

## Canada Pension Plan (CPP)

General Information	
Lead Department	Human Resources Development Canada (HRDC) - Income Security Programs
Partners	<ul style="list-style-type: none"> <li>• Federal/Provincial/Territorial Ministers of Finance who co-manage the CPP and review it every three years</li> <li>• Provincial and territorial governments/agencies/Workers' Compensation Boards for sharing information about mutual clients and the assignment of benefits.</li> <li>• Canada Customs and Revenue Agency for contribution collections and earnings information</li> <li>• Justice for legal advice and support</li> <li>• Finance for policy decisions and legislative support</li> <li>• Office of the Superintendent of Financial Institutions for actuarial services</li> <li>• Veterans Affairs for sharing information on best practices and mutual clients</li> <li>• Public Works and Government Services for benefit payments processing</li> <li>• Long term disability insurers for the assignment of benefits.</li> <li>• Régie des rentes du Québec (RRQ) for exchanging information on the RRQ and providing service to shared clients.</li> <li>• Canada Post for delivery of cheques and Statements Of Contributions.</li> </ul>
Effective Date	The Canada Pension Plan (CPP) is a federal/provincial plan established by an Act of Parliament in 1965.
Expiry Date	There is no sunset provision in the Canada Pension Plan legislation.
Web Site	<a href="http://www.hrdc-drhc.gc.ca/isp/common/home.shtml">http://www.hrdc-drhc.gc.ca/isp/common/home.shtml</a>
Purpose	<p>The Canada Pension Plan is a compulsory and contributory social insurance program operating in all parts of Canada, except Quebec, which operates a comparable program. The Plan's objective is to provide a measure of protection to workers and their families against the loss of earnings due to retirement, disability or death.</p> <p>CPP benefits include retirement pensions, disability pensions, children's pensions, survivor pensions and death benefits.</p>

<p><b>Roles and Contributions</b></p>	<p>The Parliament of Canada is responsible for legislating amendments to the CPP and the CPP Investment Board. Federal and provincial Ministers of Finance review the financial state of the CPP every three years and make recommendations as to whether changes to the Plan are needed. In order to make any major changes to the CPP, the Government of Canada, along with a majority of the provinces, must reach agreement. Specifically, two-thirds of the provinces representing two-thirds of the Canadian population must agree before such changes can be approved.</p> <p>The roles of the partners have been described in the above section on Initiative and Partners.</p> <p>Information is available in the “Annual Report of the Canada Pension Plan. Copies are available from: Public Enquiry Centre, HRDC, 1-40 Promenade du Portage, Hull, QC. K1A 0J9. Telephone: (819)994-6313, Fax: (819)953-7260. Also available on our web site address:  <a href="http://www.hrdc-drhc.gc.ca/isp/cpp/report/9899/sum9899_e.shtml">http://www.hrdc-drhc.gc.ca/isp/cpp/report/9899/sum9899_e.shtml</a></p> <p>In 2000, we mailed Statements of Contributions (SOC) to all CPP contributors (app. 9.8 million). These statements provided details on the contributions that individuals have made to the Canada Pension Plan to date as well as their estimated benefit levels. An independent evaluation on the results of the mail-out indicated that, of those surveyed, 63% said they had a better understanding of our public pensions system, how the CPP is funded and why recent changes were made - 52% recognized that the changes were geared toward the long-term sustainability of the Plan (Ref: 2000-2001 Departmental Performance Report)</p>
<p><b>Resources</b></p>	
<p><b>Funding</b></p>	<p>All benefits and administrative costs are funded by the CPP Account. The CPP Account is funded by contributions by employees, employers, self-employed persons and investment revenues.</p> <p>The cost to administer the CPP is shared by a number of federal departments and agencies responsible for delivering CPP services. These include Human Resources Development Canada (HRDC), Canada Customs and Revenue Agency (CCRA), Public Works and Government Services Canada (PWGSC), the Office of the Superintendent of Financial Institutions (OSFI), the Department of Finance, the Royal Canadian Mounted Police (RCMP) and Treasury Board Secretariat. Cost breakdowns are provided in the table below.</p> <p>Costs incurred by departments in administering the CPP Program are recoverable from the CPP Account based on costing principles approved by Treasury Board. Essentially, those principles are that the costs must be incurred because of CPP responsibilities and are subject to annual audit.</p>

(Millions of dollars)

	2000-2001 FORECAST	2001-2002 PLANNED	2002-2003 PLANNED
HRDC	\$217.3	\$206.9	\$206.9
EI Account	\$1.6	\$1.6	\$1.6
Treasury Board Secretariat	\$29.0	\$28.2	\$28.1
PWGSC	\$13.0	\$11.5	\$11.5
CCRA	\$77.6	\$76.4	\$79.2
OSFI	\$1.1	\$1.1	\$1.1
RCMP	\$	\$	\$
Finance Canada	\$.4	\$.4	\$.4
Total	\$340.0	\$326.0	\$328.9

