

FOR IMMEDIATE RELEASE

NEWS RELEASE

## New Research from the National Institute on Ageing Sheds Light on Common Misconceptions About CPP/QPP Claiming Decisions

*Exploring flawed narratives that drive early claiming*

**TORONTO, September 4, 2024** — Tackling common misconceptions around the decision to claim Canada Pension Plan (CPP)/Quebec Pension Plan (QPP) benefits early is one of the many challenges of the CPP/QPP claiming journey.






In Step #3 of an eight-part paper series, **Retiring Problematic Narratives**, Dr. Bonnie-Jeanne MacDonald, Director of Financial Security Research of the NIA, and co-author Doug Chandler, Associate Fellow of the NIA, explain the most prevalent flawed narratives impacting the decision to claim CPP or QPP benefits — one of the most important financial decisions Canadians face — that can lead to unfavourable results.

“Deciding when to claim CPP/QPP benefits is a decision that can shape a retiree’s finances for decades,” says Dr. Bonnie-Jeanne MacDonald, Director of Financial Security Research of the NIA. “Unfortunately, many Canadians are influenced by flawed narratives that lead them to accept reduced pensions. Our goal is to help financial professionals debunk these myths and provide clearer, evidence-based guidance that, in turn, will help individuals make decisions aligned with their long-term financial needs.”

### Decoding Misconceptions: A Path to Better Financial Decisions

The new paper delves into three prevalent yet flawed narratives that drive decisions to claim CPP/QPP benefits prematurely:

1. **The Break-Even Approach:** The idea that claiming benefits at age 60 is preferable if one expects to die before breaking even.
2. **CPP/QPP Reliability Concerns:** The fear that the government might curtail benefits in the future.
3. **Investment Assumptions:** The idea that claiming benefits early and investing the proceeds will ultimately result in greater wealth.

|   |   |                     |   |                       |
|---|---|---------------------|---|-----------------------|
|  |  | 350 Victoria Street |  | niageing.ca           |
|   |   | Toronto, ON, Canada |  | @NIAgeing             |
|   |   | M5B 2K3             |  | info.nia@torontomu.ca |

The paper dissects these narratives, revealing their shortcomings and the psychological biases that fuel them. For instance, the “break-even” approach fosters a gambler’s mentality that distracts the individual from sound financial planning. The paper also refutes the views that CPP/QPP benefits are unsustainable and that self-managed retirement funds will yield superior returns.

**Empowering Advisors and Policymakers**

This paper is designed to equip financial advisors, pension plan sponsors and policymakers with the knowledge to guide retiring Canadians toward more informed decisions when planning for retirement. By addressing the misconceptions head-on, the NIA aims to provide decision-makers with the tools to shift these narratives and support Canadians in securing a more stable and fulfilling retirement.






“This paper not only challenges misleading narratives but also highlights the need for change within the financial services industry,” says Alyssa Brierley, Executive Director of the NIA. “We invite financial professionals and institutions to champion more rational, well-informed approaches to financial decision-making so that Canadians are enabled to optimize their financial security in their later years.”

**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.

**For media inquiries, please contact:**

Magdalen Stiff, Director of Communications, National Institute on Ageing  
[magdalen.stiff@torontomu.ca](mailto:magdalen.stiff@torontomu.ca)

|   |   |                     |   |                       |
|---|---|---------------------|---|-----------------------|
|  |  | 350 Victoria Street |  | niageing.ca           |
|   |   | Toronto, ON, Canada |  | @NIAgeing             |
|   |   | M5B 2K3             |  | info.nia@torontomu.ca |