



Capital Wealth Management

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KNOWLEDGE IS WEALTH

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## Should I Take My Canada Pension early at 60 or Wait Until I'm 65?

In most cases I always advise clients to take their Canada Pension at age 60, especially if they are no longer working.

Taking your CPP at age 60 reduces your monthly pension payment by 30% for the balance of your life.

Early CPP withdrawals can begin at age 60. The early reduction rate is .5% per month prior to age 65, and the monthly pension benefit will increase by .5% if you defer payments beyond age 65

By taking the payment early, it allows you additional financial freedom to enjoy your retirement while your health is good.

Taking early CPP has a number of additional financial advantages for the self-employed and business owners.

If you continue to work after age 60, I usually recommend taking the CPP early and re-directing those CPP dollars back into your RRSP. This way there is no tax on the CPP payments and you can continue to build and tax shelter additional retirement money

Therefore, if you are turning 60 years old this year, we highly advise you to talk to us, to review if taking early CPP makes financial sense for you.

And as the old saying goes, I would rather have a bird in the bag, than two birds in the bush. Take the money now and you can control how it's spent.

