20 DISABILITY ALLIANCE BC
HELPSHEET
BC DISABILITY BENEFITS
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CPP-D and PWD Interactions

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Overview

This Help Sheet explains interactions between Canada Pension Plan Disability (CPP-D) benefits and BC's Persons with Disabilities (PWD) benefits. PWD is administered provincially by the Ministry of Social Development and Poverty Reduction (MSDPR), while CPP-D is managed federally through Employment and Social Development Canada (ESDC) via Service Canada. For details on a specific benefit, including information about program qualifications, please refer to our other Help Sheets or guides linked in Appendix B. If you need a quick breakdown to help determine which benefit may be a better fit for your situation, check Appendix A of this document; It contains multiple tables outlining the differences between the two programs.

There are also other government benefits to consider such as Income Assistance (IA), Persons with Persistent Multiple Barriers (PPMB), the Disability Tax Credit (DTC), and the Canada Disability Benefit (CDB)—all of which should also be examined, especially if you don't qualify for CPP-D or PWD. While IA and PPMB aren't considerations for people already on PWD or CPP-D, the DTC and CDB should be considered regardless of what other benefits you currently receive.

Which to Apply for First

The first step is to determine which benefits you may be eligible to receive. CPP-D and PWD are different programs with different eligibility criteria, so a person may qualify for one, both, or neither. If a person qualifies for both but hasn't applied for either program yet, there are a few things to consider about the sequence you should do them in to make the most of each program.

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Information in this Help Sheet is based on the legislation that was current at the time of writing. The legislation and policy may be subject to change. Please check the date on this Help Sheet.

Access to Services

It is possible to receive CPP-D and PWD at the same time. However, the order in which you apply can affect your access to Medical Services Only (MSO) benefits, which provide medical coverage such as dental, optical, medical supplies, and Pharmacare without any base income payment. If you apply for CPP-D before receiving PWD, and your CPP-D payment is a higher rate than PWD, you will not have been eligible for PWD and therefore will not qualify for MSO. We generally advise people to apply for PWD first for this reason. If CPP-D is later approved at a higher rate than PWD, you will transition off PWD to MSO and therefore maintain access to extended health benefits.

Claw Backs

A person on both CPP-D and PWD will see that their CPP-D payments are deducted dollar-for-dollar from the PWD monthly benefit. In most cases, this means that a person on both benefits won't get more money than if they were just on one. If CPP-D stops due to work resumption, inform MSDPR to increase your PWD payments accordingly.

Wait Time

Wait times can vary based on backlog, but PWD is generally faster to get approved and start receiving benefits for than CPP-D. PWD decisions typically take 2–3 months to adjudicate; with reconsiderations and appeals adding several more weeks. We typically see CPP-D initial decisions arrive 8 months after submission (or longer if more information is needed). It is also common to be denied on the initial application which can extend the total wait time to well over a year. However, CPP-D provides priority processing for severe cases: terminal illnesses (death likely within 6 months) within 5 business days, and grave conditions within 30 calendar days.

If You're Already on PWD First

In the case where you've already been approved for PWD but believe that you are also eligible for CPP-D, here are the things to take into consideration.

Retroactive and Tax Considerations

- When someone is approved for CPP-D, they will receive a retroactive sum that will provide backpay to, typically, the date they submitted their application. Since the wait time is usually at minimum several months, these retroactive payments can be large and are taxable.
    - If MSDPR requested for you to fill in the application: the retroactive amount is paid directly to MSDPR to cover prior PWD payments.

    - If you applied voluntarily: you keep the retroactive payment, but it is still taxable and it will likely result in having one month of PWD payments reduced to zero.

- CPP-D is a taxable benefit, while PWD is not – so this means that you may have to pay a bit more in yearly taxes than compared to PWD. However, applying for the Disability Tax Credit (DTC) can help reduce your tax burden.
    - The DTC also serves as the gateway to most federal disability benefits, including the Canada Disability Benefit (CDB), which provides $200 a month for low-income earners.

MSDPR Requesting CPP-D Application

It is common for people on PWD to be told to apply for CPP-D by the provincial government. MSDPR acts as the "payer of last resort" which means that anyone receiving PWD benefits is required to explore and apply for all other reasonable income sources before continuing to receive PWD benefits. This includes applying for CPP-D if MSDPR deems you to be eligible. This is most common when MSDPR sees that you have a work history but are currently not working or if a person failed to report their employment income; since CPP-D is rarely an option if a person is currently working or had little-to-no work history.

In the first part of this process, MSDPR will ask you to complete and sign two forms. The first is the Request for Canada Pension Plan Statement of Contributions (ISP2000), which is used to obtain a record of your CPP contributions. The second is the Consent to Deduct Payment form (ISP1613), which allows Service Canada to send any retroactive CPP-D payments directly to MSDPR to cover any months where you would have received both CPP-D and PWD benefits. Failure to return these forms can result in your PWD cheques being suspended.

