



Citation: *KG v Minister of Employment and Social Development*, 2025 SST 769

**Social Security Tribunal of Canada  
General Division – Income Security Section**

**Decision**

**Appellant:** K. G.

**Respondent:** Minister of Employment and Social Development

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**Decision under appeal:** Minister of Employment and Social Development  
reconsideration decision dated February 27, 2025 (issued  
by Service Canada)

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**Tribunal member:** Virginia Saunders

**Type of hearing:** In writing

**Decision date:** July 29, 2025

**File number:** GP-25-748

## Decision

[1] The appeal is dismissed.

[2] The Appellant, K. G., 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 in November 2023. He said he wanted his pension to begin in June 2024.<sup>1</sup>

[4] The Minister of Employment and Social Development (Minister) granted the application. In May 2024, the Minister sent the Appellant a letter saying that he would receive \$1,339.56 per month, beginning in June 2024.<sup>2</sup>

[5] The Appellant asked the Minister to reconsider the amount of the pension. One of the reasons he asked for reconsideration was because the Minister used the wrong figures for his base pensionable earnings in 1983, 1985, and 2000.<sup>3</sup> I discuss other arguments he has made later in this decision.

[6] The Minister reconsidered its decision. It updated the Appellant's base pensionable earnings for 1983, 1985, and 2000. It said he would start getting \$1,374.39 per month, effective January 2025.<sup>4</sup> The Minister didn't explain that this increase was from a cost-of-living adjustment required by law, not because the Appellant's earnings had been corrected.<sup>5</sup>

[7] The Appellant appealed to the Social Security Tribunal's General Division.

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<sup>1</sup> The application isn't in the documents the Minister sent to the Tribunal. This information is from a data capture the Minister filed at page GD4-2. The Appellant isn't disputing these dates.

<sup>2</sup> See GD2-5 to 9.

<sup>3</sup> See GD2-10 to 15.

<sup>4</sup> See GD2-23 to 24.

<sup>5</sup> The Appellant noted this in his appeal to the Tribunal (see GD1-3). The Minister conceded this in its submissions (see GD5-6).

[8] The Appellant says his pension amount should be:<sup>6</sup>

- for June to December 2024: \$1,369.58, which is the maximum monthly amount stated on the Canada Revenue Agency (CRA) website for that period (\$1,364.60) **plus** \$4.98 for the enhanced portion based on his contributions from 2019 to 2024
- as of January 2025: \$1,405.92 (\$1,369.58 plus a .026% cost-of-living increase)

[9] The Appellant also argued that he should get \$30.00 more per month because he contributed to the CPP for 47 years in total and made the maximum contribution in 40 of those years.<sup>7</sup>

[10] The Minister says it calculated the Appellant's pension correctly, and he isn't entitled to a higher amount.

## **What I have to decide**

[11] I have to decide whether the Appellant is entitled to an increased CPP retirement pension.

## **Reasons for my decision**

[12] The retirement pension is calculated according to rules in the *Canada Pension Plan* and the *Canada Pension Plan Regulations*. The Minister and the Tribunal must follow these rules.

[13] The Minister calculated the Appellant's retirement 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. The Appellant isn't eligible for an increased retirement pension.

[14] Here are the reasons for my decision.

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<sup>6</sup> See GD1-3.

<sup>7</sup> See GD1-3 and GD2-11.

## **The Minister used the correct pensionable earnings**

[15] A person's entitlement to a CPP retirement pension is based on their "pensionable earnings." Generally speaking, these are earnings from employment in Canada, from which employees and their employers contribute to the CPP.

[16] The Minister used the correct pensionable earnings when calculating the Appellant's retirement pension.

[17] As I noted above, initially there were errors in the Minister's records of the Appellant's pensionable earnings for 1983, 1985, and 2000. The Minister corrected these. The Appellant didn't raise any issues about the amounts for the remaining years.

[18] However, the Appellant was rightly concerned about other errors. The Minister first explained how it calculated the Appellant's retirement pension in a letter of May 24, 2024. The Minister sent the letter to the Appellant and filed a copy with the Tribunal after the Appellant appealed. But the chart attached to the Appellant's letter is not the same as the chart attached to the copy in the Tribunal file.<sup>8</sup> The Appellant suggested the chart had been manipulated "perhaps fraudulently."<sup>9</sup>

[19] The chart does have mixed up dates and amounts. I'm not prepared to say it was altered fraudulently, but it was certainly done carelessly. So, I understand why the Appellant has concerns about how the Minister calculated his pension.

[20] The Minister wrote another letter to explain its calculations, dated May 12, 2025. The chart attached to that letter doesn't contain these mistakes. It shows the Appellant contributed the maximum amount to the CPP in 40 years (1979 through 2018).<sup>10</sup> The Minister used these numbers as the starting point when it calculated the Appellant's pension.<sup>11</sup>

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<sup>8</sup> See GD1-19 to 20 and GD2-17 to 18.

<sup>9</sup> See GD4-1.

<sup>10</sup> See GD2-25 to 27.

