RETRAITE QUÉBEC

Québec Pension Plan

Beneficiary's Guide

Retirement Pension

To find out more about your rights and obligations

Québec

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Retirement pension

To learn about your rights and obligations as the beneficiary of a retirement pension paid under the Québec Pension Plan, read this booklet carefully and keep it for future reference.

For more information, visit our website or call us. Our Internet address and telephone numbers are given on the back of this booklet.

> Your retirement pension is always paid on the **last working day of the month**. Payment dates are indicated on your Notice of Acceptance and on our website.
>
> The amount of your pension is indexed each year in January to reflect the rise in the cost of living.

Amount of your pension

The amount of your retirement pension is calculated on the basis of:

- your pensionable employment earnings;
- your age.

Your pensionable employment earnings

The term “pensionable employment earnings” refers to the earnings on which you made contributions, as recorded in your name under the Québec Pension Plan.

If you are not entitled to the maximum retirement pension, the earnings that were taken into consideration will be shown on the Statement of Employment Earnings enclosed with your Notice of Acceptance.

It is important to check that the amounts shown on the Statement are correct. If any of the amounts are wrong, you can have them corrected by sending us one of the following documents for each year in question.

If you were an employee:

- an original RL-1, TP4 or T4 slip (the document will be returned to you);
- a letter from your employer indicating the years concerned, your employment earnings and your contributions to the Québec Pension Plan.

If you were self-employed or an intermediate or family-type resource (e.g., a foster family or home):

- a Notice of Assessment from Revenu Québec or the Canada Revenue Agency.

After studying the documents submitted, we will notify you in writing of our decision. If your retirement pension is increased, any amount owing will be paid retroactively.

Your age

The amount of your retirement pension also depends on your age. It has been adjusted according to whether payment of your pension began before or after your 65th birthday.

Between ages 60 and 65

If you were born before 1 January 1954

Your pension has been reduced by 6% for each year (0.5% per month) preceding your 65th birthday.

Example

If you started receiving your pension at age 63, it is 12% (2 years × 6%) less than it would have been if you had started receiving it at age 65. This reduction applies for as long as the pension is paid to you.

If you were born in 1954 or later

The retirement pension you receive has been reduced by 6% to 7.2% (depending on the amount of our retirement pension and the year in which you start to receive it) for each year (0.5% to 0.6% a month) before your 65th birthday.

Example

If you started receiving your pension at age 63, it is 12% (2 years × 6%) to 14.4% (2 years × 7.2%) less than it would have been if you had started receiving it at age 65. This reduction applies for as long as the pension is paid to you.

At age 65

The normal retirement age is 65. If you started receiving your pension at age 65, it is neither reduced nor increased. You are entitled to the full amount of your pension.

Between ages 65 and 70

Your pension has been increased by 8.4% for each year (0.7% per month) after your 65th birthday.

Example

If you started receiving your pension at age 68, the amount is 25.2% (3 years × 8.4%) greater than it would have been if you had started receiving it at age 65. The increase applies for as long as the pension is paid to you.

At age 70 or over

Your pension ceases to increase as of age 70. If you started receiving your pension at age 70 or after, it has been increased by 8.4% for each year (0.7% a month) between your 65th and 70th birthdays. It is the maximum amount, that is, 42% (5 years × 8.4%) greater than it would have been if you had started receiving it at age 65.

If your spouse dies, you could be entitled to a surviving spouse's pension in addition to your retirement pension. In such a case, both pensions are paid in a single monthly payment, known as a **combined pension**. The amount paid is subject to a maximum amount set by law, which does not necessarily equal the total of the two individual pensions. Therefore, your surviving spouse's pension could be reduced. Contact us for more information.

Your pension and income tax

Your retirement pension is taxable. At the beginning of each year, we will send you an RL-2 slip, which you must enclose with your income tax return. The slip shows the total amount that you received as a retirement pension during the preceding year.

Source deductions for income tax

You can ask us to deduct an amount from your pension for federal and provincial income tax purposes. You decide how much will be deducted. You can request income tax deductions online or by calling us.

Pension sharing between spouses

To reduce your income tax, you can share your retirement pension with your spouse if you are both at least 60 years of age. It is not necessary for both of you to have contributed to the Québec Pension Plan. However, if both of you made contributions, you must each be receiving a retirement pension for it to be shared.

Pension sharing is calculated based on the number of years the couple have lived together. Therefore, the pensions are not always shared equally. Pension sharing stops when one of the spouses dies, and the pension amount reverts to what it would have been without pension sharing.

