

September, 2006

**Do you have children born after December 31, 1958?**

**Call us—we may be able to increase your benefit.**

## **The Canada Pension Plan (CPP) Child Rearing Provision**

The CPP provides basic benefits to contributors who retire or become disabled. When you die, benefits may be provided to your spouse or common-law partner and dependent children. The amount of the benefit you or your survivor receives is based on how long and how much you have contributed to the Plan and, in some cases, the beneficiary's age.

The CPP takes into consideration that caring for young children can mean leaving the work force or working fewer hours. If your earnings either stopped or were lower because you were raising your children under the age of seven, you can ask the CPP to exclude that period of time from the calculation of your benefit.

To make sure that these periods of low earnings do not reduce your pension later, the CPP can apply the Child Rearing Provision. This means that the CPP does not count the years when you were raising your children under the age of seven when calculating the amount of your benefit. By doing this, we ensure that you get the highest possible payment.

The following example shows how this works:

Julie was employed outside the home until her daughter, Elizabeth, was born in 1983. Julie stayed at home with Elizabeth until she started school in 1989. When Julie applied for her pension some years later, the CPP excluded the period from the month following Elizabeth's birth to 1989 when calculating the retirement pension amount Julie should receive. When her pension application was approved, Julie discovered that her monthly payment would be \$735 per month. Without the benefit of the Child Rearing Provision, her retirement pension would have been \$650 per month.

## Eligibility requirements

The Child Rearing Provision can be used only for months when:

- you or your spouse/common-law partner received Family Allowance payments or were eligible for the Canada Child Tax Benefit (even if you did not receive the benefit), and
- your earnings were lower because you either stopped working or worked fewer hours to be the primary caregiver of a dependent child under the age of seven who was born after December 31, 1958.

Either spouse or common-law partner can apply for the Child Rearing Provision, but it cannot be used by both for the same period of time.

## Why should you apply for the Child Rearing Provision?

Applying for the Child Rearing Provision may increase your CPP benefit by excluding from the calculation the periods when your income either stopped or was lower.

The Child Rearing Provision could also help you meet the eligibility requirements for a disability benefit, should you need it. In the event of your death, it could help you meet the contributory requirements to provide benefits to your estate and survivors.

**Please note:** Although the Child Rearing Provision helps keep your benefits as high as possible, you still must meet all of the eligibility requirements to receive any CPP benefit.

## When should you apply for the Child Rearing Provision?

You should apply for the Child Rearing Provision **at the same time as you apply for any CPP benefit.**

## What documents do you need to provide?

You will need to provide an original or a certified true copy of your children's birth certificates.

You may also be required to provide proof of the date of entry into Canada for children born outside the country.

## Contact us

By telephone (toll-free)\*:

**1-800-277-9914**

**1-800-255-4786 (TTY)**

On the Internet or by email:

**[servicecanada.gc.ca](http://servicecanada.gc.ca)**

\* Our lines are busiest at the beginning and end of the month. If your inquiry can wait, it's best to call at other times. Please have your social insurance number ready.