

Integration with Canada Pension Plan

Why is the Teacher Pension Plan integrated with CPP?

The NBTPP pre-exists CPP becoming mandatory in 1966. At that time, CPP was designed to pay a pension benefit beginning at Age 65. Contribution rates to our Teachers' Pension Plan were lowered to account for the contributions which began to be made to CPP – and the benefits were adjusted to provide a bridge benefit (increased pension) until Age 65 and then a lifetime benefit from that point forward.

When should I begin to collect CPP?

You can draw CPP as early as Age 60. The decision of when to draw CPP involves a number of variables. It is strongly recommended that members consult with a Financial Advisor to determine the optimal time to begin collecting this benefit. Some considerations are:

- Age at retirement
- Pension income before and after Age 65
- Life expectancy
- Other income sources in retirement

Waiting to collect CPP beyond Age 60 increases the benefit by 0.6%/month (7.2%/year) to Age 65, however teachers must also consider the amount of income not collected during the period of time they defer this pension.

Does my Teacher Pension get reduced when I collect CPP?

No. Your Teacher Pension Bridge Benefit is eliminated at Age 65 regardless of when you collect CPP.