

Get the Most from the Canada & Quebec Pension Plans by Delaying Benefits — Presentation Handout

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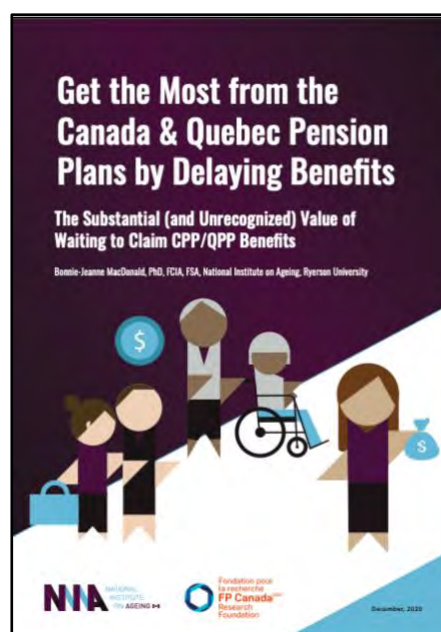
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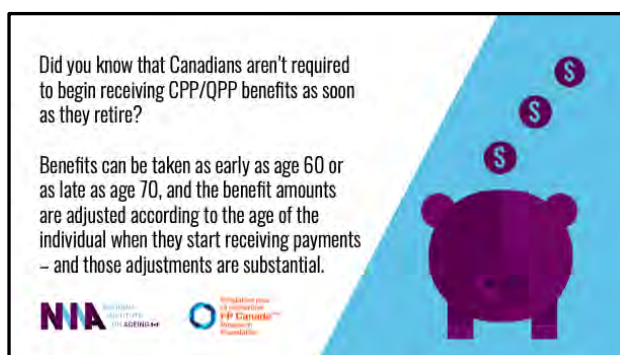
The purpose of this handout is to summarize useful resources to follow-up the presentation of my recent NIA publication on the value of delaying CPP/QPP.

Bonnie-Jeanne MacDonald, (2020). [Get the Most from the Canada & Quebec Pension Plans by Delaying Benefits: The Substantial \(and Unrecognized\) Value of Waiting to Claim CPP/QPP Benefits](#). National Institute on Ageing, Ryerson University, with FP Canada Research Foundation.

When to claim benefits from the Canada Pension Plan (CPP) – or its Quebec counterpart, the Quebec Pension Plan (QPP) – is an important financial decision for retiring Canadians. With an ageing population and widespread concern that Canadians are inadequately prepared for retirement, it is critical that retiring workers understand how to get the most from the CPP/QPP program. For Canadians in reasonable health who can afford to wait, that often means delaying the start of their CPP/QPP benefits for as long as possible.



The purpose of the paper was to show the value of delaying CPP/QPP benefits, to understand why more people are not doing it, and to propose how to best help retiring Canadians make more informed decisions about when to start their CPP/QPP benefits.



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Bringing together the insights of leading thinkers and cross-disciplinary academic literature, supported by original analytical evidence and solutions, this paper investigated the following questions:

- At what age are Canadians currently taking CPP/QPP benefits?
- Why are more Canadians not delaying their CPP/QPP benefits?
- How much more will they get if they delay?
- How can Canadians move from the existing paradigm of taking CPP/QPP benefits as soon as possible toward greater awareness and appreciation of the excellent return and risk-mitigating aspects of delaying these benefits?



See also: Bonnie-Jeanne MacDonald, Richard J. Morrison, and Marvin Avery. (2020). [The CPP Take-Up Decision: Risks and Opportunities](#). Canadian Institute of Actuaries and the Society of Actuaries.



Shorter Reads and Other Takes on the Research

As noted in my presentation covering this research, the publication had substantial media impact, appearing in major media outlets across Canada. Over a two-week period, this included coverage by CBC, Financial Post, Globe and Mail, CTV, and others. Rob Carrick of the Globe and Mail, as well as Pattie Lovett-Reid, Chief Financial Commentator at CTV News, for example, were very supportive in advancing the findings. Below are the op eds noted in the presentation, which summarize the research on delaying CPP/QPP, long-term care cost considerations, as well as some other areas of research and study. On the following page is a list of the coverage on the CPP/QPP delay paper in specific, which provide various new and interesting public-facing perspectives on the topic, by a breadth of thoughtful financial experts, which readers may find useful when addressing their clients.

