

CANADA PENSION PLAN DISABILITY GUIDE

A Guide to Applying for Canada Pension Plan (CPP) Disability Benefits



This guide was prepared for individuals who may need assistance applying for CPP Disability Benefits. The information provided herein is not meant to be a substitute for legal advice nor a substitute for information provided directly by or from Service Canada.





MK Disability Lawyers understands the unique issues you face with respect to applying for CPP Disability benefits or disputing the denial or termination of your CPP Disability claim.

Together, our senior partners have over [50 years experience](#) representing disabled clients in complex LTD benefit disputes and assisting our clients with their CPP Disability claims, reconsiderations, appeals and tribunal hearings.

MK Disability Lawyers have the experience, insight, dedication and compassion to effectively represent disabled clients in their LTD appeals, court actions and CPP Disability benefit claims.

If you need our assistance with your LTD denial/termination or if you have questions or concerns regarding your other disability claims (such as CPP Disability), we encourage you to contact us.

MK Disability Lawyers are experienced disability lawyers dedicated *exclusively* to the practice of disability insurance litigation. We would be happy to provide you and/or your client with a [free consultation](#).

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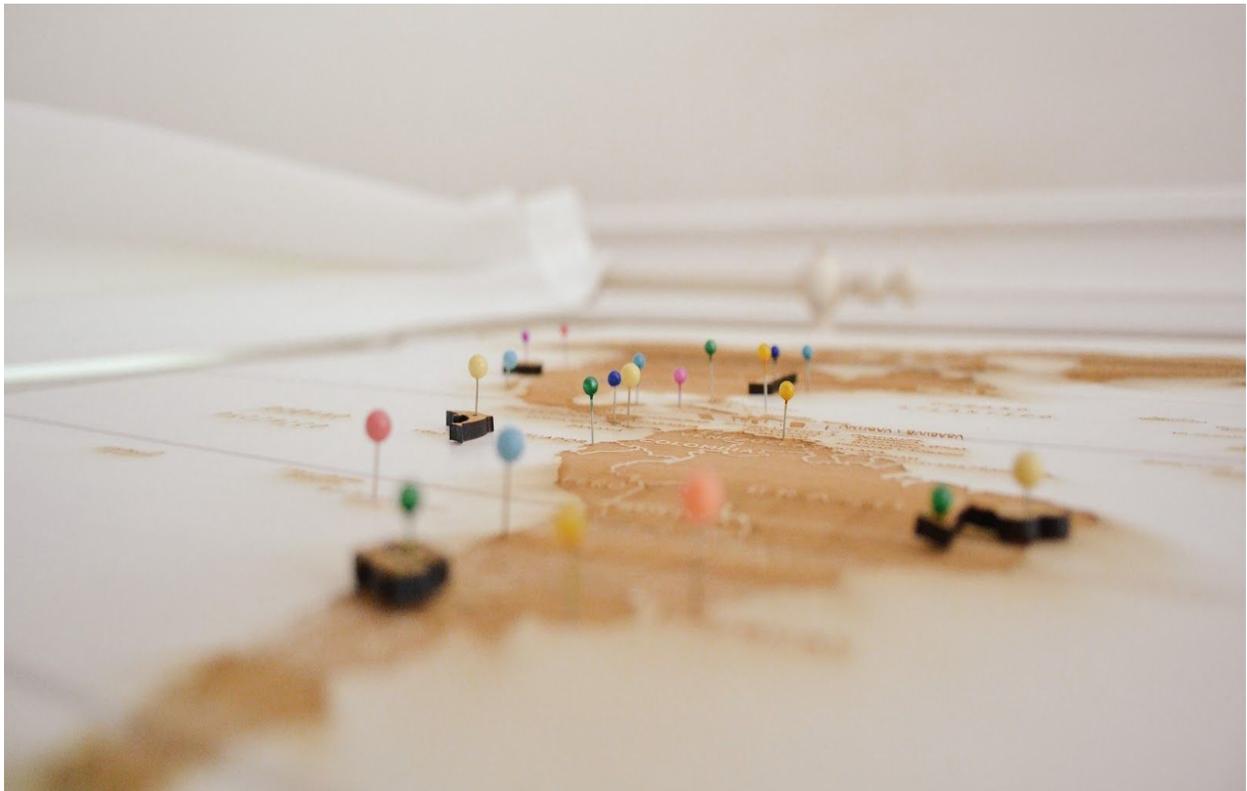
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What is the Purpose of this Guide?

