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NEWS RELEASE

Two Evidence-Based Reforms to Strengthen CPP/QPP

National Institute on Ageing Launches Final Paper in Groundbreaking CPP/QPP Series

TORONTO, Tuesday, December 17 — The National Institute on Ageing (NIA) proudly announces the release of the final paper in its influential series, *7 Steps Toward Better CPP/QPP Claiming Decisions*. The concluding [Step #7: Strengthening CPP/QPP for Better Outcomes — Two Evidence-Based Reforms](#), presents solutions designed to remove key barriers that prevent Canadians from taking full advantage of the Canada Pension Plan (CPP) and Quebec Pension Plan (QPP).

This marks the culmination of a large-scale research effort investigating why so many retirees are missing out on the opportunity to enhance financial security in retirement by delaying their CPP/QPP pensions.

“Until now, we have concentrated on practical and voluntary ways for government and industry to support pre-retirees in making better decisions. But throughout our journey, two barriers have surfaced that can only be overcome through legislative changes,” explains lead author Dr. Bonnie-Jeanne MacDonald, Director of Financial Security Research of the NIA.

Improving Participant Outcomes through Enhanced Governance

“We’ve identified weaknesses in CPP processes stemming at least in part from gaps in governance,” explains co-author Doug Chandler, Associate Fellow of the NIA. “Legislation across Canada requires administrators of other pension plans to act in participants’ best interests, but CPP has no comparable requirement. CPP participant outcomes need to be explicitly made a priority.”

Addressing the Fear of Losing Out through Benefit Design

According to the 2023 Ageing in Canada Survey, the biggest financial fears of Canadians 50 and older are inflation and running out of money. For many, delaying CPP/QPP and OAS benefits is the only practical option to address these fears. It is a safe and inexpensive

strategy to greatly enhance retirement income security; yet most participants choose the earlier, lower-income option instead.

Among those who can afford to delay, the most common reason for claiming benefits early is a concern over dying prematurely and losing out on the benefit payments they could have otherwise received—an outcome they consider unfair. The solution proposed in the report is adding a modest “pension-back” death benefit to both CPP and QPP, covering the difference between what a participant *actually* received and what they *would have* received had they claimed at age 60.

MacDonald explains that introducing a death benefit would reduce the gamble involved in the claiming decision and lead to higher lifetime income for many retirees. This effective, low-cost solution is supported by evidence from academia with proven practices in the private annuity and pension markets.

A Bold Step Forward for Canadian Retirement Security

“There is so much to be proud of in the CPP/QPP, but these programs’ successes are undermined if participants are not supported by robust governance and sound design,” says co-author Barbara Sanders, Associate Fellow of the NIA. “We urge policymakers to redefine the federal government’s formal responsibilities to prioritize CPP participant outcomes explicitly and adopt a modest ‘pension-back’ death benefit feature in CPP and QPP.”

The proposed reforms reflect the NIA’s commitment to independent, evidence-based solutions that support older adults and their families. They aim to improve intergenerational equity, ease pressure on public resources, and align Canada’s pension system with the retirees’ real-life needs.

“This series has been a remarkable journey, shining a light on the complexities and challenges of CPP/QPP claiming decisions,” says Alyssa Brierley, Executive Director of the NIA. “Our proposed reforms put participants at the centre, ensuring that the system meets their needs and perspectives so that they can make choices that will secure their long-term financial well-being. The NIA calls on policymakers, stakeholders, and the public to embrace these reforms.”

About The National Institute on Ageing

The National Institute on Ageing (NIA) improves the lives of older adults and the systems that support them by convening stakeholders, conducting research, advancing policy

solutions and practice innovations, sharing information and shifting attitudes. Our vision is a Canada where older adults feel valued, included, supported, and better prepared to age with confidence.

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For media inquiries, please contact:

Magdalen Stiff, Director of Communications, National Institute on Ageing
magdalen.stiff@torontomu.ca