approved, you must pay back the retirement pension payments you received. Normally, we recover the retirement payments from your first disability payment.

If you are receiving CPP disability benefits when you turn 65, your disability benefit will automatically be converted to a retirement pension. You will not need to apply. Your CPP retirement pension will be less than your disability benefit. However, you can also apply for the Old Age Security (OAS) pension and the Guaranteed Income Supplement (GIS). Your spouse or common-law partner may also be eligible for the Allowance benefit if he or she is aged 60 to 64 (up to and including the month of his or her 65th birthday).

For more information on the eligibility requirements for the OAS pension, the GIS and the Allowance, visit our Web site.

What if I have a terminal illness?

If you have a terminal illness, complete the **terminal illness application** for a disability benefit under the Canada Pension Plan. Once it is received, your disability application will be given priority so that benefit payments can start as soon as possible if it is approved.

What if I die before Service Canada receives my application for CPP disability benefits?

If you sign your application for a disability benefit and Service Canada receives it after you die, your application will not be considered.

However, your estate may apply for and be eligible for the CPP death benefit, and your surviving spouse or common-law partner may apply for the CPP survivor's benefit. Your dependent children (including those who are between age 18 and 25 and attending school full time) may be eligible for the CPP children's benefit.

Receiving CPP disability benefits

When to expect a decision on your application

We will contact you in writing to let you know whether or not your application for disability benefits is approved.

When to expect to start receiving the disability benefit

If you are eligible under the terms of the CPP legislation, your disability benefits will start the fourth month after the month you are determined to be disabled. You may receive up to a maximum of 12 months of retroactive payments from the date your application was received.

If your application is approved, your monthly payments will be deposited into your account at your financial institution. The account must be in your name. A joint account is also acceptable.

The amount of disability benefits you may receive

For up-to-date information on benefit amounts, visit our Web site or contact us. As an example, the maximum monthly disability benefit you could receive in 2016 is \$1,290.81. The monthly child benefit payable in 2016 is \$237.69 per eligible child.

Increases in your benefits

Your CPP disability payments can increase to reflect changes in the cost of living as measured by the Consumer Price Index. We adjust payments in January of each year, if needed. Your monthly payments will not decrease if the cost of living goes down.

If you are eligible for more than one CPP benefit

If you are eligible for both a CPP survivor's benefit and a disability benefit, they will be combined into a single monthly payment. However, the combined amount you receive cannot be greater than the maximum CPP disability benefit, which is more than the maximum CPP survivor's benefit.

Volunteering, attending school, or working while receiving CPP disability

You can volunteer or attend school, participate in training, or upgrade your skills without affecting your CPP disability benefits. However, you need to notify Service Canada when you are in a paid education or training program, or when you successfully complete a school, university, trade, technical training, or rehabilitation program.

Whether you are employed or self-employed, you can work and earn up to a maximum amount in a year (for example, in 2016, \$5,400 in gross income before taxes) without having to report these earnings to Service Canada.

This figure is normally adjusted annually, so please contact us for updates or to learn more about employment supports to help you return to work.

Once you have earned the maximum amount for the year, you need to contact Service Canada. This amount is not a point at which benefits are stopped; rather, it is an opportunity to see if you would benefit from some additional support that may help you continue working on a regular basis.

Employment Supports

In consultation with Service Canada, you may:

- plan a return to work tailored to your needs through our CPP vocational rehabilitation and return-to-work services;
- participate in a paid work trial for up to three months while continuing to receive CPP disability benefits. This gives you an opportunity to test your ability to work on a regular basis.

You must contact Service Canada if your medical condition improves, you participate in paid education or training, or if your address, phone number or direct deposit information changes.

Contact us for more information.

When would your CPP disability benefit stop?

Your CPP disability benefit will stop if:

- you are capable of working on a regular basis;
- you are no longer disabled;
- you turn 65 (it will automatically be changed to a **CPP retirement pension**); or
- you die (It is important that someone notify us about your death to avoid overpayment).

If you are still receiving a CPP disability benefit when you turn 65, it will automatically be changed to a CPP retirement pension.

If your disability recurs

A provision in the CPP called automatic reinstatement helps take the risk out of returning to work. It provides a financial safety net for clients whose benefits stopped because they returned to regular employment. If within two years of stopping your benefits your disability recurs and you can no longer continue working, your benefits will be quickly reinstated. All you and your doctor have to do is fill in a simple form. There is no limit to the number of times you may request reinstatement, provided you meet the requirements. Your request for automatic reinstatement must be received within one year of stopping work.

There is also a fast-track reapplication available for up to five years after your benefits stop if you have been contributing to the CPP. To obtain a reapplication form, please contact us.