Tracking and Reporting	<p>Information on federal spending related to and in support of Canada Pension Plan is available in several public documents including:</p> <ul style="list-style-type: none"> <li>• The Annual Report of the Canada Pension Plan available at <a href="http://www.hrdc-drhc.gc.ca/isp/cpp/report/9899/annrpt99_e.pdf">http://www.hrdc-drhc.gc.ca/isp/cpp/report/9899/annrpt99_e.pdf</a></li> <li>• Main Estimates Parts II and III including the Report on Plans and Priorities (RPP) and the Departmental Performance Report (DPR) available at: <a href="http://www.tbs-sct.gc.ca/tb/ESTIMATE/ESTIME.HTML">http://www.tbs-sct.gc.ca/tb/ESTIMATE/ESTIME.HTML</a></li> </ul>
<b>Measurement and Reporting</b>	
Outcomes / Outputs	<p>The Canada Pension Plan provides income security for seniors, persons with disabilities and their children, survivors, and migrants and increases awareness and understanding of the Canadian retirement income system and ways to achieve income security.</p> <p>CPP program output measures are collected, reported and analyzed regularly. These outputs cover the full spectrum of day-to-day CPP program activities including the number of telephone calls answered, the number of Statements of Contributions (SOC) mailed, applications processed, benefits paid, amounts paid by benefit type, interviews conducted, accounts maintained, appeal case submissions prepared, and other service delivery operations</p>

<p>Indicators</p>	<p>The impact of CPP on the incomes of seniors, persons with disabilities and their children, survivors and migrants:</p> <ul style="list-style-type: none"> <li>• <u>Outcome measure</u>: CPP benefits as percentage of total income (Source: extrapolated from CCRA data)</li> </ul> <p>Awareness and understanding of the Canadian retirement income system and ways to achieve income security:</p> <ul style="list-style-type: none"> <li>• <u>Outcome measure</u>: Percentage increase of awareness of Canada's retirement income system (Source: client surveys, client responses to SOC mail-outs)</li> </ul> <p>CPP program outputs are also measured in terms of efficiency, which includes performance indicators on speed-of-service, accuracy and savings, reported monthly or annually. Some of these indicators are:</p> <ul style="list-style-type: none"> <li>• % of callers answered by a service delivery agent within three minutes</li> <li>• Average number of working days to process CPP applications – excluding Disability</li> <li>• Average number of working days to process initial CPP Disability applications</li> <li>• Average number of days to process the first level of appeal</li> <li>• Number of Disability beneficiaries with whom follow-up contact has been made</li> <li>• % of CPP new benefit pay-outs paid accurately</li> <li>• Savings from ISP detection activities</li> </ul>
<p>Comparable Indicators</p>	<p>When appropriate, societal indicators (i.e. that track broad trends in society over time) are analyzed to provide context for interpreting CPP program performance. These indicators of social performance are drawn from research conducted by other organizations including the Department of Finance and Statistics Canada. For example, the Income Security section of HRDC's 2000-2001 Departmental Performance Report to be tabled in October 2001, quotes from Statistics Canada's 1998 'Low-Income Cut-Off' data which indicates that, in 1980, almost 21% of all seniors in Canada had low incomes. By 1998, this number had been reduced to 9%, a reduction that was attributed largely to the Canada/ Québec Pension Plans (as well as improvements to the Old Age Security program).</p> <p>HRDC publishes a variety of statistical reports like the "ISP Statistics Book", which contains statistics related to Income Security Programs and is the most comprehensive collection of information on Old Age Security, Canada Pension Plan and Québec Pension Plan benefits. This publication includes historical information on maximum rates, number of beneficiaries, calculation of rates and benefits as well as other important statistics. Also included are socio-economic data related to income security benefits such as the Consumer Price Index, Average Weekly Wages and Statistics Canada's Low Income Cut-off Levels. These and other related statistical reports and publications are available at the following HRDC Internet site:  <a href="http://www.hrdc-drhc.gc.ca/isp/studies/trends/stats_e.shtml">http://www.hrdc-drhc.gc.ca/isp/studies/trends/stats_e.shtml</a></p>

