

How CPP and Your Ontario Teachers' Pension Work Together

Ontario Teachers' and CPP pensions

As with most pension plans in the country, the Ontario Teachers' Pension Plan is designed to work with the Canada Pension Plan (CPP).

We provide a bridge benefit, which is intended to supplement your retirement income until age 65 when you're eligible for an unreduced CPP pension. The month after you turn 65, or immediately if you start a CPP disability pension, the bridge benefit ends and your pension payment is adjusted. Here's how the two plans work together:

During your working years

Your Ontario Teachers' contributions are reduced to reflect the contributions you make to, and the benefits you earn under, the CPP during the same period.

During early retirement up to age 65

If you retire early, we provide an additional early retirement bridge benefit over and above your lifetime pension amount until you reach age 65. The additional bridge benefit is intended to supplement your retirement income until age 65 when you're eligible for an unreduced CPP pension.

After age 65

Once you reach age 65, this early retirement bridge benefit stops.

If you start collecting your CPP pension before age 65, you'll notice a decrease in your total pension income at age 65 when the bridge benefit ends.

If you wait until age 65 or later to begin collecting a CPP pension, you'll most likely not notice a significant difference in your pension income when the bridge benefit ends.

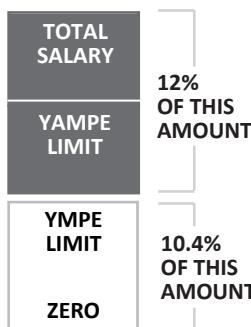
While you're working

We use a two-tiered formula to calculate your contributions to the plan. Contributions are lower on earnings up to the Year's Maximum Pensionable Earnings (YMPE), and higher on earnings above it. The YMPE changes every year to reflect increases in the average wage.

As of January 1, 2019, CPP began phasing in higher contributions and benefits, and introduced a new tier of earnings above the YMPE. The new limit is called the Year's Additional Maximum Pensionable Earnings (YAMPE). The YAMPE will increase each year and is estimated to be about \$79,400 when it's fully phased in after 2025.

While CPP enhancements will increase contributions to, and benefits payable from CPP, they won't affect your contribution rates to Ontario Teachers'. Under current plan terms, we don't use the YAMPE as part of the formula that determines your contribution rates.

Your contributions to the Ontario Teachers' Pension Plan



Your contribution to the Ontario Teachers' Pension Plan in 2026 is 10.4% of your salary up to the YMPE limit set by CPP (\$74,600 in 2026). For any part of your salary above the YMPE limit, your contribution to the Ontario Teachers' Pension Plan is 12% of your salary. There's no impact to your contribution rates at the YAMPE limit.

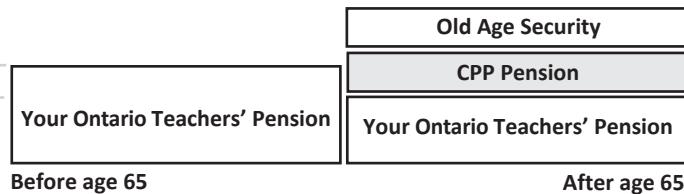
While you're working, cont'd.

Just like before CPP expansion in 2019, your Ontario Teachers' pension is integrated with CPP based on the YMPE limit. We'll also use the same formula to calculate the CPP adjustment at the earlier of age 65 or when you start a CPP disability pension.

When you retire

Your Ontario Teachers' and government pensions

Adjustment for CPP integration



You may receive additional benefits from CPP due to its 2019 enhancements. However, it won't impact the CPP adjustment to your Ontario Teachers' pension.

We calculate your CPP adjustment based on a formula, it doesn't reflect the actual amount you receive from CPP. As noted above, the CPP adjustment will occur at the earlier of the month after you turn 65 or when you start a CPP disability pension.

Deciding when to take your CPP pension

Deciding when to take your CPP pension is a personal decision. You can choose to take a reduced CPP pension early, or wait until 65 to collect a CPP pension without reductions.

Taking CPP early

Taking your CPP pension early (from age 60 to 64) does not affect your Ontario Teachers' pension. However, if you're collecting a CPP disability pension, your Ontario Teachers' pension will be adjusted for CPP immediately.

To obtain an estimate of your CPP pension, contact your local CPP office at 1-800-277-9914. The Service Canada website at www.servicecanada.gc.ca is also an excellent resource for CPP information and regulations.

At a glance

Summary of your Ontario Teachers' and government pensions

Unreduced Ontario Teachers' pension
When your age plus your qualifying years equal 85, you're eligible for an unreduced Ontario Teachers' pension.

Get the facts
Before deciding when to take your CPP pension, contact Service Canada to get your particular pension amounts.

	Ontario Teachers' Pension Plan	Canada Pension Plan	Old Age Security
To age 59	Unreduced with 85 factor. To age 65, your pension equals $2\% \times \text{credit} \times \text{"best-five" average salary}$.	Not available	Not available
At age 60		Eligible for a CPP pension — if still employed and receiving CPP retirement pension, must contribute to CPP.	Not available
At age 65 and older	Your Ontario Teachers' pension is adjusted for CPP. The adjustment equals about 70%* of the CPP pension you would qualify to receive at age 65.	If still employed and receiving CPP retirement pension, can make additional, voluntary contributions to CPP until age 70.	Eligible to begin collecting OAS

* applicable for career teachers; a different adjustment may apply for occasional teachers.