

First Nations Workers and the Canada Pension Plan

The Canada Pension Plan (CPP) is more than just a retirement pension. It is a secure public pension plan that provides workers in Canada and their families with some financial protection in the event of a severe disability, retirement, or death. The CPP is an important part of planning for your financial future, along with employer pension plans and your personal savings.

You must pay into the CPP while you are working and meet the eligibility requirements in order to later receive CPP benefits. The sooner you begin paying into the CPP, the better prepared you will be for the future.

If you are employed off-reserve or you are receiving taxable employment income, you must contribute to the CPP. You can pay into the CPP anywhere in Canada (except in the province of Quebec which has its own similar public pension plan, the Quebec Pension Plan).

Employers and First Nations workers on-reserve can choose to pay into the Canada Pension Plan.

What CPP benefits are available?

Retirement pension: You can apply for a monthly CPP retirement pension if you have paid into the Canada Pension Plan and are at least 60 years of age. The standard age to begin receiving a CPP retirement pension is the month after your 65th birthday. However, you can take a permanently reduced CPP retirement pension as early as the month after your 60th birthday, or you can take a permanently increased pension between age 65 and 70.

**You must apply for
Canada Pension Plan benefits.
They do not start automatically.**

Post-Retirement Benefit: If you work while receiving your CPP retirement pension, you may increase your retirement income with a lifetime benefit called the Post-Retirement Benefit (PRB). CPP contributions toward the PRB are mandatory for working CPP retirement pension recipients under age 65. Starting at age 65, you can choose not to contribute to the CPP. To find out more, visit Canada.ca.

If you work in Quebec after you started receiving your CPP retirement pension, you could receive a retirement pension supplement from the [Quebec Pension Plan](#).

Disability benefit: You may be eligible to receive a monthly disability benefit if you are under the age of 65, have stopped working because of a severe and prolonged disability as defined by CPP legislation, and have made the required contributions to the CPP. If you qualify for this benefit, your dependent children can also receive monthly benefits.

Survivor benefits: In the event of your death, your estate may receive a one-time payment of up to \$2,500, and your spouse or common-law partner and dependent children may be eligible to receive a monthly survivor's pension or children's benefit.

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What if my employer wants to participate in the plan?

If your First Nation employer decides to participate in the CPP, all workers must contribute to the CPP through deductions from their pay.

To enrol, your employer must complete and submit Form CPT124, *Application for Coverage of Employment of an Indian in Canada under the Canada Pension Plan*.

What if my employer does not participate or I am self-employed?

If your First Nation employer decides not to participate in the CPP, or you are self-employed, you can still contribute by paying both the employee and the employer's portions of the CPP contributions.

To enrol, you must complete and submit your income tax return with a completed Form CPT20, *Election to Pay Canada Pension Plan Contributions*.

For more information on Forms CPT124 and CPT20, call the Canada Revenue Agency at 1-800-959-8281.

To view and download forms, visit www.cra-arc.gc.ca.

To order forms, call 1-800-959-2221.

Will paying into the CPP affect my tax-exempt status?

No. Paying into the CPP will not affect your tax-exempt earnings. Your tax status is not affected by whether or not you pay into the Canada Pension Plan.

Will I have to pay tax on my CPP benefits?

If all of your contributions to the CPP were made on tax-exempt earnings, your CPP benefits will also be tax-exempt. If your contributions were made on earnings from both on-reserve and off-reserve employment, only the percentage of CPP payments resulting from taxable employment will be taxed.

Be informed

For more detailed information on the CPP, contact Service Canada:

Click Canada.ca

Call 1-800-277-9914 for service in English
1-800-277-9915 for service in French
613-957-1954 (outside Canada and the U.S.)
1-800-255-4786 (TTY)

Visit a [Service Canada Centre](#)

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