



GROUP SAVINGS
AND RETIREMENT

THE INDIVIDUAL PENSION PLAN (IPP)

An effective retirement savings solution
for professionals and business owners



A SENSIBLE SOLUTION FOR SENIOR AND CORPORATE EXECUTIVES

For most workers, a registered retirement savings plan (RRSP) is an effective tool to save for retirement. However, an RRSP does not necessarily meet the needs of people who earn a higher income, such as senior and corporate executives. If this is your situation, your RRSP contributions are limited and your savings may not provide sufficient income to maintain your current lifestyle when you retire.

Luckily, there is another way for you to build retirement income that will meet your needs: an individual pension plan (IPP).

An IPP is a registered pension plan, usually set up for a single member and specially designed for senior executives, corporate executives and business owners. An IPP provides significant tax benefits, and as this RRSP alternative lets you contribute more, you can save more for retirement.

What is the IPP?

The individual pension plan (IPP) is a defined benefit pension plan that is registered with the Canada Revenue Agency (CRA) and the provincial authority, if required. "Defined benefit" means that the pension amount is determined by a specific formula when the plan is established. This formula corresponds to 2% of the average of the best three annual salaries indexed to retirement for each recognized year of service. The resulting amount is subject to the maximum prescribed by the CRA. The retirement income generated by an IPP is generally higher than the income provided by an registered retirement savings plan (RRSP).

The IPP is custom-designed and takes into account each participant's needs and personal situation. The contributions required to finance the plan vary from person to person, based on factors such as age and income. The annual contribution amount is established by an actuary.

High-income individuals age 45 and older should benefit the most from the IPP since its contribution limit is higher than that of an RRSP. For them, the IPP is a practical choice. For the company, it's an efficient way to recruit and retain key personnel.

Maximum tax relief and maximum retirement benefits

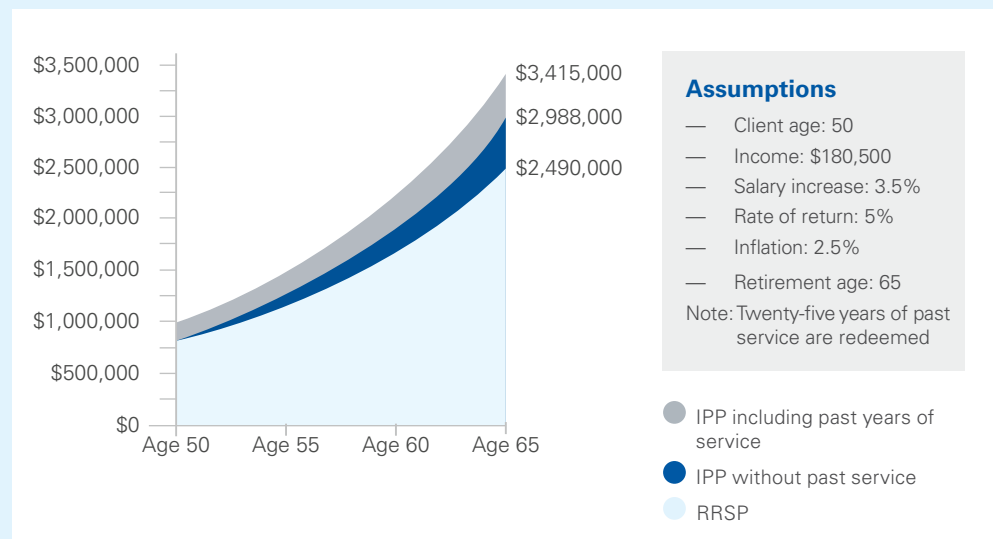
An IPP usually allows for higher contributions than an RRSP, hence the possibility to save more for retirement. Since the plan is registered, all contributions grow on a tax-deferred basis.

The IPP is entirely funded by the employer and all contributions and plan costs are tax-deductible. The employee makes no contribution. In addition, corporate income can be reduced to take advantage of lower tax rates.

In most cases, and under certain conditions, lump-sum contributions can be made for past years of service. This past service funding helps to maximize the retirement benefits and results in additional tax-deferred growth.

Comparison between the capitalization of an RRSP and an IPP (as at January 1, 2024)

COMPARISON BETWEEN AN RRSP AND AN IPP



Comparison between an RRSP and an IPP

	RRSP
Income tax	Contributions deductible for the employee.
Contribution limit	18% of the previous year's earned income, subject to the CRA maximum, less the pension adjustment (PA).
Retirement benefit	Retirement income depends on the accumulated amount and therefore, the investment returns.
Investment risk	The risk is taken by the employee. Poor investment returns reduce the employee's retirement benefits.