The purpose of this guide is:

- To provide disabled persons with information on Canada Pension Plan Disability (CPPD); and
- To assist disabled persons in completing their CPPD applications.

This guide is not meant to replace independent legal advice. If you require legal advice in making your application or appealing the denial of your claim, it is best to consult a lawyer specializing in disability law. To schedule a free consultation with a lawyer specializing in disability law, please contact us at info@mkdisabilitylawyers.com or (647) 697-4600 or toll free (866) 965-6544.



If you would like a hardcopy of this guide, one can be sent to you by mail for a small administrative fee to cover the cost of photocopying and postage. Please make your request to info@mkdisabilitylawyers.com.

What is the Canada Pension Plan Disability Benefit (CPPD)?

CPP Disability (CPPD) is a disability benefit funded and administered by the federal government as part of the Canada Pension Plan (CPP). It provides eligible individuals and their dependent children with financial assistance should they become disabled.

To qualify for the CPPD monthly benefit, you must:

- be over 18 years of age and under 65 years of age;
- have stopped working due to a medical condition(s);
- have made the required minimum amount of contributions to CPP; and
- have a “severe and prolonged” disability, as defined in the CPP legislation.



How Much Can I Expect to Receive?

Unlike some provincial disability plans, CPPD is not income or asset-based. Nor does it depend on whether you live with others who contribute to your household income. That means that your family's income/assets are not considered in determining whether you are eligible for the benefit or in determining how much your monthly benefit will be.



The CPPD amount you are entitled to receive is solely and directly related to the amount of contributions you have made to CPP (Canada Pension Plan) over your working-life in Canada. To be eligible to receive CPPD, you must have worked in Canada and contributed to CPP over the last **4 of 6 years** or 3 of 6 years if you have contributed for at least 25 years.

If you have made sufficient contributions to CPP, you can expect to receive a base monthly amount (the base amount was \$505.79 in 2020) plus an additional amount based on how much you contributed during your working life in Canada.

In 2020, the maximum CPPD monthly benefit was \$1,387.66. Benefits become payable from the fourth month after the date you are deemed to have become disabled. (Check the Service Canada website to determine the updated annual maximum benefit amount.)

If you are approved for CPPD, you may also be entitled to the dependent children's benefit for which the flat monthly rate for each dependent child was \$255.03 in 2020. The child must be under 18 years old or under 25 and in full-time school and be your natural or adopted child or a child in your custody and control. You have to apply on behalf of children under the age of 18. If your child is living in the care and custody of another person, that person must apply on the child's behalf. Children between the ages of 18 and 25 must apply on their own behalf.

CPPD is a taxable benefit and you will be issued a T4A(P) to account for the CPPD benefits you received over the previous year. (You can request that income tax be deducted from your monthly benefit payments.) Although the CPPD income you receive is taxable, the benefit is also indexed, meaning that the monthly amount increases annually according to the cost of living provision in the plan.

In addition to volunteering, retraining or attending school, you may also earn a nominal income without impacting your entitlement to CPPD. In 2020, the maximum allowable earnings from employment was \$5,800 (gross) per year. You may work as many hours as you are able so long as your annual gross income does not exceed \$5,800. If that amount is exceeded, the earnings must be reported to CPPD and your benefits may be reduced or terminated. (Check with Service Canada to determine the updated annual maximum allowable earnings.)

In addition, if you are receiving CPPD and your condition is stable and you are ready and able to attempt to return to work, CPPD will pay your disability benefits during your rehabilitation period. You might also be eligible to participate in CPPD's "Vocational Rehabilitation Program". It is a voluntary program, providing employment counselling, financial support for re-training and assistance with job searching. Under this program, your CPPD benefits continue while you search for a job.



If you were receiving CPPD and you return to work and become disabled again (from the same or related disability) within two years, CPPD will automatically reinstate your benefits. This means you do not have to reapply for CPPD to have your benefits start up again. However, you only have **one month** from when you stop working to advise Service Canada that you would like to have your benefits "**reinstated**".

If you were receiving CPPD and you return to work for more than two years, but for less than 5 years and must stop working due to the same or related disability, you may be eligible for a "fast-track re-application". However, you have one year from when you stopped working to submit your application under the "fast-track reapplication" stream. You must also have made contributions every year since you returned to work.

