



## **Financial Planning – what one should know about the Regulation pertaining to CPP Survivor’s Death Benefit and Pension**

*What is the CPP Death Benefit?*

The CPP death benefit is a one-time lump-sum payment of \$2,500 to the estate of a deceased CPP contributor. The estate’s executor may apply for the funds (within 60 days), or it can also go to the surviving spouse or next of kin if there’s no estate.

For a deceased CPP contributor to qualify for the death benefit, they must have contributed to the Canada Pension Plan for the lesser of: 10 calendar years; or One-third of the calendar years in their contributory period.

### **How To Apply For The Death Benefit**

The Canada Revenue Agency (CRA) should be notified shortly after the [death of a CPP contributor](#) so that CPP payments can stop. Payments made to the deceased after the month of death have to be repaid.

To apply for the death benefit, complete [Form ISP1200](#) and mail it to Service Canada.

You will also need to provide a certified copy of a document showing proof of death, such as a death certificate, notarial copy of letters of probate, registration of death, or statement of a medical doctor, funeral director, or coroner.

Benefit payments may take up to 3 months to process. If you have questions, contact Service Canada at 1-800-277-9914.

Also source articles on line can be found at:

<https://www.savvynewcanadians.com/cpp-death-survivor-benefits/>

## What is the CPP Survivor's Pension?

From: [Employment and Social Development Canada](#)

The Canada Pension Plan (CPP) survivor's pension is a monthly payment paid to the legal spouse or common-law partner of the deceased contributor. – also referred to as a widow's (or widower's) pension –

### To qualify for the survivor's pension, you must:

- be legally married to a deceased CPP contributor
- be the common-law partner of a deceased CPP contributor
- If you are a separated legal spouse and the deceased had no common-law partner, you may qualify for this benefit.

### How much the survivor receives is dependent on:

- How much the deceased contributor paid into the plan, and for how long
- The age of the survivor, whether you are younger or older than age 65

Eligible survivors who are 65 years or older and do not receive other CPP benefits are paid 60% of the deceased contributor's retirement pension.

i.e. Survivor (65 years or older) = 60% of CPP contributor's pension at 65 years.

For 2023, the maximum survivor's pension for survivors who are 65 and over is  $60\% \times \$1,306.57 = \$783.94$ .

Eligible survivors who are under 65 years and who are not receiving other CPP benefits are paid 37.5% of the deceased contributor's pension plus a flat rate portion (i.e. \$217.99 for 2023).

Using 2023 as an example, the maximum survivor's benefit for survivors who are younger than 65 is:  $(\$1,306.57 \times 37.5\%) + (\$217.99 \text{ flat-rate component}) = \$707.95$ .

**If the survivor receives other CPP benefits, e.g. CPP retirement pension or disability benefit, these benefits are combined into one monthly payment.**

A surviving spouse eligible for the CPP disability and survivor's pension can only receive a combined amount equal to the maximum disability pension.

Also, a survivor eligible for both the CPP retirement pension and survivor's pension can only receive a combined benefit not exceeding the maximum retirement pension paid out for that year.

To apply for the survivor's pension, complete [Form ISP1300](#) and mail it to Service Canada. You can start receiving the survivor's pension the month after the contributor died.

### **You may also qualify for other CPP benefits**

In addition to the CPP survivor's pension, you may be eligible to receive:

- [Death benefit](#)
- [Benefits for children under 25](#)

Consult the table of current [Canada Pension Plan \(CPP\) payment amounts](#).

### **When To Apply for the CPP Survivor's Benefit**

You should apply as soon as possible after the contributor's death. If you delay, you may lose benefits. The Canada Pension Plan can only make back payments for up to 12 months.

As the survivor, you are responsible for applying for your monthly pension. If you are incapable of applying, you may have a representative (such as a trustee) apply for you.

A registered trustee, guardian, or other legal representative, may act on a client's behalf in person, by mail or by phone, but not online. For more information, you can [contact the Canada Pension Plan](#)

There are many sources available on line on this topic here are some you can consult:

<https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-survivor-pension.html>

<https://retirehappy.ca/cpp-survivor-benefits/>