

Maximum contributions to an Individual Pension Plan

For the year 2024



Maximum contributions to an IPP - Example

We are pleased to provide you with the table of maximum contributions to an Individual Pension Plan (IPP) for the year 2024. You will find in this document important information regarding the funding of an IPP such as the cost to buy back past service as well as the required current service contributions for participants aged 41 to 64 years in 2024.

To help you better understand the attached table, we present to you the following example:

Age at entry	45	}	Participant's age as at January 1 st , 2024 as well as the projected amount of annual pension payable at age 65 for each year of credited service in the IPP	
Pension unit	10,533			
<u>Past service</u>		}	Corresponds to the years of service for the employer prior to the set-up date that may be recognized by the plan	
Number of years	27			
Value	959,753	}	<ul style="list-style-type: none"> - Present value of the accrued pension at the set-up date - The amount to be transferred by the participant from his RRSP to the IPP within 90 days from the date the IPP is registered - Net amount that may be paid by the employer to buyback past service 	
PSPA	853,030			
Net	106,723			
<u>Current service</u>		}	Required contributions to fund the accrued pension unit each year	
41				<ul style="list-style-type: none"> - \$36,959 for 2024 - \$39,730 for 2025 - \$42,710 for 2026 - ...
42				
43				
44				
45	36,959			
46	39,730			
47	42,710			
48	45,913			
49	49,357			
50	53,059			
51	57,038			
64	146,041	}	Maximum amount that can be transferred tax free at age 65 if the plan is terminated and the participant wants to transfer the plan assets into his RRSP	
Maximum transfer @ 65 years	6,138,693			

Note :

- If the Company was incorporated after 1991, only a portion of past service may be recognized in the plan.
- If the participant's earnings is insufficient to credit the maximum pension, the contributions for past and current service will be reduced.
- All results are based on assumptions prescribed by the *Income Tax Act and Regulations* shown on page 4 of this document.



Pension plan for a *CONNECTED INDIVIDUAL* Effective date 01.01.2024

Age at entry	41	42	43	44	45	46	47	48	49	50
Pension unit	13 049	12 368	11 724	11 112	10 533	9 984	9 463	8 970	8 502	8 059
Past service										
Number of years	23	24	25	26	27	28	29	30	31	32
Value	758 402	806 379	855 901	907 012	959 753	1 014 168	1 070 300	1 128 197	1 187 904	1 249 470
PSPA	725 470	757 360	789 250	821 140	853 030	884 520	916 010	929 510	942 010	953 510
Net	32 932	49 019	66 651	85 872	106 723	129 648	154 290	198 687	245 894	295 960
Current service										
41	34 284	0	0	0	0	0	0	0	0	0
42	36 855	34 934	0	0	0	0	0	0	0	0
43	39 619	37 554	35 596	0	0	0	0	0	0	0
44	42 591	40 370	38 266	36 271	0	0	0	0	0	0
45	45 785	43 398	41 136	38 991	36 959	0	0	0	0	0
46	49 219	46 653	44 221	41 916	39 730	37 659	0	0	0	0
47	52 910	50 152	47 538	45 059	42 710	40 484	38 373	0	0	0
48	56 879	53 913	51 103	48 439	45 913	43 520	41 251	39 101	0	0
49	61 145	57 957	54 936	52 072	49 357	46 784	44 345	42 033	39 842	0
50	65 730	62 304	59 056	55 977	53 059	50 293	47 671	45 186	42 830	40 597
51	70 660	66 977	63 485	60 175	57 038	54 065	51 246	48 574	46 042	43 642
52	75 960	72 000	68 246	64 688	61 316	58 119	55 090	52 218	49 495	46 915
53	81 657	77 400	73 365	69 540	65 915	62 478	59 221	56 134	53 207	50 434
54	87 781	83 205	78 867	74 756	70 858	67 164	63 663	60 344	57 198	54 216
55	94 365	89 445	84 782	80 362	76 173	72 202	68 438	64 870	61 488	58 282
56	101 442	96 154	91 141	86 389	81 886	77 617	73 570	69 735	66 099	62 654
57	109 050	103 365	97 976	92 869	88 027	83 438	79 088	74 965	71 057	67 353
58	117 229	111 117	105 325	99 834	94 629	89 696	85 020	80 587	76 386	72 404
59	126 021	119 451	113 224	107 321	101 726	96 423	91 396	86 631	82 115	77 834
60	135 473	128 410	121 716	115 370	109 356	103 655	98 251	93 129	88 274	83 672
61	145 633	138 041	130 844	124 023	117 557	111 429	105 620	100 114	94 894	89 947
62	156 556	148 394	140 658	133 325	126 374	119 786	113 541	107 622	102 011	96 693
63	168 297	159 523	151 207	143 324	135 852	128 770	122 057	115 694	109 662	103 945
64	180 919	171 488	162 548	154 073	146 041	138 428	131 211	124 371	117 887	111 741

