

Minister of
Families, Children and
Social Development



Ministre de
la Famille, des Enfants et
du Développement social

Ottawa, Canada K1A 0J9

Ms. Cathy Taylor
Executive Director
Ontario Nonprofit Network
300-2 St. Clair Avenue E
Toronto ON M4T 2T5

FEB 06 2017

Dear Ms. Taylor:

I am responding to your letter of December 20, 2016, concerning the Child Rearing Provision (CRP) and the Disability Exclusion of the Canada Pension Plan (CPP).

The Government of Canada is committed to giving Canadians a more secure retirement. To this end, the Government worked with the provinces and territories to strengthen the retirement income system by enhancing the CPP. On June 20, 2016, federal, provincial and territorial Ministers of Finance reached a historic agreement. As a result, all Canadians who contribute to the enhanced CPP will receive larger retirement benefits. The enhancement will also increase the amount Canadians receive from the CPP disability pension and the survivor's pension.

CRP allows periods during which a parent stayed home or reduced his or her earnings to be the primary caregiver for a child or children under the age of seven to be excluded from his or her contributory period if doing so would result in an increased benefit. The Disability Exclusion removes any month when an individual was in receipt of a CPP disability benefit (and unable to work) from the calculation of his or her CPP benefits.

While CPP contributors will continue to benefit from CRP and the Disability Exclusion in the base CPP, these provisions were not included in the enhanced portion of the CPP. The enhancement provides a tight link between the earnings-based contributions and the enhancement's benefit amounts. This helps to make the contribution rates for the enhancement of the Plan more affordable. Ultimately, federal and provincial governments balanced the goal of increasing CPP benefits with the objective of keeping contribution increases as low as possible for workers and employers.

That said, there are ongoing opportunities to consider changes to the CPP. At their December meeting, the federal, provincial and territorial Ministers of Finance agreed to consider CRP and the Disability Exclusion as part of the current triennial review of the CPP. During this review, which will close in 2018, the Ministers of Finance will examine the Plan's financial state

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and make recommendations as to whether benefits, provisions or contribution rates should be changed. Stewardship of the CPP is shared between the provinces and the Government of Canada. Major changes that affect benefit levels are determined together with the provinces and territories and must be approved by the federal government and two thirds of the provinces representing at least two thirds of Canada's population.

It is important to note that the CPP will continue to play a large role in the financial security of women. By 2035, a majority of CPP retirement pensioners will be women. More than half of CPP disability pension recipients are currently women and 85 percent of survivor's pension beneficiaries are women. The enhancement will increase the value of all these benefits.

I hope that this information is helpful in addressing your concerns.

Yours sincerely,



The Honourable Jean-Yves Duclos, P.C., M.P.
Minister of Families, Children and Social Development

c.c. The Honourable Bill Morneau, P.C., M.P.
Minister of Finance

The Honourable Carla Qualtrough, P.C., M.P.
Minister of Sport and Persons with Disabilities

The Honourable Patty Hajdu, P.C., M.P.
Minister of Employment, Workforce Development and Labour