

EXISTING CPP SURVIVORS' BENEFITS

The Canada Pension Plan currently provides benefits to surviving spouses and to dependent children on the death of a CPP contributor. When first implemented, CPP survivors' benefits were only available to widows of contributing men. Since 1975, in recognition of the growing role played by women in the economic life of the family, both men and women have been eligible to receive survivor benefits. Under the CPP, a spouse may include common law spouses or persons of the opposite sex who lived with the contributor in a conjugal relationship for at least one year prior to the death.

Surviving spouses' benefits—Currently, the surviving spouse may receive a continuing monthly pension following the death of a contributor. The amount received is partly determined by the amounts contributed to the Plan by the deceased contributor.

In most cases, for **survivors above normal retirement age** (age 65+), the amount paid is equal to 60% of the deceased spouses calculated retirement pension. Currently, the maximum monthly benefit¹ for a survivor over the age of 65 is \$325.84. Where the survivor is also entitled to a CPP retirement pension, the total of the combined benefit may not exceed the maximum retirement pension (currently \$543.06 per month).

For **survivors under age 65**, eligibility is dependent on the age and situation of the surviving spouse at the time of the death of the contributor. Survivors with dependent children, those who are disabled, and those over the age of 45, are eligible for the full survivor pension. Surviving spouses between the ages of 35 and 45 who are neither disabled nor have dependent children, are entitled to a pension that is reduced by 1/120 for each month they are under age 45. Surviving spouses under age 35 at the time of the contributor's death, who are neither disabled nor have dependent children, are not entitled to a survivor's pension until the survivor reaches retirement age.

Pension calculation for eligible survivors under age 65 includes two components: a flat rate component indexed to prices, currently \$98.96 per month; and a benefit equal to 37.5% of the deceased contributor's calculated retirement pension. Thus, the current maximum monthly pension for survivors below age 65 is \$302.61. The calculated pension is paid to the surviving spouse until age 65, at which time the pension is recalculated.

Surviving children's benefits—The Canada Pension Plan provides a monthly benefit on behalf of the dependent children of a deceased contributor. The benefit is a flat-rate amount currently equal to \$98.96 monthly. This benefit is paid until the child reaches age 18, or until age 25 for those attending school full-time. A surviving child's benefit is paid regardless of whether a surviving spouse's benefit is paid.

¹ Throughout this report, benefit rates indicated in the text as "current" were those benefits in effect on 1 January 1988.