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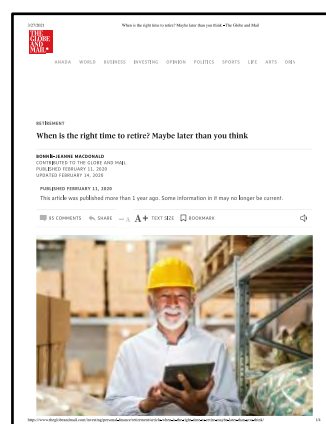
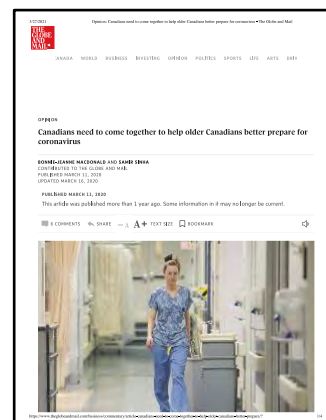
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Op-Eds: Globe & Mail/The Toronto Star 2019/2020

Here are the OpEds noted in the presentation

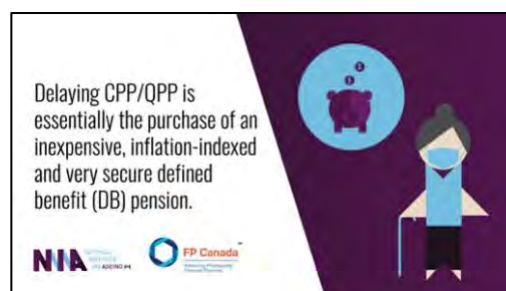
(note that * signifies coverage directly on CPP/QPP delay research)

1. * [“COVID-19 layoffs have workers wondering: Should I take a lump sum now or a future pension later?”](#) Globe and Mail Op-Ed (August 24, 2020).
2. * [“Here’s a way Canadians with RRSP savings can get the most out of their CPP benefits”](#) Globe and Mail Op-Ed (July 29, 2020).
3. * [“Less than 1% of Canadians choose to delay CPP. Here’s why the rest are missing out”](#) Globe and Mail Op-Ed (July 21, 2020).
4. [“Desperate long-term care reforms require a big-picture vision”](#) The Toronto Star Op-Ed (June 17, 2020).
5. [“Seniors who don’t need all of their RRIF money this year should consider this”](#) Globe and Mail Op-Ed (April 7, 2020).
6. [“Canadians need to come together to help older Canadians better prepare”](#) Globe and Mail Op-Ed (March 11, 2020).
7. [“When is the right time to retire? Maybe later than you think”](#) Globe and Mail Op-Ed (February 12, 2020).
8. [“With baby boomers aging, the cost of long-term care is set to triple in the next 30 years. What’s our plan for dealing with this?”](#) Globe and Mail Op-Ed (October 8, 2019).
9. [“Why we should have a tax-free option for workplace pension plans.”](#) Globe and Mail (April 8, 2019).
10. [“Assia Billig selected to become Canada’s first female chief actuary”](#) Globe and Mail Op-Ed (March 7, 2019).
11. [“Here’s a way DC pension plans could give Canadians a more secure retirement”](#) Globe and Mail Op-Ed (January 14, 2019).
12. * [“By not claiming CPP until 70, you could get 150 per cent of the income you would receive at 65”](#) Globe and Mail Op-Ed (January 1, 2019).



