

# **The Canada Pension Plan Disability Benefits (CPPD)**

CPP offers benefits to workers that suffer from a severe and prolonged disability due to accident, illness, or a mental health condition.

Assuming you are under 65 and have contributed CPP premiums in four of the last 6 years, you may be eligible.

## **What is the definition of severe & prolonged?**

- This means you are not able to work at all, or not able to work on a regular basis, and unable to earn more than \$5,800 gross in 2020
- Prolonged means your disability is likely to last a long time or an unknown amount of time
- Those that are not working for a short period of time are not eligible
- A specific form and process is available for those with a terminal illness. CPP states that they will decide within 5 business days of receiving an application, for those suffering from a terminal illness.

## **How much is payable?**

The maximum in 2020 is \$1,386.66 a month. A formula is used factoring a base amount of \$505.70, combined with a percentage based on what was contributed into the program by both you and your employer.

Benefits end when you turn 65 and are now eligible for the regular retirement CPP pension. Payments would also be terminated once you go back to work fulltime, or if working part time, when income reaches a certain level - \$5,800 gross in 2020.

## **What about benefits for people who did not contribute long enough?**

Some individuals, due to no fault of their own, may not have contributed to the plan but are now considered totally disabled. This would include those who stayed home to raise their children or were considered so physically or mentally disabled they could not complete the application process.

- CPP offers a “Late Applicant Process” allowing individuals to have their case reviewed under certain circumstances.
- For those now living in another country who may have paid into a foreign pension plan, they may be eligible depending on the country. Canada has tax treaties with most nations and part of these agreements cover disabled workers and contributions into both country’s public pension programs.
- There are also provisions for those who are divorced or separated; credits may be collected from the former spouse’s CPP contributions.

### **What are most of the claim conditions that CPPD pays out?**

CPP’s Top 10 list of the most common conditions that are claimed – Arthritis & other Musculoskeletal conditions, Heart Disease, Lung & Respiratory issues, Mental Illness, Cancer, Stroke, Nervous Disorders such as MS, Parkinson’s, Injury and complications from Diabetes & endocrine disorders.

### **Are benefits available for dependant children of those on a disability claim?**

Yes, much like the benefits available to dependant children whose parent may have died, they also are eligible.

The child must be either:

- Under the age of 18; or
- Under age 25 and in full time attendance at a recognized school
- Flat amount of \$255.03 per month payable to the primary caregiver of the child, or directly to the child if they are no longer a minor and pursuing a post secondary education.