Maximum transfer @ 65 years

7 604 765 7 208 308 6 832 519 6 476 321 6 138 693 5 818 667 5 515 324 5 227 795 4 955 256 4 696 925



Pension plan for a *CONNECTED INDIVIDUAL* Effective date 01.01.2024

Age at entry	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64
Pension unit	8 059	7 639	7 241	6 863	6 506	6 166	5 845	5 540	5 251	4 978	4 718	4 472	4 239	4 018	3 809
Past service															
Number of years	32	33	33	33	33	33	33	33	33	33	33	33	33	33	33
Value	1 249 470	1 312 942	1 337 832	1 363 194	1 389 037	1 415 369	1 442 201	1 469 541	1 497 400	1 525 786	1 554 711	1 584 184	1 614 216	1 644 818	1 675 999
PSPA	953 510	965 010	965 010	965 010	965 010	965 010	965 010	965 010	965 010	965 010	965 010	965 010	965 010	965 010	965 010
Net	295 960	347 932	372 822	398 184	424 027	450 359	477 191	504 531	532 390	560 776	589 701	619 174	649 206	679 808	710 989

Current service

50	40 597	0	0	0	0	0	0	0	0	0	0	0	0	0	0
51	43 642	41 367	0	0	0	0	0	0	0	0	0	0	0	0	0
52	46 915	44 469	42 151	0	0	0	0	0	0	0	0	0	0	0	0
53	50 434	47 804	45 312	42 950	0	0	0	0	0	0	0	0	0	0	0
54	54 216	51 390	48 711	46 171	43 764	0	0	0	0	0	0	0	0	0	0
55	58 282	55 244	52 364	49 634	47 046	44 594	0	0	0	0	0	0	0	0	0
56	62 654	59 387	56 291	53 357	50 575	47 938	45 439	0	0	0	0	0	0	0	0
57	67 353	63 841	60 513	57 358	54 368	51 534	48 847	46 301	0	0	0	0	0	0	0
58	72 404	68 629	65 052	61 660	58 446	55 399	52 511	49 773	47 178	0	0	0	0	0	0
59	77 834	73 777	69 930	66 285	62 829	59 554	56 449	53 506	50 717	48 073	0	0	0	0	0
60	83 672	79 310	75 175	71 256	67 541	64 020	60 683	57 519	54 520	51 678	48 984	0	0	0	0
61	89 947	85 258	80 813	76 600	72 607	68 822	65 234	61 833	58 610	55 554	52 658	49 913	0	0	0
62	96 693	91 652	86 874	82 345	78 052	73 983	70 126	66 471	63 005	59 721	56 607	53 656	50 859	0	0
63	103 945	98 526	93 390	88 521	83 906	79 532	75 386	71 456	67 731	64 200	60 853	57 680	54 673	51 823	0
64	111 741	105 916	100 394	95 160	90 199	85 497	81 040	76 815	72 810	69 015	65 417	62 006	58 774	55 710	52 805

Maximum transfer @ 65 years

4 696 925	4 452 062	4 130 177	3 829 754	3 549 430	3 287 925	3 044 040	2 816 647	2 604 690	2 407 178	2 223 181	2 051 826	1 892 295	1 743 821	1 605 685
-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------

Assumptions

- The table is only valid for plans with a set-up date in 2024 for connected individuals.
- The pension unit is calculated at age 65 based on the 2024 maximum pension unit of \$3,610.00 projected to age 65 at a yearly salary indexing of 5.50 %.
- The required contributions are calculated on the following base:
 - Interest : 7.50 %
 - Indexation after retirement : 3.00 %
 - Mortality : After retirement only, 80 % of the average mortality rates for male and female according to the GAM 83 mortality table without projection.
 - Type of pension : 66 ²/₃ % joint & last survivor pension guaranteed for 5 years payable monthly in advance
 - Age of spouse : Same as member
- It is assumed that the participant was at least 18 years old when entered the work force.
- The PSPA assumes that the salary for all the years of past service has always been sufficient to produce the maximum pension.
- Further to the 2011 federal budget, the PSPA calculated may be higher than the one calculated in this document. For the purposes of this illustration we presented the results of a typical calculation.
- The current service cost is calculated as the annual contributions payable monthly in arrears. The cost would be a little less if paid annually in advance.
- Notes:
 - Dividends paid by the company are not eligible earnings for the pension plan.
 - The contributions made to a spousal RRSP cannot be transferred to the pension plan.
 - The participant's unused RRSP contributions can reduce the RRSP transfer and, as a result, raise the employer's contributions.