Qualifying for CPPD may also impact other benefits you are receiving, such the CPPD Survivor benefit, provincial disability support benefits and private short- and long-term disability benefits and income replacement benefits. These other disability benefits may be reduced as a result of qualifying for CPPD. The reasoning is that you would not have been entitled to these other benefits (at all or in part) if you had been approved for and receiving CPPD.

It is important to contact your insurance company or benefit provider to confirm whether you are required to repay all or a portion of your benefits upon qualifying for CPPD. CPPD may also ask you to consent to allow it to reimburse these organizations on your behalf. CPPD reimburses these organizations only from the arrears (or past benefits owing).

If you are between the ages of 60 and 64, it is possible to apply for your CPP retirement pension while you are waiting for your CPPD claim to be assessed. If you are approved or if you were already receiving your CPP retirement pension (for 15 months or less) when you apply for



CPPD, your retirement pension may be converted to CPPD. It is beneficial to you to apply for CPPD even if you are receiving your retirement pension. CPPD provides a higher income than your early reduced pension. CPPD will not impact your retirement pension. It will convert to a retirement pension when you turn 65 years old.

In 2019, CPPD benefits were enhanced such that you will receive a

higher CPPD benefit amount depending on how long and how much you contributed to the enhanced CPPD. Both employers and employees will gradually be increasing contributions over the following seven years.

Since the primary purpose of CPPD is to provide replacement income, CPPD does not pay for medications or assistive devices. Funding for medication and assistive devices may be available to you through your employer's health plan or other provincial or federal plans. It is best to consult your employer or Service Canada or your provincial service provider to determine what extended health coverage may be available to you if you are disabled.

You would like information specific to your claim, you may contact CPPD at 1-800-277-9914 to inquire how much your CPPD benefit would be and from what date it would be payable. You will need to provide CPPD with your name and social insurance number and some other vital

When Should I Apply for CPPD?

It is critical to apply for CPPD as soon as it becomes apparent that you have a severe and prolonged disability. The date of your application determines the date from which benefits will be paid. If you delay in submitting your application, you may lose months of benefits to which you might have otherwise been entitled. CPPD may pay up to 12 months of past benefits (arrears), if you are able to demonstrate that you were continuously disabled prior to the date of your application.

If you became disabled and failed to apply for a long period of time, you may still make an application under the Late Applicant provision in the plan. CPPD will approve your claim if you can demonstrate that you had sufficient contributions at the time you first became disabled and if you have been continuously disabled from that time to the present time.

Other circumstances that have impacted your ability to contribute to CPP, will also be considered when determining your eligibility.

Depending on the reason for not being able to



make sufficient contributions to CPP, you may still be eligible to receive the benefit. For example, CPPD will take into account time off work during which you were raising your children; time during which you were working outside of Canada and periods during which you were unable to apply due to your physical or mental incapacity. These reasons will not disentitle you to the benefit, despite not having made sufficient contributions.

How do I Apply for CPPD Benefits?

You must apply for CPPD in writing using the Disability Kit provided by Service Canada (the kit may be obtained at your local Service Canada office or online at <http://www.servicecanada.gc.ca/fi-if/index.jsp?app=profile from=isp 1151 lang=eng.>) It is also possible to call Service Canada at 1-800-277-9914 and request that an application kit be mailed to you.

The Disability Kit contains the following:

- A booklet "General Information and Guide to help you complete your application for Disability Benefits Canada Pension Plan" (SC ISP-1150)
- An Application for Disability Benefits Canada Pension Plan (SC ISP-1151)
- A Canada Pension Plan Child Rearing Provision form (SC ISP-1640)
- A Questionnaire for Disability Benefits Canada Pension Plan (SC ISP-2507)
- Two Consent for Service Canada to Obtain Personal Information forms (SC ISP-2502A, SC ISP-2502B)
- A Medical Report form (SC ISP-2519)

In addition to the forms contained in the Kit, which are to be completed by you and your doctor, it also will be helpful to include certified copies of other medical notes, records and reports to support your claim for CPPD.



It is recommended that you refer to this **General Information and Guide** (contained in the Kit) to assist you in the application process. The following portion of *this* guide is meant to provide you with a summary of what is required.

