

## FREQUENTLY ASKED QUESTIONS

# Canada Pension Plan Disability Benefits Facts

### **How is my payment calculated?**

CPP Disability payments consist of a flat rate of \$471.43 plus 75% of your Retirement Pension contributions. The average monthly payment in 2016 was \$934.37.

### **Will being approved affect my age 65 Pension?**

No. In fact, it acts as a benefit. If approved, the calculation for Retirement Pension stops at the date of your approval for CPP Disability benefits, meaning there will be no \$0.00 contribution years from that point forward.

### **Am I allowed to return to work while collecting my CPP Disability Benefits?**

You may return to work while collecting your CPP Disability Benefits as long as you meet certain criteria. There is an “allowable earnings provision” that allows you to work while collecting CPP Disability benefits as long as you don’t earn over a specific amount. The amount of income you are allowed is adjusted yearly so it is best to touch base with a Service Canada office. In 2016, you were able to earn \$5,400 while on CPP Disability Benefits.

Once they consider you to be working at a *Substantially Gainful Occupation\**, then you no longer meet the requirements and your benefits will cease.

*Substantially Gainful Occupation* - an occupation where the remuneration for the work performed and the services rendered was at a substantially gainful amount. The substantially gainful amount is a benchmark of earnings that likely indicates whether a person is showing regular capacity for work. This does not mean that you cannot work at your old job, but that you cannot work at any job – full or part time – for which you are or could become reasonably qualified.

### **Is there a child benefit?**

Yes, there is a child benefit available for those who are approved with dependent children. Your children must be under the age of 18 or 18 to 25 attending full-time school at a recognized institution.

### **Are CPP Disability Benefits taxed?**

Yes, CPP Disability Benefits are considered taxable income. If you chose, you can request for Service Canada to deduct your income tax on each monthly benefit.

### **What do I have to report to CPP?**

Any changes to your condition that may impact your ability to work must be reported in writing to CPP. Examples of this include:

- If your medical condition improves,
- If you return to work, whether that be part-time, temporary/seasonal, or full time, and
- If you decide to trial a work period.

### **Attending school, college, university, upgrading, or retraining**

It is not required to advise Service Canada if you are attending any of these programs. However, if you are successful in completing any of these programs, you do have to make Canada Pension Plan aware of these changes.

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It is recognized by CPP that being able to attend or complete these programs does not necessarily equate to an ability to work.

**I used to be at work but I have been staying at home to raise my children. I am now disabled. Can I get CPP disability benefits?**

CPP has a Child Rearing Provision that may help you qualify for or receive a higher CPP benefit amount. Parents who have taken time out of work to raise their children may apply for this provision.

The amount of benefits paid under the Canada Pension Plan is based on how long and how much you have contributed to CPP while you were working. The years that a parent had little or no earnings can be excluded from the 4 out of 6 rule calculation. If you were not working or had low earnings while caring for a child under the age of seven, the Child Rearing Provision can be used to exclude these periods of time for the calculation of your benefit. This may help you qualify for benefits or increase the benefit amount you can receive.

To qualify for the Child Rearing Provision you must submit the appropriate forms enclosed in the CPP disability application.

**How long do I have to wait after becoming disabled to apply for CPP disability benefits?**

You do not have to wait to apply for Canada Pension Plan disability benefits. Some individuals who have a critical incident that causes immediate disability apply right away. Some people who become disabled over years may wait until they have completed all their medical tests before applying.

Each situation is unique – so please contact a professional to discuss any questions about applying for CPP disability.

**Does CPP consider my age, education, and station in life in determining a disability?**

Personal characteristics are considered as part of a comprehensive approach to adjudication of the claim. Personal characteristics are evaluated on a case by case basis, and in conjunction with the medical condition.

Age alone does not entitle a person to a CPP disability benefit. However, age, in terms of function, is an important consideration. With increasing age it can affect a person's ability to recover from illness or injury and his or her ability to sustain work.

A lack of education alone does not establish entitlement to CPP disability. Generally speaking, the more education an individual has the more likely it is that the person will be able to do some form of work.

Work experience must be evaluated within the context of a disabling medical condition and how it affects that particular person's regular capacity to pursue any substantially gainful occupation.

**If you need more information about CPP Disability Benefits, or have any further questions, please contact the Disability Claims Advocacy Clinic Inc. at 1-877-793-3222 or visit our website [www.dcac.ca](http://www.dcac.ca). We can help you apply for CPP disability benefits today!**