



JUNE 2009. CPP can be taken at as early as age 60 or as late as age 70. How does one decide when to apply?

Presently, CPP retirement benefit is adjusted by -0.5% per month for each month CPP is taken before the month the applicant turns 65, and by $+0.5\%$ per month for each month CPP is taken after that month. Starting in 2011, CPP retirement benefit will be increased by 0.7% per month for each month CPP is taken late. Starting in 2012, the benefit will be decreased by 0.6% per month for each month CPP is taken early.

Assuming no change to the tax bracket, no OAS claw-back, and no CPP contributions past age 60, the optimal age at which to apply for CPP retirement benefit with the new adjustment rates is as follows:

	<u>Life Expectancy</u>	<u>Optimal Application Age</u>
Age:	< 70	60
	70 ~ 72	61
	72 ~ 74	62
	74 ~ 76	63
	76 ~ 78	64
	78 ~ 80	66
	80 ~ 82	67
	82 ~ 84	68
	84 ~ 86	69
	≥ 86	70

Early CPP applicants are presently required to have stopped working (at least for two months). This “work cessation” rule will be removed by 2012, thereby allowing the early collection of retirement benefit without stopping working. Consult the CPP Act for other details.

..... News Flash

Due to pressure from the public, IRS has just announced a temporary suspension of the requirement to file the **Report of Foreign Bank and Financial Accounts** imposed on non-US residents, non-US citizens and non-US entities. The filing requirement was discussed in our May newsletter.

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