

## > Do you have children born after December 31, 1958? Call us — we may be able to increase your benefit...

### ➤ The CPP child rearing drop-out provision

The Canada Pension Plan (CPP) provides basic benefits to contributors who retire or become disabled; when you die, benefits may be provided to your spouse or common-law partner and dependent children. The amount of the benefit you or your survivor receive is based on how long and how much you have contributed to the Plan and, in some cases, the beneficiary's age.

The CPP takes into consideration that caring for young children can mean leaving the workforce or working fewer hours. If your earnings either stopped or were lower because you were raising your children under the age of seven, you can ask the CPP to exclude that period of time from the calculation of your benefit.

To make sure that these periods of low earnings do not reduce your pension later, the CPP can apply the “child rearing drop-out” provision (CRDO). This means the CPP doesn't count the years when you were raising your children under the age of seven when calculating the amount of your benefit. By doing this, we ensure that you get the highest possible payment.

The following example shows how this works:

*Jennifer was employed outside the home until her daughter, Elizabeth, was born in 1983. Jennifer stayed at home with Elizabeth until she started kindergarten in 1989. When Jennifer applied for her pension some years later, the CPP dropped out the period from Elizabeth's birth to 1989 when calculating the amount Jennifer should receive. When her pension application was approved, Jennifer discovered that her monthly payment would be \$735 per month. Without the benefit of the CRDO, her retirement pension would have been \$650 per month.*

## > Eligibility requirements

The CRDO can be used only for months when:

- you or your spouse/common-law partner received Family Allowance payments or were eligible for the Canada Child Tax Benefit (even if you did not receive the benefit), **and**
- your earnings were lower because you either stopped working or worked fewer hours to be the primary caregiver of a child of yours under the age of seven who was born after December 31, 1958.

Either spouse or common-law partner can apply for the CRDO, but it cannot be used by both for the same period of time.



## Why should you apply for the CRDO?

Applying for the CRDO may increase your CPP benefit by excluding from the calculation the periods when your income either stopped or was lower.

The CRDO could also help you meet the eligibility requirements for a disability benefit, should you need it. In the event of your death, it could help you meet the contributory requirements to provide benefits to your estate and survivors.

**Please note:** The CRDO helps keep your benefits as high as possible; *you still must meet all of the eligibility requirements to receive any CPP benefit.*





## When should you apply for the CRDO?

You should apply for the CPP child rearing drop-out *at the same time as you apply for any CPP benefit.*



## What documents do you need to provide?

You will need to provide an original or a certified true copy of your children's birth certificates.

You may also be required to provide proof of the date of entry into Canada for children born outside the country.

### > Contact us



By telephone (toll-free)\*

**1 800 277-9914**

 **1 800 255-4786 (TTY)**



On the Internet or by email

**[www.sdc.gc.ca](http://www.sdc.gc.ca)**

*\* Our lines are busiest at the beginning and end of the month. If your inquiry can wait, it's best to call at other times. Please have your social insurance number ready.*