A person must apply for CPP-D when directed by MSDPR, even if they feel that they would not be approved for CPP-D. A deadline is typically provided for a person to submit their completed application, but if you cannot meet that deadline, you should contact MSDPR via 1-866-866-0800 to request more time. If you require assistance with completing the CPP-D application even after reviewing the guide linked in Appendix B.1, contact DABC to be placed on our waitlist to be connected with an advocate.

CPP-D benefits are considered by the Ministry to be unearned and unexempt income; This means that if you are approved for CPP-D, those payments are then deducted dollar-for-dollar from the PWD monthly benefit (as mentioned above in the "Claw Backs" section). If CPP-D is denied, this does not affect the person's eligibility for PWD benefits, and you will

continue to receive them as usual.

If you're already on CPP-D First

CPP-D recipients are a "prescribed class" under MSDPR regulations and can obtain PWD status without completing the medical application. First apply for Income Assistance and PWD through MSDPR and indicate that you are in a prescribed class. If financially eligible, you will be approved for PWD and related health benefits automatically. This makes the process of getting on PWD much easier. However, if your monthly CPP-D payments are more than what you would receive from your monthly PWD payments, you would be financially ineligible for PWD. An estimate for how much you may receive from CPP-D benefits can be found in your My Service Canada Account.

Important Reporting Requirements

PWD and CPP-D have different requirements and methods for reporting information to their respective agencies. You can read in-depth about what needs to be reported and how in their respective Help Sheets linked below in Appendix B.1 and B.2.

It is important to note that these agencies do not communicate with each other to share when a person declares employment income. Occasionally, people receiving both benefits will assume that they have reported things properly but have mistakenly not reported information to the other agency. This can result in a very large debt once the government becomes aware that there was a change that hasn't been reported.

To briefly compare the difference in reporting, CPP-D requires a person to report to Service Canada when they begin working and again when they earn over a certain amount in a year ($7,400 for 2026). Once a person reaches that amount, there is a chance that Service Canada determines they no longer qualify for CPP-D and are removed from benefits. If they make more in yearly employment income than the maximum amount that CPP-D would pay in a year ($20,971 for 2026), then there is a very high chance they will lose their CPP-D benefits since Service Canada will view this as evidence of employability.

So, to clarify:

- Under $7,400 = No consequences
- Between $7,400 and $20,971 = Likely to be removed from CPP-D
- Over $20,971 = Mostly guaranteed to be removed from CPP-D

Service Canada also requires reporting when you do volunteer work or go to school, but only if you do so for at least 15 hours per week and for four consecutive months. Volunteering or going to school may also be considered evidence of employability which

can put continuation of benefits at risk.

People receiving PWD must report any changes in their income via a monthly report to MSDPR. PWD recipients can earn up to a certain amount of employment income for the year before their earnings start to impact their monthly payment. The amount you can earn is $16,200 a year for a single person on PWD, $23,400 for a couple where one person is on PWD, and $32,400 for a couple where both are on PWD.

Advantages of Applying for Both CPP-D and PWD

Child Benefit

Most money from CPP-D reduces your PWD cheque dollar-for-dollar. However, if you're the caregiver for a child under 18, you receive the CPP-D Child's Benefit of around $300/month per child. This child top-up is not clawed-back by MSDPR and can be a big help to those who receive it.

Travel

A person can collect CPP-D benefits from anywhere in the world. They can live in any province or country of their choosing and can travel as they please with no impacts to their monthly payments.

PWD recipients require prior authorization from MSDPR to continue receiving assistance while absent from BC for more than 30 consecutive days. Leaving the province is considered a change in circumstances, so it needs to be reported on your PWD monthly report. If you're away from B.C. for over 30 days in a row, you'll no longer be eligible for assistance (without prior authorization). If you return within six months, there's a streamlined application process to get back on income or disability assistance. In these cases, the Ministry decides eligibility based on your monthly report form, rather than requiring the full two-stage application.

Health Benefits

Since CPP-D only offers support in the form of a monthly cheque, the additional health benefits or other supports provided by PWD can be a consideration for wanting to receive both CPP-D and PWD. Those on PWD can access funding for dental care, eye care, medical transportation, and more. See Help Sheet HS07, linked below in Appendix B.2, for more information.

Partner's Income

It is common for people receiving PWD to lose some or all of their benefits when they move in with a partner or get married. This is because the Ministry counts the partner's income when determining PWD eligibility and payment amounts. Your partner's income does not affect your CPP-D benefits as CPP-D is based on your own contributions and disability status, not your household income. If you are transitioning into a relationship and currently receive PWD, having CPP-D can provide a financial safety net. It helps reduce the stress and income loss that can occur when PWD supports are reduced or ended due to a partner's income.

Other PWD Deductions

There are various reasons why a person's PWD payment may be reduced due to income or assets – not just from a spouse's income. In those situations, having CPP-D payments to fall back on can be helpful because those aren't affected by the same things. See Appendix B.3 below for the link to a full list of how specific income is treated.