Benefits for children under 25

The Canada Pension Plan (CPP) children's benefits provide monthly payments for the dependent children of disabled or deceased CPP contributors.

The child must be either:

- under age 18; or
- between the ages of 18 and 25 and in full-time attendance at a recognized school or university.

There are two types of Canada Pension Plan (CPP) children's benefits:

- **A disabled contributor's child benefit for the child of a person receiving a CPP disability benefit** – a monthly payment to a natural or adopted child or a child who is in the care and custody of the person receiving a CPP disability benefit.
- **A surviving child's benefit for the child of a deceased contributor** – a monthly payment to a natural or adopted child or a child who was in the care and custody of the contributor at the time of death. For the benefit to be paid, the deceased contributor must have made sufficient contributions to the CPP.

A maximum of two benefits can be paid to a child.

Like all CPP benefits, children's benefits must be applied for in writing. You can apply for your dependent child(ren) under the age of 18 when you apply for your CPP disability benefit. Dependent children between the ages of 18 and 25 in full-time attendance at a recognized school or university must apply for the children's benefit themselves.

Don't forget to let us know if your family situation changes while you are receiving benefits. You must inform us if children are added to the family, or are no longer in your care and custody. We need to know about changes in your situation so that we can offer additional benefits, or cancel existing ones to prevent an overpayment that would have to be repaid later.

Who is considered to be a “dependent child”?

Your child is your natural or adopted child, or a child in your care and custody. To be considered dependent, your child must be either under the age of 18, or between 18 and 25 and attending a recognized school or university full-time.

When do children's benefits stop?

Children's benefits stop when one of the following occurs:

- the parent stops receiving a CPP disability benefit;
- the child is no longer dependent;
- the child is between 18 and 25 and no longer attends school full-time;
- the child turns 25; or
- the child dies.

Other disability benefits

You may be eligible to receive a number of other disability benefits from other programs. The Employment Insurance program offers short-term sickness benefits to people who are unable to work because of sickness, injury, or quarantine and who meet the specific criteria for receiving them. For more information, visit our Web site.

Disability benefits may be available from Veterans Affairs Canada for those who have served in the armed forces. For details, visit www.veterans.gc.ca.

All Canadian provinces and territories have workers' compensation benefits for work-related illnesses or injuries. Provinces and territories offer social assistance to people with disabilities who have a low income. You may also qualify for benefits from private insurance or through your employer, union, or professional association.

If you lived or worked in a country with which Canada has an international social security agreement, you may be eligible for disability benefits from that country as well. Please visit our Web site or contact us for information on countries with which Canada has such agreements.

There are other programs that offer health care assistance and support to specific groups with special needs, such as people with disabilities. If you have not already done so, you may want to contact your provincial or territorial government to determine whether you qualify for benefits. The Canada Benefits website (Canada.ca/benefits-finder) provides information on provincial, territorial, and federal benefits.

Will receiving CPP disability benefits affect amounts received from other programs?

They may. If you have questions about how your CPP disability benefits might affect other benefits you are receiving, you should contact the organizations offering those programs.

Taxation and CPP disability benefits

CPP disability benefits are taxable income. You can ask Service Canada to deduct income tax from your monthly benefit by completing the *Request for Voluntary Federal Income Tax Deductions* (ISP-3520CPP) form.

The Government has also introduced a number of tax measures, including the Working Income Tax Benefit, the Disability Tax Credit, as well as other tax credits and benefits that recognize the additional costs faced by people with disabilities.

If you have tax-related questions concerning CPP disability benefits or tax relief measures for people with disabilities, visit the Canada Revenue Agency Web site at www.cra-arc.gc.ca/disability or contact them at 1-800-959-8281 (TTY: 1-800-665-0354).

For more information about the CPP

The CPP operates throughout Canada. The Province of Quebec administers its own program, the Quebec Pension Plan, for workers in Quebec. The two plans work together to ensure that all contributors are protected no matter where they live.

For more information about the CPP, visit our Web site or contact us to request a copy of the booklet called *The Canada Pension Plan Retirement Pension* (ISPB-147).

What if I lived or worked in another country?

If you have lived or worked in another country, or you are the survivor of someone who has lived or worked in another country, you may be eligible for benefits from Canada and/or the other country because of a social security agreement.

Canada has international social security agreements with many countries. A social security agreement coordinates the pension programs of two countries for people who have lived or worked in both countries. These agreements can help you qualify for benefits by allowing you to combine periods you have lived or worked in Canada and the other country to meet minimum eligibility requirements.

Visit www.servicecanada.gc.ca/international for more information and a list of social security agreements that Canada has with other countries.

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