



Canada Pension Plan Disability Minimum Qualifying Period

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Canada Pension Plan Contributions & the Minimum Qualifying Period

Regardless of how severe and prolonged an applicant's disability is they will **not** qualify for CPP Disability unless they meet certain financial contribution criteria.

1. The first concept to understand is that of a 'valid' CPP contribution.

In order to be valid a CPP contribution for the purposes of CPP disability the contribution must be made on a certain minimum annual level of income (referred to as the Year's Basic Exemption or YBE). The YBE for 2013 was \$5,100.00. This means that any CPP contributions made on an annual income of less than \$5,100.00 in 2013 would not count as a 'valid' contribution for the purposes of qualifying for CPP disability.

2. The second concept is what is referred to as the 'minimum qualifying period' (MQP).

The *Canada Pension Plan* states that in order to qualify for CPP Disability an applicant **must** have made 'valid' contributions in 4 out of the previous 6 years prior to their application. **If** an applicant does not meet the 4 out of 6 test they may still be able to qualify for CPP Disability via the 'late applicant provision'. According to this provision it is permissible to look back in time to when the applicant last met their minimum qualifying period. Provided that the applicant was then and has continued to suffer from a severe and prolonged disability they are deemed to meet the MQP even without valid contributions in 4 out of the last 6 years. An applicant can also qualify if they have valid contributions in three of the last six years, and have contributed for a period of 25 years.

The MQP will be calculated upon application for CPP Disability. It will be expressed as a date - usually December 31st of the last year in which the applicant met the MQP criteria outlined on the previous slides.

Importance of the Minimum Qualifying Period

The importance of the MQP cannot be overstated. An applicant **must** meet the definition of disability reviewed earlier prior to the end of their MQP. Effectively an applicant is frozen in time as of the date of their MQP. For example, if an applicant's MQP is December 31st, 2012 they must have been suffering from a severe and prolonged disability no later than that date. They will not qualify for CPP Disability if their disability only became severe and prolonged as of January 1st, 2013.

Additional Factors to Consider

There are two final factors that should not be overlooked when determining an applicant's MQP:

- i. The credit splitting provision allows lower earning ex-spouses to split their CPP credits with their former spouses accumulated during their relationship; and
- ii. Canada has social security agreements with some countries that allow pension contributions made in those countries to be counted when determining someone's eligibility for a CPP Disability benefit.

Upon application, if applicable, a credit splitting application will be sent to applicants who indicate they are separated or divorced.

Finally, the Federal Government calculates an applicant's MQP using a document entitled the 'Record of Earnings'. This document shows an applicant's annual CPP contributions. If an applicant thinks that their MQP has been incorrectly calculated this document can be obtained by contacting Service Canada at **1-800-277-9914** or online via the My Service Canada Account.

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