<p>Evaluation/Third Party Assessments</p>	<p>Section 113.1 of the Canada Pension Plan provides that once every three years, the Federal and Provincial Ministers of Finance shall review the state of the CPP, based in part on information provided by the Chief Actuary, and make recommendations as to whether the benefits or contribution rates or both should be changed.</p> <p>Section 115 requires the Chief Actuary to prepare a report during the first year of each such three-year periods setting out the results of an actuarial examination of the CPP as at a date not earlier than the preceding 31 December. It also specifies certain information that must be included in the report.</p> <p>An important part of the Chief Actuary report is to inform CPP contributors and beneficiaries of the current and projected future financial status of the CPP. Such information is intended to facilitate a better understanding of the financial basis of the CPP and the factors that affect its cost, contributing to an informed public discussion of issues (such as sustainability) related to the CPP.</p> <p>The Triennial Review is beginning in 2001. The tabling of the 18<sup>th</sup> Actuarial Report in the fall will help set the agenda for the Review.</p>
<p>Shared Information and Best Practices</p>	<p>HRDC is currently working with the Régie des Rentes du Quebec (RRQ) to share best practices on Performance Measurement and to develop common measures for both the Canada Pension Plan and the Québec Pension Plan.</p>
<p>Public Reporting</p>	<p>Public reports are available at the National Library and the following web sites:</p> <ul style="list-style-type: none"> <li>• Departmental Performance Report: <a href="http://www.hrdc-drhc.gc.ca/fas-sfa/dpr9900.shtml">http://www.hrdc-drhc.gc.ca/fas-sfa/dpr9900.shtml</a> (links to tbs site)</li> <li>Reports on Plans and Priorities: <a href="http://www.hrdc-drhc.gc.ca/dept/fas-sfa/rpp0001.pdf">http://www.hrdc-drhc.gc.ca/dept/fas-sfa/rpp0001.pdf</a></li> <li>• Annual Report of the Canada Pension Plan: <a href="http://www.hrdc-drhc.gc.ca/isp/common/home.shtml">http://www.hrdc-drhc.gc.ca/isp/common/home.shtml</a></li> <li>• ISP Web Site: <a href="http://www.hrdc-drhc.gc.ca/isp/common/home.shtml">http://www.hrdc-drhc.gc.ca/isp/common/home.shtml</a></li> <li>• Appearances before Parliamentary Committees such as the Standing Committee on HRD and the Status of Persons with Disabilities. Reports found at: <a href="http://www.parl.gc.ca/InfoCom/CommitteeReport.asp?Language=E&amp;Parl=36&amp;Ses=1">http://www.parl.gc.ca/InfoCom/CommitteeReport.asp?Language=E&amp;Parl=36&amp;Ses=1</a></li> </ul>

## Involving Canadians

Provisions for  
Citizens to  
Participate in  
Developing Social  
Priorities and  
Reviewing  
Outcomes

Input from citizens is received in several ways: through \*surveys, the ISP 1-800-277-9914 toll free phone service and sessions with Members of Parliament (ISP provides regular briefings for MPs and their constituency staff). Canadians can also access and comment on the CPP program and services through our 320 In-Person Centres or 5,200 self-service kiosks, or contact us on the Internet at <http://www.hrdc-drhc.gc.ca/isp>. We also process client correspondence by mail through any one of our eleven mail centres.

\*The Income Security Programs (ISP) Branch conducted a client satisfaction survey in 1998, with follow-up surveys planned for every two years. The 2000 follow-up was incorporated within the broader Departmental (HRDC) survey, which was subsequently postponed to the spring of 2001. The 1998 survey involved ISP clients in all Regions who used the toll free 1-800 number as well as clients who visited our In-Person Offices in Ontario, Québec and British Columbia. The 2001 survey includes clients in all Regions who used the 1-800 number, visited an office or corresponded by mail or Internet. A comparison with the 1998 survey results will be difficult because the methodology used for the 2001 survey is different. However, the 2001 HRDC survey will be used as a baseline to compare against future follow-up surveys. The ISP results of the 2001 HRDC survey are expected to be available in late fall/ early winter 2001. The results of the 1998 Client Satisfaction Survey, as well as other completed surveys, are available on the HRDC Internet at: <http://www.hrdc-drhc.gc.ca/cgi-bin/AT-Nationalsearch.cgi>

Copies of all client survey results are available to the public from the National Library of Canada or the Library of Parliament. Hard copies of the 1998 survey can also be obtained by writing to: ISP Communications, Room 800, Tower B, 355 River Road, Vanier, Ontario K1A 0L1 (please quote Study No. "HRDC-ISP-345")

ISP is currently working to establish a Client Advisory Roundtable for CPP Disability that will consist of individuals drawn from national organizations and/or networks working with persons with disabilities that have an interest in income issues. The Roundtable will be a source of advice and information for CPP Disability and will serve as a forum for discussion of service and program delivery issues. Its Terms of Reference will be developed in consultation with the members of the client advisory councils. Other Roundtables for ISP client groups (migrants, contributors, seniors, low income seniors and survivors) will be developed once the current one dealing with CPP Disability is underway.