CPP Retirement Pension

If you are on CPP-D, you can expect your average regular CPP retirement benefit that you will start receiving once you turn 65 to increase because of how those benefits are calculated. The years you receive CPP-D are excluded from the calculation instead of being counted as zero, which raises your average CPP retirement benefit payment. The closer you are to 65 when you are approved for CPP-D creates less of an increased benefit at retirement.

A person can access their CPP retirement benefit early, starting at age 60. However, applying for CPP early retirement benefits while receiving PWD is not recommended. Any CPP early retirement income is deducted dollar-for-dollar from PWD, meaning it does not increase your overall monthly income, and it reduces your overall pension. CPP retirement benefits are permanently reduced by 0.6% for each month you begin collecting before age 65 (equivalent to 7.2% per year) up to a maximum reduction of 36% if you start at age 60.

If you have been receiving CPP early retirement benefits for less than 12 months, you have the option to cancel your benefit in order make the most of the information provided in this section. However, doing so will then require you to repay the amount already received. Service Canada can provide guidance, including whether a payment plan may be arranged.

Appendix A - Comparison Tables

Provider

	CPP-D	PWD
Level of Government	Federal Government Canada	Provincial Government British Columbia
Department	Employment and Social Development Canada (ESDC) via Service Canada	Ministry of Social Development and Poverty Reduction (MSDPR)

Eligibility Requirements

	CPP-D	PWD
Age	Over 18 and under 65.	18 to 65, with exemptions for people who don't qualify for OAS/GIS.
Residency	Available across Canada, and benefits continue if moving or traveling outside the country.	Must reside in BC and may not leave BC for more than 30 consecutive days without Ministry approval.
Program Contributions	Must have contributed to CPP: 4 of the last 6 years, or 3 of the last 6 if 25+ years contributed.	None.
Assets	No limit.	Singles: up to $100,000 in non-exempt assets allowed.
Personal income level	Eligibility will be reviewed once a person hits the Yearly Basic Exemption amount ($7,400 for 2026).	Must not be making over what they would receive in PWD payments in order to qualify.
Definition of disability	Unable to work at any form of employment for the foreseeable future.	Condition is expected to last at least two years and must significantly restrict daily living activities. Requires assistance (another person, assistive device, or assistance animal).
Ability to work	Must not be able to work any job with very few exceptions.	Not a consideration.

Applying for the Benefit

	CPP-D	PWD
Paperwork	Application is available online to print. Has a longer self-report filled in by you and a shorter medical report completed by a medical professional.	Must apply for IA first. Then you will be sent PWD application booklet in the mail. Booklet has three sections: An optional self-report, a medical report filled in by a medical practitioner and an assessor's report which can be filled in by many different assessor types.
Wait times	Typically, 8+ months. Could be multiple years if it goes to reconsideration or tribunal. Could be under 1 month if a condition is "grave" or "terminal".	Typically, 2 – 3 months. Reconsiderations and appeals adding several more weeks.

Benefits

	CPP-D	PWD
Monthly pay	Between $598.49 and $1,673.24 - based on amount contributed to CPP while working. Average of $1,210.27.	Varies depending on family size and shelter costs. Current maximum rate for a single adult is $1483.50.
Children bonus	$301.77/month per eligible child.	Having children increases the family unit size, which will increase the amount received.
Other bonuses	None.	Medical, dental, optical, medical equipment coverage, Pharmacare, MSP, and $52/month transportation supplement or bus pass.

Taxable	Yes, benefits are taxable. You can request that the taxable portion be withheld before they are paid out.	No.

Work and Employment

	CPP-D	PWD
Work hours	Near guarantee to not be approved if working. Some limits to school and volunteer capacity after approval.	No limit.
Employment Income	No hard limit on yearly income, it looks more at work capacity than what you earn. Functionally, $7,400 (for 2026) is when they start to question capacity to work.	Annual earnings limits (AEE): • $16,200 for single adult • $23,400 for couples (one adult with PWD designation) • $32,400 for couples (both adults with PWD designation).
Spousal or passive income	Not a factor.	Counts against AEE.
Reporting Requirements	When you start a new job, and when you hit Yearly Basic Exemption ($7,400 in 2026, before tax).	Monthly reporting of household income.
Consequence of hitting limits	Your file will be reassessed once you earn $7,400, and you may be removed from the program which will result in losing your CPP-D payments. Near guarantee to be removed if over $20,971.45 (2026 amount, before tax).	Going over annual limit means your monthly cheques will be deducted dollar-for-dollar for the remainder of the year until limit resets. First cheque back will likely be in late February.

Appendix B - Resources

B.1 - CPP-D Guides from DABC

https://disabilityalliancebc.org/publications/publications-cpp-disability/

B.2 - PWD Help Sheets from DABC

https://disabilityalliancebc.org/publications/publications-bc-disability-benefits-help-sheets/

B.3 - List of Income Treatment and Exemptions from MSDPR

https://www2.gov.bc.ca/gov/content/governments/policies-for-government/bcea-policy-and-procedure-manual/eligibility/income-treatment-and-exemptions

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