<sup>11</sup> See GD7-3 to 4.

[21] The Appellant agreed that he had contributed the maximum in 40 years.<sup>12</sup> He did not claim that his pensionable earnings for the remaining years (1977, 1978, and 2019 through 2023) were wrong.

### **How the Minister calculated the Appellant's retirement pension**

[22] The Appellant's retirement pension is based on two calculations. He gets 25% of his **average monthly pensionable earnings** (the base component), plus 8.33% of his **first additional monthly pensionable earnings** (the enhanced component).<sup>13</sup>

[23] The enhanced component is a gradual phase-in to reflect increased CPP contributions that started in 2019. There is a second part to the enhanced component, but it doesn't affect the Appellant's pension because it doesn't apply to earnings and contributions before January 1, 2024.<sup>14</sup> The Appellant's earnings and contributions stopped in 2023. (The Minister said that if the Appellant made contributions in 2024, his pension will be adjusted. However, as of July 11, 2025, the Minister had not received any information from CRA about this.)<sup>15</sup>

[24] The Minister calculated the Appellant's pension correctly by following the steps below.

#### **– How the Minister calculated the base component of the pension**

[25] First, the Minister calculated the base component of the Appellant's monthly retirement pension. To do this, the Minister had to determine:

- the number of months in the Appellant's contributory period
- the Appellant's total pensionable earnings
- the Appellant's average monthly pensionable earnings

[26] The Minister correctly determined that the Appellant had **468 months in his contributory period**. The Appellant's contributory period started in June 1977 (the

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<sup>12</sup> See GD4-5.

<sup>13</sup> See section 46(1) of the *Canada Pension Plan*.

<sup>14</sup> See sections 46(1)(c), 48.2, 49.2, and 50.2 of the *Canada Pension Plan*.

<sup>15</sup> See GD7-1.

month after he turned 18) and ended in May 2024 (the month before his pension started).<sup>16</sup> This gave him a contributory period of 564 months. The Minister then removed 17% of the Appellant's lowest earning years, or 96 months.<sup>17</sup> This left 39 years (468 months) in his contributory period.<sup>18</sup>

[27] The Appellant argued that his pension amount should be based on all 47 years that he contributed to the CPP.<sup>19</sup> But the law specifically requires 17% of the months to be removed. There is no exception for people who contribute in every year, even if they contribute the maximum amount in some or all of those years.

[28] The Appellant also argued that the Minister didn't remove the right years from his contributory period. He said the Minister should have removed 2023, which was a year of low earnings, and should not have removed 1979, because he earned the maximum amount in that year.<sup>20</sup>

[29] The Minister's records show that it did remove 2023.<sup>21</sup> And, it had to remove 1979 in order to remove 17% of the years in the contributory period. The 17% will include years of maximum contributions if there aren't enough lower-earning years to make up that amount. The Minister was right to remove 1979.

[30] Then, the Minister correctly determined that the Appellant's **total pensionable earnings were \$2,498,340.**<sup>22</sup>

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<sup>16</sup> This rule is in section 49(b) of the *Canada Pension Plan*. Section 2(2) of the *Canada Pension Plan* says that a person is considered to have reached an age at the beginning of the month **after** the month in which they actually reached that age. So, although the Appellant actually turned 18 in May 1977, he is considered to have reached that age in June 1977.

<sup>17</sup> This rule is in section 48(4) of the *Canada Pension Plan*.

<sup>18</sup> See GD2-25, GD5-6, and GD7-4 to 5.

<sup>19</sup> See GD1-3 and GD2-11.

<sup>20</sup> See GD8-2.

<sup>21</sup> See GD7-4 to 5.

<sup>22</sup> See GD7-3 to 5.

[31] The Minister added up all the earnings in the Appellant's contributory period, up to each year's maximum.<sup>23</sup> The Minister adjusted the earnings to current values, using an adjustment factor that followed the formula set out in the law.<sup>24</sup>

[32] For example, the Appellant's 2020 earnings of \$10,843 were adjusted to current values by multiplying them by 1.09131. The result was \$11,833.<sup>25</sup>

[33] The Minister then correctly determined the Appellant's **average monthly pensionable earnings were \$5,338.33**.<sup>26</sup> The Minister did this by dividing the Appellant's total pensionable earnings (\$2,498,340) by the number of months in the contributory period (468).<sup>27</sup>

[34] The Minister then calculated **25%** of \$5,338.33, which is **\$1,334.58**. This is what the Minister calculated for the base component of the Appellant's monthly pension, starting in June 2024.<sup>28</sup>

– **How the Minister calculated the enhanced component of the pension**

[35] Next, the Minister calculated the enhanced component of the Appellant's monthly retirement pension. To do this, the Minister had to determine:

- the Appellant's first additional contributory period
- the Appellant's total first additional pensionable earnings
- the Appellant's first additional monthly pensionable earnings

[36] The Minister correctly determined the Appellant's **first additional contributory period**. It began in January 2019 and ended in May 2024.<sup>29</sup>

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<sup>23</sup> This rule is in section 50 of the *Canada Pension Plan*. There is a maximum pensionable earnings amount for each year. Contributions aren't made on earnings over the maximum amount, and they aren't counted towards a contributor's total pensionable earnings. See section 18 of the *Canada Pension Plan*.