	IPP
Income tax	Contributions and costs deductible for the company.
Contribution limit	Established by an actuary according to the CRA rules.
Retirement benefit	Retirement income guaranteed and determined by a specific formula.
Investment risk	The risk is taken by the employer. Poor returns lead to an additional tax-deductible contribution for the company. Furthermore, the retirement benefits are not reduced.

The IPP offers many benefits

Tax deductions

IPP contributions and costs are tax-deductible and paid by the company.

Creditor protection

Unlike most RRSPs, the IPP is creditor-proof because its assets are exempt from seizure.

Tax-deferred capitalization

The IPP provides an opportunity for continued tax deferral after retirement if the participant elects to self-annuitize.

Capitalization of past years of service

Under certain conditions, it is possible to contribute for recognized years of service before the IPP was established.

Terminal funding at retirement

It is possible to modify the IPP provisions at retirement to maximize the benefits under the following circumstances: indexation of the annuity, early retirement without reduction and bridging benefit. These changes result in an extra contribution, which is also tax-deductible for the company.

Assets owned by the employee

Upon retirement and in case of plan and employment termination, the surplus can belong to the participant and it is not taxable as long as it is not withdrawn. Upon retirement, and under certain conditions, the surplus can provide additional income to the participant.

Assets not locked-in for connected persons

In Quebec, an IPP established for a connected person is not required to be registered with the Régie des rentes du Québec, which means that the assets are not locked-in.

Fees paid by the employer

The fees can be reimbursed by the employer.

If the company is sold

If the shareholders' equity is high, it may be difficult to sell the company. Transferring amounts to an IPP reduces shareholders' equity.



FREEDOM OF CHOICE AT RETIREMENT

The IPP provides you with three different options upon retirement:

- Use the funds to purchase a life annuity (including a joint life annuity).
- Maintain the IPP to self-annuitize.
- Roll the funds (subject to the CRA maximum) into a locked-in retirement instrument (life income fund) or a non-locked-in retirement instrument (registered retirement income fund), depending on the applicable legislation.

Our services

All fees charged for the IPP are tax-deductible. These fees include the following services:

- Establishment of the plan and monitoring of your plan by a qualified Group Savings and Retirement advisor
- Preparation of the plan text
- Registration of the plan with the Canada Revenue Agency and the applicable provincial authority, if required
- Required amendments to the plan following changes in legislation
- Initial actuarial valuation and subsequent actuarial valuations (every three years in most cases), to determine the contribution amount and ensure the plan is properly funded
- Valuation required for the purchase of past service
- Annual information returns
- Annual member statement
- Calculations of the termination of employment, death and retirement benefits
- Record-keeping of the plan administration data
- Annual calculation of the pension adjustment (PA)
- Monthly report on investment fund returns
- Various investment-related publications:
Monthly Update, Quarterly Update, Annual Financial Report on Investment Funds

Our investment options

When you select our IPP, you have access to a full range of investment options, including guaranteed investments and investment funds.

Guaranteed investments, offered for one- to 10-year terms, are designed for investors who are primarily seeking stable returns and capital protection at maturity. The assets invested in guaranteed investments are protected by Assuris (a non-profit organization that protects Canadian insureds when a life insurance company becomes insolvent), according to the applicable terms and conditions.

Investment funds offer a wide range of risk levels and return perspectives. In fact, our complete line of funds allows investors to maximize the diversification of their assets, for both asset categories and investment approaches. No minimum amount is required to invest in investment funds and assets can be redeemed at any time. To meet our clients' different needs, many of our funds are managed by outside investment firms.

A beneficial financial solution

The IPP:

A profitable tool for high-income individuals to accumulate additional retirement income

We are well versed in all aspects of establishing an IPP and our expertise guarantees top-quality service.

We feel that the IPP is one of the best-kept secrets in retirement planning for senior and corporate executives. If you would like to obtain an illustration of the amounts that you can contribute to an IPP, complete the form inserted in the pocket at the end of this document. We will produce a free illustration of the benefits that you could obtain, with no obligation on your part. Just email the completed form or contact us directly. We'll be happy to answer all your questions and help you set up an IPP.

Complete the form inserted in the pocket at the end of this document and email it to one of our regional offices (see overleaf for contact information). We will provide a free illustration of the benefits you could obtain from an IPP.

