



Reaching age 65 - Retired members - Pension

The public service pension plan is coordinated with the Canada Pension Plan (CPP) or the Quebec Pension Plan (QPP). “Coordination” means that the public service pension plan takes into account the contributions and benefits that a plan member will pay into and receive from CPP or QPP. As a result of this coordination, the public pension plan provides for the payment of a lifetime pension payable until your death and a temporary bridge benefit payable until age 65 or until you start receiving disability benefits at any age. The following information is intended to help you understand your lifetime pension and bridge benefit and the coordination of the public service pension plan contributions and benefits with those available from the CPP or QPP.

Why are the contribution rates under the public service pension plan co-ordinated with those under the CPP or QPP ?

Your public service pension plan is coordinated with the CPP or QPP. When CPP and QPP were introduced on January 1, 1966, the federal government, like most Canadian employers offering a pension plan for their employees, decided to coordinate the new CPP and QPP with the public service pension plan so that its employees would not have to set aside a greater proportion of their salary for retirement savings. Since contributions were coordinated, pension benefits also had to be coordinated.

As a result, your public service pension consists of the following:

A lifetime pension

- the permanent portion of your pension payable from the date your pension begins until your death; and

A bridge benefit

- a temporary amount payable from the date your pension begins until age 65 (earlier if you start receiving CPP or QPP disability benefits). Consult the [Canada Pension Plan/Quebec Pension Plan Coordination](#) for more information.

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When will your bridge benefit cease?

If you retire before age 65, you will receive a bridge benefit payable until age 65. However, if you begin receiving a CPP or QPP disability pension before age 65, your bridge benefit under the public service pension plan will cease immediately. It is your responsibility to inform the [Government of Canada Pension Centre](#) if you start to receive a disability pension under the CPP or QPP. If you omit to inform the Government of Canada Pension Centre, you will be required to repay any overpayments.

If you retire after age 65 or are receiving CPP or QPP disability benefits, the bridge benefit is not paid.

Does your bridge benefit cease before age 65 if you choose to receive your CPP or QPP benefit at an age other than 65 ?

The bridge benefit will continue to be paid until age 65 even if you choose to receive an early or late CPP or QPP retirement benefit, before or after age 65. However, it is important to note that by receiving the CPP or QPP pension early, you will receive a reduced amount that continues to be paid at the reduced rate after age 65. As a result, you will notice a decrease in your total pension income at age 65, when your bridge benefit ends, because you are in receipt of an early (reduced) CPP or QPP benefit. The bridge benefit will stop on the first of the month following your 65th birthday or on the date that you become entitled to a CPP or QPP disability pension.

What is the formula for calculating your lifetime pension and bridge benefit under the public service pension plan ?

The public service pension plan provides for the payment of a lifetime pension payable until your death and a temporary bridge benefit payable until age 65 (earlier if you start receiving CPP or QPP disability benefits).

Lifetime pension

At retirement, you receive a lifetime pension. Your annual lifetime pension is based on your average salary of your five consecutive years of highest paid service and your years of pensionable service, as follows:

$$\begin{aligned} & 1.375\%^1 \times (\text{multiply}) \text{ Your average salary up to the AMPE (average maximum pensionable earnings)}^2 \times (\text{multiply}) \\ & \quad \text{Your years of pensionable service (maximum 35 years)} \\ & \quad \text{PLUS} \\ & 2\% \times (\text{multiply}) \text{ Your average salary in excess of the AMPE (average maximum pensionable earnings)}^2 \times (\text{multiply}) \\ & \quad \text{Your years of pensionable service (maximum 35 years)} \end{aligned}$$

Note: if your pension includes part-time service, the benefits are adjusted to reflect the part-time hours of work compared to the full-time hours of the position.

Bridge benefit

Note: Plan members who retire after age 65 or are already receiving CPP or QPP disability benefits do not receive the bridge benefit.

$$0.625\%^3 \times (\text{multiply}) \text{ Your average salary up to the AMPE (average maximum pensionable earnings)}^2 \times (\text{multiply}) \text{ Your years of pensionable service (maximum 35 years)}$$

Additional information and examples can be found in [Pension Formula: Lifetime Pension and Bridge Benefit](#).

Footnotes

1. This percentage applies if you reached age 65 in 2012 or later, i.e. you were born in 1947 or later. The percentages if you were born before 1947 are indicated below:

- **Before 1943:** 1.3%
- **1943:** 1.315%
- **1944:** 1.330%
- **1945:** 1.345%
- **1946:** 1.360%

2. This value, set by the *Canada Pension Plan*, is the average maximum pensionable earnings (AMPE) for your year of retirement and the four preceding years.

3. This percentage applies if you reached age 65 in 2012 or later. The percentages if you were born before 1947 are indicated below:

- **Before 1943:** 0.700%
- **1943:** 0.685%
- **1944:** 0.670%
- **1945:** 0.655%
- **1946:** 0.640%

Is the indexing payable on your pension affected when the bridge benefit ceases at age 65 ?

The [indexation \(cost of living pension increases\)](#) payable on your public service pension before age 65 is directly related to the total amount of the public service pension you receive, this is, your lifetime pension plus the bridge benefit. When your bridge benefit ceases, whether at age 65 or if you start receiving CPP or QPP disability benefits, the indexing is calculated on your lifetime pension amount only, resulting in a reduction in the indexing payable.

Is the survivor benefit payable to your survivors affected at age 65, when the bridge benefit normally ends ?

The survivor benefit is normally equal to half of your lifetime pension and bridge benefit. The [survivor benefit](#) is calculated at this rate even after the bridge benefit ceases which is normally at age 65. Your survivor can receive benefits under the CPP or QPP and also receive a full survivor benefit under the public service pension plan.

Visit [Public service group insurance benefit plans](#) for information on benefits.