<p>Feedback Mechanisms to the Public</p>	<p>A new client feedback mechanism for the Department is currently under review. The principal objectives of this feedback mechanism are to identify where service improvements are needed and to ensure consistent policy application across the country. Client feedback regarding government policy and legislation would be redirected to the responsible program area for appropriate action.</p> <p>Within the Income Security Programs Branch, client feedback systems were improved to make it easier for clients to comment on their interactions with us. In 2000-2001, correspondence tracking was further developed to allow ISP Headquarters to address client concerns/complaints on a more timely basis and to link inquiries to business process improvements.</p> <p>Other feedback mechanisms to the public that are currently in place include correspondence, the Internet and the telephone.</p>
<p><b>Service Commitments</b></p>	
<p>Public Availability of Eligibility Criteria</p>	<p>Eligibility criteria for CPP and OAS are publicly available in a number of formats such as:</p> <ul style="list-style-type: none"> <li>• At our web site: <a href="http://www.hrdc-drhc.gc.ca/isp/common/cpptoc-e.shtml">http://www.hrdc-drhc.gc.ca/isp/common/cpptoc-e.shtml</a>;</li> <li>• In pamphlet form at our HRCCs and</li> <li>• By calling an ISP Service Delivery Agent</li> <li>• ISP Outreach, which acts as the public information arm of the Income Security Programs Branch of HRDC, provides CPP information to the general public through partnerships, information sessions and local media. It operates within the community and 'goes to the client'. ISP Outreach is about educating Canadians on the program and provisions of CPP, encouraging Canadians to plan for their retirement and ensuring that Canadians know that the CPP is sustainable.</li> </ul>
<p>Existence and Availability of Service Commitments</p>	<p>HRDC is currently updating its commitments to clients by developing a Client Service Charter to be implemented in April 2002</p>
<p>Measurement and Public Reporting</p>	<p>ISP's service commitment measures include:</p> <ul style="list-style-type: none"> <li>• CPP speed of service</li> <li>• Client satisfaction surveys (Citizens' First Survey and the 2001 HRDC survey)</li> </ul> <p>The August 1998 ISP Client Service Study is available at the following web site address: <a href="http://www.hrdc-drhc.gc.ca/isp/survey/contents_e.shtml">http://www.hrdc-drhc.gc.ca/isp/survey/contents_e.shtml</a>. HRDC 2001 survey results not yet available.</p>

<b>Appeals and Complaints</b>	
Existence, Availability and Communication of Mechanisms	<p>Appeals:</p> <ul style="list-style-type: none"> <li>• A client who disagrees with the Department's decision has access to three consecutive levels of appeal: Reconsideration (by the Department); an independent Review Tribunal; and an independent Pension Appeals Board. A fourth type of appeal, to the Federal Court of Appeal, is available to address issues of law.</li> <li>• CPP disability appeals publications were distributed to all major partners: long term insurers; Workers Compensation Boards; physicians; Disability Advocacy and Voluntary groups, etc.</li> <li>• Notice of a right to appeal and how to appeal is sent to applicants along with decision letters at each step of the process.</li> <li>• 1-800 numbers are available for information on appeals processes</li> </ul> <p>Complaints:</p> <ul style="list-style-type: none"> <li>• Our client feedback systems were improved to make it easier for clients to comment on their interactions with us. In 2000-2001, correspondence tracking was further developed to allow ISP Headquarters to address client concerns/complaints on a more timely basis and to link inquiries to business process improvements. Currently, we review speed of service, processing errors, questions on policy and/or legislative interpretations as well as compliments and praise from clients on service quality. We also monitor each client inquiry until complete resolution. Our staff contact clients by telephone within 48 hours of receiving notification to explain what corrective action is being taken and the timeframe for resolution.</li> </ul>
Tracking and Public Reporting	The volume of appeals is tracked. Written decisions about specific cases heard by the Pension Appeal Board can be released upon request. Other information on appeals is also available in the CPP Annual Report, the Main Estimates and other Reports to Parliament. Main Estimates are available at the following web site: <a href="http://www.tbs-sct.gc.ca/tb/ESTIMATE/ESTIME.HTML">http://www.tbs-sct.gc.ca/tb/ESTIMATE/ESTIME.HTML</a>
<b>Mobility</b>	
Existence of Measures	Not applicable <sup>1</sup> ; there are no residency-based policies or practices which constrain access to CPP benefits

<sup>1</sup>**Not applicable:** when the section does not apply.