It is also recommended that you use the **Mailing Checklist** also contained in the Kit to ensure that you have included all relevant documents with your application.

If you require assistance in the process, it is important that you consult a friend or relative or a legal representative who is familiar with the application process and compiling the relevant documents.

8 Steps to Completing My Application for CPPD Benefits

The following is an easy-to-follow list of eight steps to assist you in completing your application package.

Step 1: Complete Section A of the Medical Report and one Consent form (Physician's Copy).

Step 2: Take the one completed Consent (Physician's Copy) and the Medical Report to your doctor and ask him/her to complete Section B of the Medical Report.

Your doctor can either return the completed Report to you or send it directly to Service Canada. Be sure to ask your doctor which he/she prefers to do.

When deciding which doctor to have complete the form, it is recommended you choose the doctor most familiar with your disabling condition(s) and most supportive of your inability to work. Be sure to ask your doctor whether he/she is able to support your CPPD claim before you request a report from him/her.

CPPD will pay up to \$85.00 directly to your doctor for completing the report. Any additional charge will be yours to bear.

Step 3: Complete the Disability Questionnaire. Provide as much detail as possible as this document will be used by the CPPD adjudicator to assess your application.

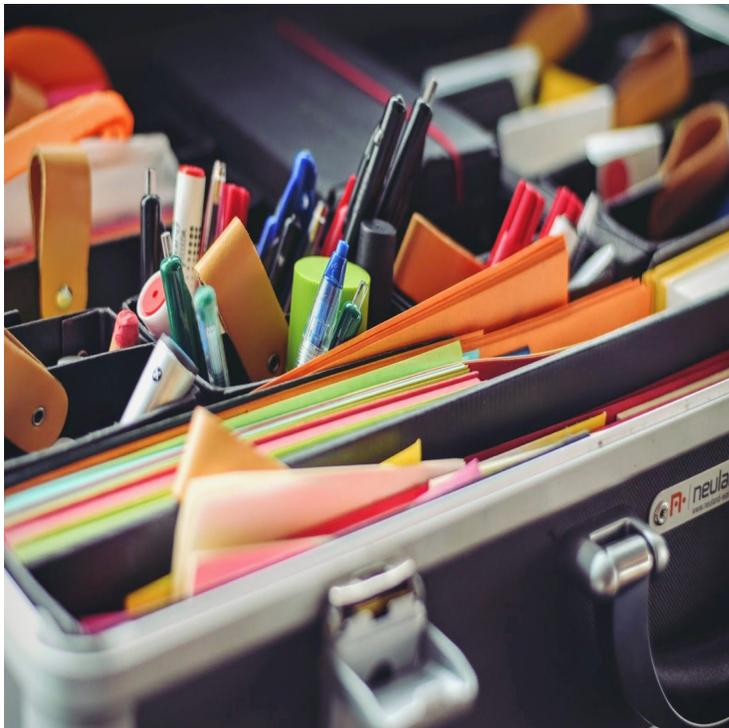
This is where you can indicate that you have included information from your insurance company that relates to your disability. You can ask your insurance company for a copy of all of the medical information in your claims file and provide any reports that support your claim that you are disabled for the purposes of CPPD.



If any of your insurance claims were denied or terminated (like treatment plans or disability benefits), you may choose not to provide the information contained in the insurance claim file (particularly any information in your insurance files that say that you are not disabled or not entitled to treatment). Instead, you should rely only on updated information from your doctors and treatment providers.

You can request a copy of the clinical notes and records of all of your treating doctors and specialists. However, you should ensure that the records provided relate to your disabling condition(s).

You may be required to pay a reasonable charge for photocopying and postage in order to obtain the insurance file and your doctors' records.



Step 4: If you decide to send copies of original documents, you must have the documents certified. If you choose to send the original documents, keep a copy for your records and be sure to send the originals by registered mail.

Remember to write your SIN on every document you submit.

