



Citation: *CL v Minister of Employment and Social Development*, 2023 SST 1861

Social Security Tribunal of Canada
General Division – Income Security Section

Decision

Appellant: C. L.

Respondent: Minister of Employment and Social Development

Representative: Judy Au

Decision under appeal: Minister of Employment and Social Development
reconsideration decision dated April 12, 2023 (issued by
Service Canada)

Tribunal member: James Beaton

Type of hearing: Teleconference

Hearing date: October 24, 2023

Hearing participants: Appellant
Respondent's representative
Interpreter

Decision date: October 24, 2023

File number: GP-23-1096

Decision

[1] The appeal is dismissed.

[2] The Appellant, C. L., isn't eligible for an increased Canada Pension Plan (CPP) retirement pension. This decision explains why I am dismissing the appeal.

Overview

[3] The Appellant applied for a CPP retirement pension on September 22, 2022. She asked to receive her pension as soon as she qualified.¹

[4] The Minister of Employment and Social Development approved the Appellant's application. The Minister started paying her a monthly pension of \$270.74 beginning in October 2022.²

[5] The Appellant asked the Minister to reconsider its decision because she thought her pension should be higher based on the years she has worked in Canada and the cost of living. The Minister maintained its decision on reconsideration. The Appellant appealed the Minister's decision to the Social Security Tribunal's General Division.

What I have to decide

[6] I have to decide whether the Appellant is eligible for an increased CPP retirement pension.

Reasons for my decision

[7] An applicant's retirement pension is calculated according to some complicated rules in the *Canada Pension Plan* and the *Canada Pension Plan Regulations*. The Minister and the Tribunal must follow these rules. The rules don't allow for an increased pension based on financial need.

¹ See GD2-22 to 28.

² The start date of the Appellant's retirement pension is shown in the chart at GD2-4 under "Start Date."

[8] The Minister calculated the Appellant's pension by following the rules. I don't see any mistake in the Minister's calculations. This means I can't change the Minister's decision.

[9] The Minister calculated the Appellant's pension by following these steps:

- 1) The Minister determined her **adjusted pensionable earnings**.
- 2) The Minister divided this by the number of months in her **contributory period**. The resulting number is called her **average monthly pensionable earnings**.
- 3) The Minister took 25% of this number to get her monthly pension amount.
- 4) Then the Minister reduced her pension based on her age. This is called an **actuarial adjustment**. The Minister does this whenever someone starts getting a retirement pension before the age of 65.

[10] I will now explain these steps in more detail.

– **Determining the Appellant's adjusted pensionable earnings**

[11] The Appellant earned "adjusted pensionable earnings" every year that she worked and contributed to the CPP. The Minister added up all of these earnings and got \$608,310. These earnings are at pages GD2-16 and 17 of the appeal record.

– **Determining the Appellant's contributory period**

[12] The Appellant's "contributory period" began the month after her 18th birthday (November 1978) and ended the month before she started getting a retirement pension (September 2022).³ This is a period of 527 months.

[13] The law says not to consider 17% of the Appellant's lowest months of earnings.⁴ So the Minister dropped 90 months from the Appellant's contributory period. She didn't have any adjusted pensionable earnings for those 90 months. This means her earnings

³ See section 49 of the *Canada Pension Plan*.

⁴ See section 48(4) of the *Canada Pension Plan*.

stayed the same (\$608,310), but her contributory period was lower (437 months instead of 527 months).

[14] The Minister then divided \$608,310 by 437 months to get \$1,392.01. This was the Appellant's average monthly pensionable earnings.⁵

– **Taking 25% of the Appellant's average monthly pensionable earnings**

[15] The law says to take 25% of this number to get a person's monthly retirement pension amount. 25% of \$1,392.01 is \$348.00.⁶

– **Reducing the Appellant's retirement pension based on age**

[16] An applicant's retirement pension is reduced by a certain percentage (0.6%) for each month that they were retired before they turned 65.⁷

[17] The Appellant retired 37 months before she turned 65. Her pension was reduced by 0.6% for each of those 37 months, or 22.2% total. This brought her pension down to \$270.74.

[18] The Minister started paying the Appellant a monthly retirement pension of \$270.74 as of October 1, 2022.

[19] Every year, retirement pensions are increased by a certain percentage based on the increase in the cost of living. This percentage increase is the same for everyone. It is set by law. The Minister can't change it.⁸ The Minister applied this increase to the Appellant's pension, which means her pension increased to \$288.34 as of January 1, 2023.

Conclusion

[20] I find that the Appellant isn't eligible for an increased CPP retirement pension.

⁵ See section 48(1) of the *Canada Pension Plan*.

⁶ See section 46(1)(a) of the *Canada Pension Plan*.

⁷ See section 46(3.1) of the *Canada Pension Plan* and section 78.3 of the *Canada Pension Plan Regulations*.

⁸ See section 45(2) of the *Canada Pension Plan*.

[21] This means the appeal is dismissed.

James Beaton

Member, General Division – Income Security Section