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NEWS RELEASE

Helping Canadians Get the Most from CPP/QPP

New paper series provides seven steps toward better claiming decisions

TORONTO, April 11 2024 — Deciding when to claim benefits from the Canada Pension Plan (CPP), or its Quebec counterpart, the Quebec Pension Plan (QPP), is one of the most important financial decisions retiring Canadians will make.

In a new eight-part paper series, [7 Steps Toward Better CPP/QPP Claiming Decisions](#), Dr. Bonnie-Jeanne MacDonald, Director of Financial Security Research for the NIA, answers the question: How can we help Canadians make better decisions and get the most from the CPP/QPP programs?

The financial incentives to delay claiming are lifelong and substantial. Benefit levels are adjusted according to the recipient's age when payments start. By waiting until age 70, recipients can receive more than double (2.2 times) the monthly pension than if they had claimed CPP/QPP benefits at age 60. These pensions last for life and keep up with inflation.

But despite these advantages, an overwhelming majority (9 in 10) choose to take their CPP/QPP benefits by age 65, whether due to natural human bias, general lack of awareness of how CPP/QPP programs work or common financial planning practices.

In the first release of this series, [Opportunities and Obstacles to Shifting the Paradigm](#), MacDonald explains why people claim these benefits earlier than they should, why better claiming behaviour is important, the obstacles to progress and what a paradigm shift would look like.

"We can help older Canadians have happier, healthier and more financially secure retirements by supporting more informed CPP/QPP benefits claiming choices, but we need to be intentional in our efforts," says MacDonald "The good news is, achieving this paradigm shift is an impactful and accessible solution to improve Canada's upcoming retirement financial crisis. The bad news is, it's also time sensitive."

More than a thousand Canadian baby boomers are making the CPP/QPP claiming decision every day. Their choice will affect them for the rest of their lives, and it's often being made without the

consideration it deserves. In the [2023 NIA Ageing in Canada Survey](#), two out of five CPP/QPP recipients said they didn't consult anyone or any resources before making the decision.

"This is a once-in-a-lifetime, high-stakes financial decision, and its complexity leads people to make choices that are not in their best interest," explains MacDonald. "By claiming too early, recipients are reducing the lifetime income security that they report to want and will most likely need."

In releasing this paper series, the NIA aims to provide evidence-based solutions that can realistically be adopted to improve the lives of millions of Canadian retirees for decades to come. The recommendations in the series are aimed at helping experts across the entire Canadian retirement income system.

"Canadians need to feel empowered with the knowledge required to make informed decisions for their financial security in retirement," says Alyssa Brierley, Executive Director for the NIA. "With more informed decision-making, older adults can better decide what is best for their individual circumstances."

About The National Institute on Ageing

The National Institute on Ageing (NIA) improves the lives of older adults and the systems that support them by convening stakeholders, conducting research, advancing policy solutions and practice innovations, sharing information and shifting attitudes. Our vision is a Canada where older adults feel valued, included, supported and better prepared to age with confidence.

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