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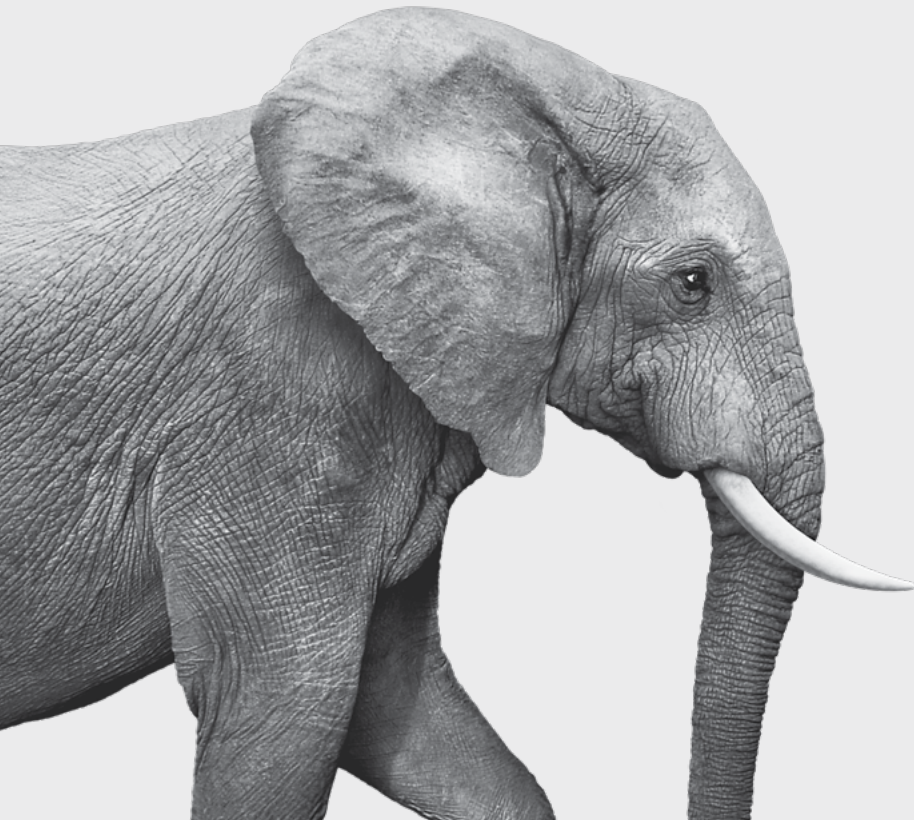
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1 — Member name _____
 Gender _____ Date of birth

Y	Y	Y	Y	M	M	D	D

 Employed by the company since

Y	Y	Y	Y	M	M	D	D

 Expected retirement age _____

2 — Company name _____
 Province of employment _____
 Incorporation date

Y	Y	Y	Y	M	M	D	D

 Date of financial year-end

M	M	D	D

3 — **Are you a connected person*?** Yes No
 *A connected person is a person who owns, either directly or indirectly (spouse, brother, sister, child, grandchild, father, mother, or spouse of brother or sister) at least 10% of any class of shares of a company or any corporation related to the company.

4 — What is the estimated income (T4 Box 14) for the current calendar year? \$ _____

5 — Complete this section if past service years will be recognized:

- List your annual salary (T4 Box 14) paid by the company indicated at point 2 for each year of employment with the company:

2023 \$ _____	2016 \$ _____	2009 \$ _____	2002 \$ _____	1995 \$ _____
2022 \$ _____	2015 \$ _____	2008 \$ _____	2001 \$ _____	1994 \$ _____
2021 \$ _____	2014 \$ _____	2007 \$ _____	2000 \$ _____	1993 \$ _____
2020 \$ _____	2013 \$ _____	2006 \$ _____	1999 \$ _____	1992 \$ _____
2019 \$ _____	2012 \$ _____	2005 \$ _____	1998 \$ _____	1991 \$ _____
2018 \$ _____	2011 \$ _____	2004 \$ _____	1997 \$ _____	
2017 \$ _____	2010 \$ _____	2003 \$ _____	1996 \$ _____	
- What was your total revenue (Box 14 on T4s) from all companies combined in 1990? \$ _____

6 — RRSP Room and Qualifying Transfers (all lines require an answer for IPP only. Use zeros where needed.)

- ▲ **Important:** You must provide your most recent **federal** notice of assessment.
- What is the total amount accumulated in the member designated savings arrangements (RRSP, LIRA, RRIF, LIF or DC plan)?

Non locked-in assets: \$ _____

Locked-in assets: \$ _____

Portion of the assets available for transfer: \$ _____

▲ The amount of assets indicated as available for transfer must be available within the next 90 days, taking into account possible withdrawal and transfer fees and possible fluctuations of the assets due to the investments.
- What is the total amount of RRSP contributions made or to be done between March 2, 2023, and March 1, 2024? \$ _____
 What is the amount of RRSP contributions made after March 1st, 2024? \$ _____
 Indicate the current amount of unused RRSP contribution room: \$ _____
- Has the company ever contributed to a pension plan, a DPSP or a group RRSP on behalf of the member?
 No Yes, in which years? _____