CPP/QPP Delay Research in the News

1. Michael J. Wiener, "[How much savings do you need to delay starting CPP and OAS?](#)". Financial Independence Hub. April, 2021
2. Doug Carrolle, "[Wait or Not? The case for taking Canada Pension Plan at age 70](#)". Advocis Forum. February 2021
3. Rob Carrick, "[Why people resist delaying CPP retirement benefits: 'They think the risk is dying early, but it's actually the opposite'](#)" The Globe and Mail. December, 2020.
4. [Leo Almazora](#), "[Taking CPP at 60 costs more than \\$100,000 in retirement income](#)" Wealth Professional. December, 2020.
5. The Editorial Staff, "[RRQ: impatience that costs \\$ 100,000](#)" Avantages. December, 2020.
6. Brett Millard, "[Failing marshmallow test](#)" Castanet. December, 2020.
7. Robb Engen, "[Weekend Reading: \\$100,000 Lifetime Loss of CPP Edition](#)" Boomer & Echo. December, 2020.
8. Jessy Bains, "[How to get \\$100,000 more by delaying CPP payments](#)" Yahoo News. December, 2020.
9. Staff, "[Canadians taking CPP at 60 losing \\$100,000+ in retirement income: study](#)" Benefits Canada. December, 2020.
10. Pamela Heaven, "[Posthaste: Canadians who take CPP at 60 could lose \\$100,000 in retirement income, study says](#)" Financial Post. December, 2020.
11. Andrew Button, "[Retirees: Taking CPP at 60 Costs You \\$100,000](#)" The Motley Fool. December, 2020.
12. [Ephraim Vecina](#), "[Can this strategy boost Canadians' retirement income?](#)" [Mortgage Broker News](#). December, 2020.
13. Rob Carrick, "[Taking CPP early can cost you \\$100,000 and limit your long term options](#)" The Globe and Mail. December, 2020.



14. Mark Ting, "[Few retirees wait until 70 to collect their Canada Pension Plan cheques, but maybe more should](#)" CBC News. December, 2020.
15. [Patricia Lovett-Reid](#), "[Pattie Lovett-Reid: Worried about outliving your money? Time to rethink CPP](#)" CTV News. November, 2020.
16. Mark Burgess, "[Advisors face conflict in helping clients with CPP timing: report](#)" Investment Executive. November, 2020.

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17. Rob Carrick, "[Globe Retirement Forum: When did you start Canada Pension Plan retirement benefits?](#)" The Globe and Mail. November, 2020.
18. [Martin Cash](#), "[It pays to put off collecting your Canada pension](#)" Winnipeg Free Press. August, 2020.
19. Staff, "[New report highlights financial considerations of delaying CPP payments](#)" Benefits Canada. July, 2020.
20. Josée Gonthier, "[New report shows more Canadians should defer CPP benefits](#)" Globe News Wire. July, 2020.
21. Benefits Canada, "[Head to head: Is there a right time to take CPP benefits?](#)" Benefits Canada. May, 2020.



Major news and media sources that have collaborated with Bonnie-Jeanne in 2020.

Collaborations and Moving Forward

There has been substantial engagement across Canada, including a tweet by an important policy official – as noted in the presentation. The research paper has also been added to study syllabuses for financial planning certification, and future work will include collaborations with policymakers.

Most importantly, it is edifying to know that it has led to reforms within the financial planning community itself and has informed the practices among policy makers.

I look forward to hearing the thoughts and insights from professionals during upcoming research presentations to the financial planning community. I also look forward to



consolidating further insights in a follow-up paper with the Canadian Institute on Actuaries (CIA) that examines how to better shift the paradigm away from immediate take-up.



This vision was described at the end of the executive summary in the December 2020 paper, which states:

“The message of this paper is clear: most Canadians in reasonable health who can afford to defer their CPP/ QPP benefits should do so. The financial advantages are material. However, the CPP/QPP uptake choice is strongly influenced by the psychology of those making the decision, as well as how the information is framed by those advising them. Those in a position to give retirement planning advice – including human resource leaders, policymakers, and

financial advisors – are the ones best positioned to shift this paradigm. My upcoming paper will offer further approaches that policymakers, human resource leaders, and financial advisors can use to encourage people to overcome short-term thinking and financially support their future selves by not claiming CPP/QPP benefits earlier than they should.”

For industry professionals who are interested in contributing to this work, please reach out to me on [LinkedIn](#), Twitter ([@ActuaryOnAgeing](#)), and email (bjmacdonald@ryerson.ca).



And stay tuned for my upcoming book on CPP/QPP delay with Alyssa Hodder!

To learn more about the NIA visit our website at www.nia-ryerson.ca and follow us on twitter @RyersonNIA