

CPP DISABILITY AND LONG TERM DISABILITY (LTD) CASES

Frequently Asked Questions

✚ *What is CPP Disability (CPPD)?*

CPPD stands for Canadian Pension Plan Disability. It is a federal government program designed to provide partial income replacement to individuals who suffer from a **severe** and **prolonged** disability.

➤ *You can read more about it here:*

<https://www.canada.ca/en/employment-social-development/programs/pension-plan-disability-benefits.html>

➤ *The qualifying criteria for CPPD can be found here:*

<https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-disability-benefit/eligibility.html>

➤ *You can apply for CPPD here:*

<https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-disability-benefit.html>

➤ *The amount of CPPD you can expect to get, if you qualify, is outlined here:*

<https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-disability-benefit/benefit-amount.html>

✚ *Can your LTD insurer force you to apply for CPPD?*

No, but it is a good idea to apply for a variety of reasons. One of those reasons is that, if you do not apply for CPPD, your insurer may estimate how much you ought to receive from CPPD (had you applied for it) and then reduce your monthly LTD benefits by that estimated amount. In more rare instances, LTD insurers sometimes take the position that failure to apply for CPPD (which is an obligation contained in most LTD policies) constitutes a breach of the terms of the LTD policy, which may lead to the termination of your LTD benefits. If that happens in your case, contact us immediately and we will help.

✚ What are some other reasons you should apply for CPPD?

One of the primary reasons or benefits of applying for CPPD is that, if you are approved, it is much more difficult down the road for the insurance company to prematurely end your benefits on the basis that you are not disabled, since you have been recognized as disabled by the Canadian Government.

Moreover, if you are approved for CPPD and start receiving it monthly, if/when your insurer does cut off your LTD benefits, CPPD is an additional source of income that you will continue to receive, which will be very helpful for you while we help you fight your insurer for the benefits they owe you.

✚ If your CPPD application is approved, does that mean that you get CPPD plus LTD?

No. Your LTD benefits will be reduced by whatever amount you receive from CPPD. For example, if you receive \$2,000 per month for LTD and you are approved for CPPD in the amount of \$1,000 per month, you do not get \$3,000 (LTD + CPPD). You will continue receiving \$2,000, except that now your LTD insurer will only have to pay you \$1,000 because they get a credit for the amount you are receiving from CPPD.

✚ What happens if your LTD payments are non-taxable, but your CPPD payments are taxable?

If your LTD payments are non-taxable and you begin receiving CPPD payments which are taxable, many insurers take the position that they are entitled to a credit for the entirety of the CPPD amount, including the taxable portion. This means that you may actually end up receiving less money per month because the taxable portion of your CPPD payments, which your LTD insurer is claiming credit for, goes to the government and not you. If this happens to you, ask your LTD adjuster to show you where exactly in your LTD policy it allows your insurer to claim credit for entire CPPD amount, including the taxable portion. Unless this is specifically stated in your LTD policy, there is an argument that your LTD insurer cannot and should not claim credit for the full amount, which would leave you in a worse off financial position as a result of being approved for CPPD.

✚ If you are approved for CPPD and get a lump sum retroactive payment, who gets that lump sum?

Assuming that the lump sum retroactive CPPD payment is for a period of time that overlaps with when you were owed LTD or when you were paid LTD, your insurer is owed that money.

✚ *What happens if your CPPD application is denied? Does that mean that your LTD stops as well?*

No. Your LTD should not stop if you are disabled from working and your doctors support you being off work. The fact is that many CPPD applications get denied (for various reasons). Some CPPD applications are approved on appeal, but regardless, your LTD should not stop just because your CPPD application has been denied. LTD and CPPD are different processes, and your LTD insurer should not use your CPPD denial as a basis for denying your LTD claim or stopping payment of your LTD benefits. If that happens, you should contact us immediately and we will help.

✚ *If your CPPD application is denied, should you, or must you, appeal that denial?*

You do not have to appeal a CPPD denial unless your LTD policy specifically states that you do.

To clarify: your LTD insurer has no right to force you to appeal a CPPD denial, unless your LTD policy requires you to do so, and most LTD policies, in our experience, do not require claimants to appeal CPPD denials.

✚ *What happens if your LTD claim is denied or settles? Does that mean that your CPPD stops?*

No. That is one of the benefits of settling your LTD claim. Once your LTD claims settles (or stops for any reason), that should not affect your CPPD payments.

✚ *Do you have to tell your LTD insurer if you had applied and been approved for CPPD?*

You should let your LTD insurer know if you have been approved CPPD because they will likely be entitled to some or all of the retroactive amount you will receive from CPPD, and will also likely be entitled to a credit for your ongoing monthly CPPD payments that you receive.

If you do not tell them about the CPPD money that you receive, once they found out (they almost always find out), they will demand that you re-pay them what they are owed.

✚ **Questions? Concerns? Contact us!**

Toll Free: 1-855-821-5900

Email: help@disabilityrights.ca

www.Disabilityrights.ca

or

Post your question and get an answer from one of our disability lawyers at

www.MyDisabilityQuestions.com

FREE CONSULTATIONS

The information provided in this FAQ document is for general purposes only and should not be relied upon in specific cases without consulting a legal team member at Samfiru Tumarkin LLP. For more information, please contact us at:

Toll Free: 1-855-821-5900

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