<sup>24</sup> The adjustment formula is in section 51 of the *Canada Pension Plan*.

<sup>25</sup> See GD7-4.

<sup>26</sup> See GD7-5.

<sup>27</sup> This rule is in section 48(1) of the *Canada Pension Plan*.

<sup>28</sup> See section 46(1)(a) of the *Canada Pension Plan* and GD7-5.

<sup>29</sup> See section 49.1 of the *Canada Pension Plan* and GD7-5.

[37] Then, the Minister correctly determined the Appellant's total **first additional pensionable earnings were \$28,684**.<sup>30</sup> The Minister added up all his earnings in the first additional contributory period (January 2019 to May 2024). The total was \$49,885. The Minister adjusted the earnings to current values, using an adjustment factor that followed the formula set out in the law.<sup>31</sup> The Minister then adjusted the earnings some more, because of a special rule that applies to earnings from 2019 to 2022.<sup>32</sup>

[38] For example (using the same example as above), the Appellant's 2020 earnings of \$10,843 were adjusted to current values by multiplying them by 1.09131. The result was \$11,833. That amount was then multiplied by .3, to give a total of \$3,550 for 2020.<sup>33</sup>

[39] The Minister then correctly determined the Appellant's **first additional monthly pensionable earnings were \$59.76**. The Minister did this by dividing the Appellant's total first additional pensionable earnings (\$28,684) by 480.<sup>34</sup>

[40] The Minister then took **8.33%** of \$59.76, which is **\$4.98**. This is what the Minister calculated for the enhanced component of the Appellant's monthly retirement pension, starting in June 2024.<sup>35</sup>

### **The amount of the Appellant's retirement pension is correct**

[41] The Minister added \$1,334.58 and \$4.98 to arrive at the Appellant's retirement pension amount of \$1,339.56 as of June 2024. With cost-of-living adjustments, the Appellant began receiving a total of \$1,374.39 in January 2025.

[42] I find that the Appellant is receiving the right amount for his CPP retirement pension. The Minister followed the rules and made no calculation errors when it

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<sup>30</sup> See GD7-4 and 5.

<sup>31</sup> The adjustment formula is in section 51 of the *Canada Pension Plan*.

<sup>32</sup> See section 51(1.1) of the *Canada Pension Plan*. This rule says there is an additional adjustment of .15 for 2019, .3 for 2020, .5 for 2021, and .75 for 2022.

<sup>33</sup> See GD7-4.

<sup>34</sup> This is because the Appellant's first additional contributory period is equal to or less than 480 months. This rule is in section 48.1(a) of the *Canada Pension Plan*.

<sup>35</sup> See section 46(1)(b) of the *Canada Pension Plan* and GD7-5.

determined the amount of the pension in June 2024. The Appellant did not raise any issues with how the Minister has applied the cost-of-living increase, and I see none.

[43] The Appellant pointed to a statement he read on the CRA website in June 2024 that said:<sup>36</sup>

According to the Canada.ca website, the maximum monthly CPP payment for a 65-year-old starting the pension in 2024 is \$1364.60. However, you can earn an additional 8.4% for every year the pension is delayed.

Amount of contributions – Every year you work and contribute to CPP between the age of 18 and 65, you add to your benefit. To qualify for the maximum, you must not only contribute to CPP for 39 years but you must also contribute ‘enough’ in each of those years.

[44] A person reading this might logically conclude that, if they contributed the maximum amount possible for 39 years, they would receive the maximum monthly payment described in the first paragraph: \$1,364.60. That is what the Appellant argues. He says that his 39 years of maximum contributions should have resulted in the maximum payment of \$1,364.60 per month when the payment started in June 2024. He says the amount paid on his first additional earnings should be paid **in addition to** the \$1,364.60.

[45] I understand the Appellant’s position. However, the pension amount is based on the rules that are set out in the law, not what is published on Service Canada’s website.

[46] Although Service Canada’s statement wasn’t clear, I agree with the Minister that the amount on the website is intended to be the total amount. It includes the base component and the enhanced component. The Appellant received the maximum base component, but his enhanced component was reduced because he had lower earnings after 2018.

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<sup>36</sup> See GD2-15.

## **The Appellant's other concern**

[47] The Appellant also noted that he was supposed to get a reconsideration decision within two months of asking for one. Instead, he waited four months.<sup>37</sup>

[48] The Tribunal is independent of Service Canada and the Minister. It only becomes involved once a person files an appeal. This means it doesn't have any control over when a reconsideration decision is issued, or what recourse a person might have if they are unhappy with how long it takes.

## **Conclusion**

[49] I find that the Appellant isn't entitled to a higher CPP retirement pension.

[50] This means the appeal is dismissed.

Virginia Saunders  
Member, General Division – Income Security Section

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<sup>37</sup> See GD1-3.