

UPCOMING CHANGES TO THE CANADA PENSION PLAN

Changes are being introduced to the Canada Pension Plan (CPP) starting January 1, 2012.

These changes affect you if you are:

- At least 60 but less than 65 years of age and currently receive a CPP retirement pension
- At least 65 but less than 70 years of age and currently receive a CPP retirement pension

These changes will not affect you if you are 70 years of age or older.

OVERVIEW OF CHANGES

The upcoming changes and action required from you, the employee, are detailed below.

- Employees who are at least 60 but less than 65 years of age and currently receive a CPP retirement pension.

Effective your first pay in 2012, the Payroll Department must start deducting CPP contributions from your pensionable wages again. No action is required from you.

- Employees who are at least 65 but less than 70 years of age and currently receive a CPP retirement pension.

Effective your first pay in 2012, the Payroll Department must start deducting CPP contributions from your pensionable wages again.

However, employees in this age bracket may choose not to make CPP contributions by completing the form, CTP30-Election to stop Contributing to the Canada Pension Plan or Revocation of a Prior Election. You must file the CPT30 election form with the Payroll Department and the Canada Revenue Agency(CRA). No CPP contributions will be deducted on pay dates following the month the form is filed.

You may download the CPT30 form from the CRA's website:
www.cra-arc.gc.ca/E/pbg/tf/cpt30/cpt30-11e.pdf.

If you choose to make CPP contributions starting January 2012, no action is required from you.

If you do not wish to make CPP contributions starting January 2012, you must file a CPT30 election form with the CRA and your Payroll Department in December, 2011.

If you wish to restart CPP contributions in the future, a new CPT30 form must be filed to revoke a previous election to change your contribution status at that time. The CPT30 form can only be used once per calendar year. For example, if you file the CTP30 election form in 2012 to stop deductions, you may not file a CTP30 revocation again to restart deductions until 2013.

Details on these changes can be found on CRA's website at:
www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/clcltng/cpp-rpc/cppchng-wh-eng.html.