Pension sharing is **also available to de facto (common-law) spouses**. The application must be signed by both spouses.

An application for retirement pension sharing must be made in writing. You can obtain the Application for Retirement Pension Sharing Between Spouses Under the Québec Pension Plan form on our website or by calling us.

Your pension and work

If you work after you have retired, you can continue to receive your retirement pension without reduction. However, you must contribute to the Québec Pension Plan again once your yearly employment earnings exceed the basic exemption of $3500. Those new contributions will entitle you to a **retirement pension supplement**. Your pension will then be increased for the rest of your life by 0.5% of the earnings on which you contributed during the preceding year.

Once we receive the information concerning your earnings from Revenu Québec, we will calculate your pension supplement and automatically adjust the amount of your monthly pension. The retirement pension supplement is indexed annually based on the cost of living and is cumulative if you work for several years.

You do not have to apply to receive the supplement, which will be included in your retirement pension for the rest of your life.

Even though the supplement is payable as of 1 January of the year following the year in which you made contributions, Revenu Québec generally sends us the information we need to calculate the supplement a few months later. As a result, we will pay you the supplement retroactively to 1 January.

Your pension will increase even if you are already receiving the maximum monthly amount.

Your pension will continue to increase every year, provided you make new contributions.

Example

Louise is receiving a retirement pension of $750 per month. This year, her employment earnings are $22 700. She contributes to the Québec Pension Plan based on employment earnings of $19 200 ($22 700 minus the basic exemption of $3500). On 1 January of the following year, Louise will be entitled to a supplement of $8 a month ($19 200 × 0.5% = $96 a year) because of the contributions she made. If she continues to work in the following years, new amounts will be added to her pension for each year worked.

Cancelling your pension

If you wish to cancel your retirement pension, you have **six months following your first pension payment** to do so. You must make your request in writing. Note that you will have to reimburse the retirement pension amounts that have already been paid to you.

If you become disabled

If you become disabled before age 65, you could be entitled to disability benefits payable until your 65th birthday. For more information on the eligibility requirements for disability benefits, see our website or the publication *In the Event of Disability*. If you wish to apply for disability benefits, complete the Application for Disability Benefits Under the Québec Pension Plan form as soon as possible. The form is available on our website or by calling us.

The date on which we receive your application can have an impact on the type of benefits that could be payable as well as the starting date of the benefit. For more information, contact us.

Other useful information

Direct deposit

Signing up for direct deposit allows you to receive your pension directly in your account on the last working day of each month.

To sign up for direct deposit, use our online service or call us. Have your banking information at hand, including the number of the account into which the deposits will be made.

Changing accounts?

If you have already signed up for direct deposit and are changing your financial institution or branch, use our online service or call us to change your banking information.

Do not close your old account **until the first pension payment has been deposited** in the new one.

If you live outside Canada

Direct deposit is also available in several other countries. See our website for the countries in which direct deposit is possible.

If you live in one of those countries, you could receive your pension by direct deposit in the currency of your country of residence. This service is reliable, safe and economical, in most cases, provides an advantageous exchange rate and eliminates transaction fees for cashing cheques in Canadian dollars. To take advantage of this service, complete the appropriate international direct deposit authorization form for benefits under the Québec Pension Plan on our website or call us.

If you move

If you receive your pension:

- by **direct deposit**, be sure to let us know of any changes in your address, or you might not receive your annual income tax slips. Failure to notify us could affect payment of your pension;
- by **cheque**, let us know your new address as soon as possible to avoid any payment delays.

You can inform us of a change of address by using the Service québécois de changement d'adresse:

- Online: **www.adresse.info.gouv.qc.ca**
- By telephone: Services Québec
  1 877 644-4545.

Our decision can be reviewed

If you would like to provide new or additional information, call us!

You can also ask us to review all decisions we render with respect to your pension. However, you must file an application within 90 days of the date of the decision. You can obtain the Application for Review of a Decision form on our website or by calling us. You must provide any documents in support of your application for review.

You will receive a new decision

Following your application for review, we will inform you in writing of our new decision.

To serve you better

We are committed to:

- providing the quality services you need and expect. Consult our *Service Statement* online;
- handling complaints and comments with complete independence and confidentiality. The Commissaire aux plaintes et à l'amélioration des services can make recommendations to improve our services and programs. You can reach them by telephone. For more information, visit our website.

How to reach us

Online

www.retraitequebec.gouv.qc.ca

By telephone

Québec region:
418 643-5185

Montréal region:
514 873-2433

Toll-free:
1 800 463-5185

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Retraite Québec

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