

Pension plan provisions

A *retirement pension* is payable, upon application, at the age of 65, whether or not the recipient works and receives wages. The pension amounts to 25 per cent of a contributor's updated pensionable earnings averaged over the years contributions were required.

Although a retirement pension is payable as early as the age of 65, persons between the ages of 65 and 69 who are employed can continue to contribute to the CPP or the QPP in order to increase their future benefits. One cannot, however, both draw a pension and continue to pay contributions.

*Disability benefits* are paid to contributors who, having contributed for at least five of the ten years preceding the onset of disability, are adjudged to be suffering from a severe and prolonged physical or mental disability. This benefit, which begins three months after the claimant is declared to be disabled, consists of a fixed monthly amount (\$37.27 in 1975) and 75 per cent of the contributor's imputed retirement pension.

*Survivors' benefits* are paid to the surviving widow or widower of a person who, by 1975, has contributed to one of the two plans for at least four years. The full survivor's benefit is payable to: (a) a disabled spouse; (b) a spouse with dependent children; (c) a spouse 45 years of age or older. A partial survivor's pension is payable to a spouse between the ages of 35 and 45. The full survivor's pension for a spouse under the age of 65 includes a flat-rate component (\$37.27 in 1975) and 37.5 per cent of the contributor's actual or imputed retirement pension. When such a spouse reaches the age of 65, the pension changes to 60 per cent of the deceased contributor's retirement pension.

*Orphans' benefits* are paid on behalf of unmarried, dependent children up to the age of 18, or 25 if the orphan continues to attend school or university full-time. The same monthly benefits are payable to children of persons receiving a disability pension. The rate for each of the first four children equals the flat-rate component of the survivor's pension, namely \$37.27 in 1975. The rate for each additional child is half this amount. However, each child receives the same amount, since the total orphans' benefits for a family are divided equally among the children. An orphan may receive a benefit in respect of only one deceased contributor.

A lump-sum *death benefit*, equal to six times a contributor's monthly retirement pension, up to a maximum of 10 per cent of that year's maximum pensionable earnings (\$740 in 1975), is paid to the estate of a deceased contributor who, by 1975, has contributed to the plan for at least four part years. Benefits are adjusted annually to reflect the full increases in the cost of living.