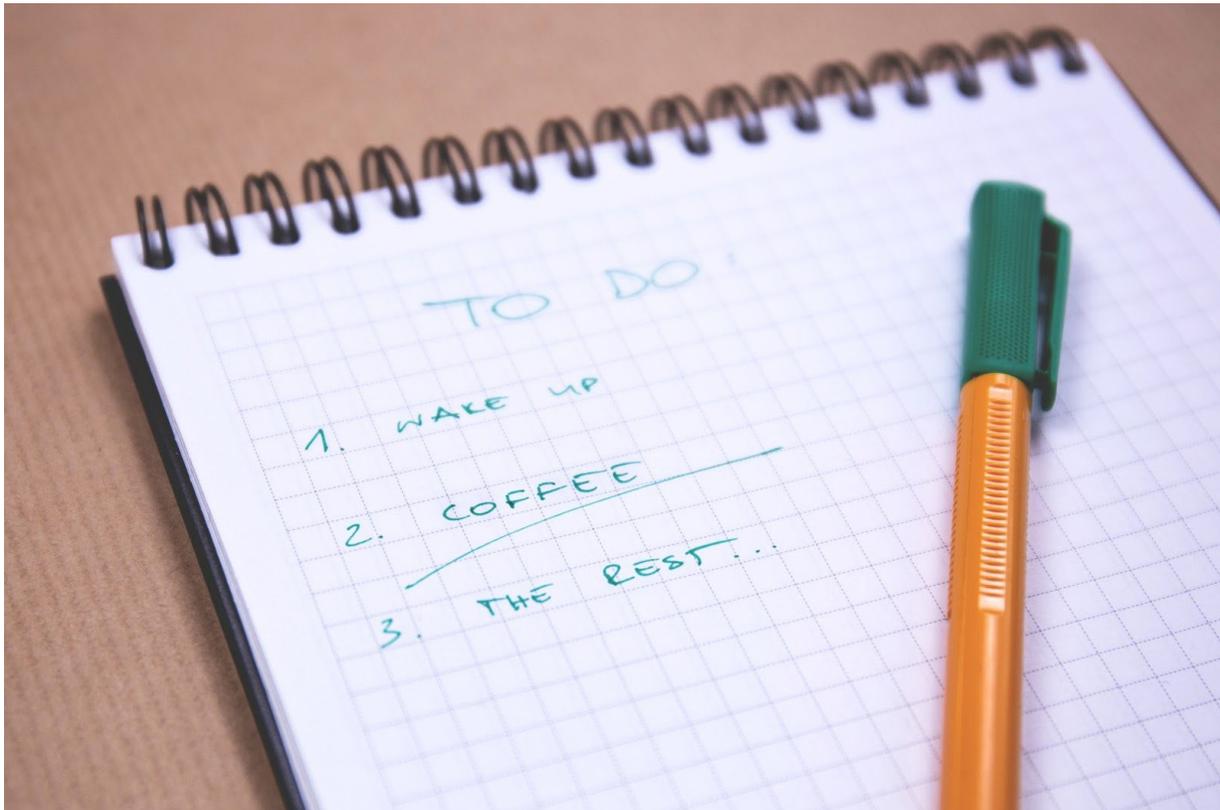
Step 5: Determine if any of the additional forms apply to you. The completion of these additional forms may increase the amount of CPPD benefit to which you are entitled.

These additional provisions/forms include: the Division of Pension Credits; Work Outside of Canada; Child Rearing Provision; Late Applicant; Declaration of Incapacity; and Child Benefits (as set out in Step 6, below).

Step 6: If you are applying for the child benefit, complete that portion of the application. If you did not provide your child's Social Insurance Number (SIN) or if he/she does not have a SIN, you will need to include a certified true copy of your child's original birth certificate. Again, remember to write your SIN on every document you submit.

Step 7: Complete and sign the second Consent (Service Canada's Copy) and include it in your application package. This will allow CPPD to obtain additional information on your behalf in order to assess your claim.

Step 8: Review the Mailing Checklist to confirm that you have included all relevant and necessary information and documents and that your SIN appears on every page you submit. Ensure that all copies have been certified. Make a photocopy of your complete application for your records. It is best to send your complete package to Service Canada by registered mail.



How Is My CPPD Application Assessed?

Once your complete application is received, it may take as long as four months for a decision to be made on your claim. During that time an adjudicator may contact you to advise you about the process, request additional information and update you on the status of your claim.

The first step in the assessment of your claim is to determine whether you are eligible based on your contributions to CPP. If you have made sufficient contributions over the course of your working



life, then your claim will be assessed based on whether you satisfy the CPPD definition of disability.

