

# Taking CPP at 60: The Reduction, the 12-Month Limit, and Work After 60

*A Canada Pension Plan retirement pension that starts at 60 is 36% lower than the same pension started at 65, and it is paid at that rate for life. The start can be cancelled only in writing within 12 months, and everything received must be paid back. People who keep working after 60 can add small lifetime post-retirement benefits on top.*

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<https://oasguide.ca/en/library/cpp-at-60-what-changes>

## A short section of the regulations limits how long the choice stays open

Section 46.2 of the Canada Pension Plan Regulations allows a person who has started a Canada Pension Plan (CPP) retirement pension to ask for it to be cancelled.<sup>1</sup> The request has to be in writing, and it has to be made within 12 months after payments begin.<sup>1</sup> Service Canada's page on receiving the pension adds that all the CPP income already received has to be paid back.<sup>2</sup> After that window closes, the start date stays. The pension is paid for the rest of the person's life,<sup>3</sup> and the adjustment set at the start is part of every payment.

For someone who starts at 60, that adjustment is the largest reduction the plan allows. A decision made in one month at age 60 can therefore shape income into a person's eighties and nineties. A person who starts at 60 and lives to 90 receives the reduced amount in 360 monthly payments.

## Starting at 60 lowers each payment by 36%

The reduction is worked out month by month. Service Canada states that payments decrease by 0.6% for each month before age 65, which is 7.2% a year.<sup>4</sup> Starting five full years early gives the maximum cut of 36%.<sup>4</sup> The percentage applies to the person's own pension, so the loss

in dollars depends on what they paid into the plan over their working life.

Most pensions are well below the maximum. In 2026, the maximum monthly pension for someone starting at 65 is \$1,507.65. The average new pension at 65 in July 2026 was \$858.34.<sup>5</sup> For a person whose pension would be \$800 a month at 65, a start at 60 would pay \$512 a month. That figure is an illustration, but the gap of \$288 a month is what a 36% cut does to any \$800 pension.

## **Waiting to 70 more than doubles the payment available at 60**

The plan rewards waiting past 65 at a slightly higher rate than it reduces an early start. Payments increase by 0.7% for each month after 65, or 8.4% a year, up to 42% at age 70.<sup>4</sup> There is no further increase after 70.<sup>4</sup> For the same \$800 pension, a start at 70 would pay \$1,136 a month. That is more than twice the \$512 paid from 60, because the two adjustments move in opposite directions from the same base.

The larger amount comes after ten years without payments. A person who starts at 60 collects 120 monthly payments before the person who waited receives a first one. At \$512 a month, that is \$61,440, before tax and cost-of-living increases. The extra \$624 a month paid from 70 takes about 99 months to make up that sum. In this rough example, the later start comes out ahead only for a person who lives past about 78.

Service Canada describes the kinds of situations that point each way. Its page mentions an earlier start for people who need to work less, or who need the money now to pay off debts or fund retirement plans. It mentions a later start for people who are healthy, expect to live long, and have other sources of income.<sup>4</sup>

## **Work after 60 keeps adding to CPP through the post-retirement benefit**

Starting the pension at 60 does not end CPP contributions for someone who keeps working. People aged 60 to 70 who work, contribute to CPP,

and receive a CPP or Quebec Pension Plan retirement pension can earn a post-retirement benefit (PRB).<sup>6</sup> Under 65, contributions are mandatory for working pension recipients. From 65, a person can choose to stop by using form CPT30, which goes to the employer and the Canada Revenue Agency.<sup>6</sup>

Each year of contributions while receiving the pension creates a new PRB, which is added to the person's total CPP income.<sup>7</sup> Service Canada describes it as a lifetime monthly benefit.<sup>6</sup> No application is needed. A person becomes eligible the following January, and the benefit is paid automatically unless more information is needed.<sup>8</sup>

The amounts are modest. In 2026, the maximum new PRB for someone aged 65 is \$54.69 a month, which is 2.5% of the maximum CPP pension.<sup>7</sup> The amount depends on the year's earnings and contributions and on the person's age on January 1 of the year it starts.<sup>7</sup> Earnings at half the yearly maximum produce half the maximum benefit, or \$27.35 at 65.<sup>7</sup> Five years of work between 60 and 65 can add five of these benefits together. They do not remove the 36% reduction, although they do raise the monthly total.

## **The rules fix three things and leave the rest to the person**

The CPP rules do not say which start age suits a given person. They do fix three things:

- The size of the change for each month before or after 65.
- The 12 months, with full repayment, available to cancel a pension once it starts.
- The post-retirement benefit earned by work and contributions after the pension begins.

Health, savings, other income, a spouse's plans, and plans for work decide the rest, together with the person's own advisers. Because cancelling means paying back every payment received, a person who

cancels within the 12 months does not keep any of the payments from the early start. Our guides to the Canada Pension Plan and to delaying OAS and CPP explain how to apply and how the two pensions can be timed together.

## Notes

1. Government of Canada, “Canada Pension Plan Regulations (C.R.C., c. 385), section 46.2, Cancellation of Benefit”, current to 2024-11-26.  
[https://laws-lois.justice.gc.ca/eng/regulations/C.R.C.,\\_c.\\_385/page-5.html](https://laws-lois.justice.gc.ca/eng/regulations/C.R.C.,_c._385/page-5.html) (accessed 2026-10-06)
2. Government of Canada, “CPP retirement pension: Receiving your benefits”, page modified 2026-06-18.  
<https://www.canada.ca/en/services/benefits/publicpensions/cpp/receive-benefits.html> (accessed 2026-10-06)
3. Government of Canada, “Canada Pension Plan”, page modified 2026-09-29.  
<https://www.canada.ca/en/services/benefits/publicpensions/cpp.html> (accessed 2026-10-06)
4. Government of Canada, “CPP retirement pension: When to start your pension”, page modified 2026-10-02.  
<https://www.canada.ca/en/services/benefits/publicpensions/cpp/when-start.html> (accessed 2026-10-06)
5. Both amounts are for a pension starting at 65. The maximum applies in 2026; the average is for new pensions in July 2026. Government of Canada, “Canada Pension Plan: Pensions and benefits monthly amounts”, page modified 2026-09-29.  
<https://www.canada.ca/en/services/benefits/publicpensions/cpp/payment-amounts.html> (accessed 2026-10-06)
6. Government of Canada, “CPP Post-Retirement Benefit: Eligibility”, page modified 2026-01-09. <https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-post-retirement/eligibility.html> (accessed 2026-10-06)
7. Government of Canada, “CPP Post-Retirement Benefit: How much you could receive”, page modified 2026-09-29. <https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-post-retirement/benefit-amount.html> (accessed 2026-10-06)
8. Government of Canada, “CPP Post-Retirement Benefit: Apply”, page modified 2022-06-02. <https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-post-retirement/apply.html> (accessed 2026-10-06)

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