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CPP Decision Time

Posted by [grownups](#) on Oct 17, 2011 | [0 comments](#)



CPP Decision Time

by: [Rona Birenbaum CFP](#)

Q: I am turning 60 next year. Should I apply for CPP now or wait until I am 65?

A: It sounds like you realize that electing to receive CPP prior to age 65 means that your monthly pension will be less than if you waited until age 65 to apply.

There is no simple answer to this question, which explains why you may have received conflicting advice.

Here is what you need to know to make a decision that is right for you.

The most recent changes to the CPP were designed so that if you live an average lifespan, there is no advantage or disadvantage to taking benefits early. There are some situations where taking CPP early or later make really good sense. Perhaps you fall into one of these categories:

Early CPP situation #1

You need the money – If you have a cash flow deficit that early CPP benefits will cover, it makes sense to take it rather than build debt.

Early CPP situation #2

You are in poor health – If you expect a shortened life expectancy either because you have health issues or because your family history is one of shorter life spans, taking early CPP is a good bet.

Early CPP situation #3

You spent a number of years out of the workforce – Your pension amount depends on averaging your contributions and