The next step is for medical adjudicators to review the medical information you submitted. They may consult with CPPD doctors and specialists in determining whether your condition is severe and prolonged. In doing so they will consider the following factors:

- The nature of the medical condition, and whether it is progressive;
- Functional limitations imposed by the medical condition;
- Impact of treatment(s);
- Statements/opinions expressed by medical practitioners and/or other health professionals, and by you;
- Existence of multiple medical conditions;
- Personal characteristics, such as age, education and work history; and
- Work performance, productivity and earnings.

The adjudicator will not approve a claim based solely on the basis of your diagnosis/disease. Rather he/she will need to determine whether you, based on your work history and your limitations and restrictions and prognosis, suffer from a severe and prolonged disability that prevents you from being gainfully employed.

What Happens if My Benefits are Approved?

If your CPPD claim is approved you will receive an approval letter as well as an explanation of payments that will outline your entitlement. It will include an “effective date” which is the date from which benefits will be paid to you. It will also provide details of any retroactive payment.



You will likely receive a lump sum payment (or retroactive payment) for a period up to 12 months prior to your application (assuming you have demonstrated you were continuously disabled during that period) up to the date of the decision. You will then receive your monthly benefit on an ongoing basis. The benefit amount will be increased annually to reflect an increase in the cost of living.

You are required to advise CPPD if any of the following changes occur:

- Your condition improves to the extent that you are no longer suffering from a severe and prolonged disability;
- You return to work, in any capacity (part-time, full-time, temporary, etc.);
- You plan to participate in a paid training program;
- You complete an academic, technical, trade or rehabilitation program; or
- There is a change with respect to the status of your children who benefits are being paid for (you lose care/custody or the death of a child); or
- There is a change in your address or banking information.

Some of these changes may impact your entitlement. If you fail to advise CPPD of any and all material changes, you may be charged with an offence or be required to pay a penalty.

If your benefits are denied, please see our CPP Disability Benefit Appeals Guide.

Resources

MK Disability Lawyers LLP

Law firm focusing on Long-Term Disability Litigation and authors of this guide.

Website: www.mkdisabilitylawyers.com

Email: info@mkdisabilitylawyers.com

CPP Disability

Federally funded disability benefit for eligible workers with severe and prolonged disability.

Website: <https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-disability-benefit.html>

Phone: 1-800-277-9914

Service Canada - Application for CPPD Benefits

Federal service provider for applications for social assistance and disability benefits.

Website: <http://www.servicecanada.gc.ca/fi-if/index.jsp?app=prfl&frm=isp1151>

Service Canada - Find a Service Canada Office

Federal service provider for applications for social assistance and disability benefits.

Website: <http://www.servicecanada.gc.ca/tb-sc-fsco/sc-hme.jsp?lang=eng>

Canada Benefits - Benefits Finder - to obtain a customized list of federal and provincial benefits for which you may be eligible

Resource for determining which benefits to apply for based on potential eligibility.

Website: <http://www.canadabenefits.gc.ca/f.1.2c.6.3z.1rdq.5.2st.3.4ns@.jsp?lang=en>

Canada Revenue Agency (Tax Credits and Deductions for Persons with Disabilities)

Information on tax deductions and savings plans for people not working due to disability.

Website: <http://www.cra-arc.gc.ca/tx/ndvdl/sgmnts/dsblts/menu-eng.html>

Legal Aid

List of neighbourhood legal aid clinics and specialty clinics providing legal support.

Website: <http://www.justice.gc.ca/eng/fund-fina/gov-gouv/aid-aide.html>

Contact Us

MK Disability Lawyers is an experienced boutique disability insurance law firm focused on complex long-term disability insurance litigation. Between the three partners, we have over 50 years experience litigating disability insurance claims. We also have extensive experience litigating individual LTD, life insurance and critical illness claims and we have represented our disabled members at CPP Disability Tribunal hearings and in actions in their motor vehicle and personal injury cases. We appreciate that you have serious physical and cognitive limitations and restrictions and strive to accommodate them throughout the litigation and in the service we provide.

As part of our commitment to assisting and empowering disabled individuals, we offer **free, confidential consultations** by telephone, in-person or by video conferencing. Although our practice is located in the **Toronto and Markham areas, we represent members throughout the province**. Please feel free to contact us directly by email or telephone if you need our assistance or if you have any questions about CPP Disability or another type of disability insurance claim.

Please see our website for more information: www.mkdisabilitylawyers.com.

