

Savings and  
Investments

# Individual Pension Plan (IPP)

A quick, easy way  
to maximize your  
retirement savings



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# What is an IPP?

## A registered retirement plan...

An Individual Pension Plan (IPP) is primarily a registered retirement plan along the same lines as an RRSP. The contributions your company makes on your behalf are non-taxable before you retire.

## ... that is also a defined benefit plan

This type of plan shares the characteristics of a defined benefit plan. This means that at the time the plan is instituted, you know the amount of the annuity you will receive upon retirement. This allows you to accurately determine your retirement income and the contributions you must make to achieve your goals.

## ... your company can contribute to

An IPP is also a way for your company to increase your retirement savings, helping you to achieve your objectives. In exchange, your company can deduct these contributions from its taxable income.

## ... that permits larger contributions

An IPP permits larger contributions than an RRSP once you reach about age 40.

## ... and offers interesting returns

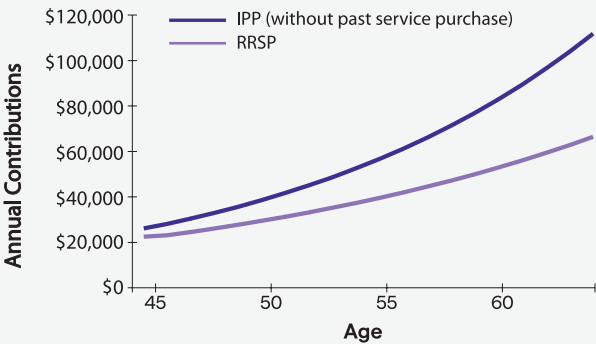
An IPP provides you with a return of 7.5% annually. Essentially, if the return is under 7.5%, the company may cover the shortfall. This special contribution is deductible for the company and non-taxable for you. With this unique feature, your retirement savings can grow rapidly.

# Example of Contributions

Starting around age 40, the maximum allowable amounts for IPP contributions are **higher than** those for RRSPs.

Below is a typical example of the contributions an individual can make – starting at age 45 – to either an RRSP or an IPP, assuming an annual salary of \$145,000 and a 7.5%\* annual return. This example does not include the purchase of past service, which allows additional IPP contributions.

## Capital Accumulation: IPPs vs. RRSPs



\* The example given assumes a maximum annual increase in salary and annuity increase of 5.5%, 3% indexing of annuities and retirement at age 65.

# Purchase of Past Service

Electing to purchase past service is a way to make up for the years when you may not have contributed enough for your retirement. This provision allows you to substantially upgrade your plan with additional contributions made by your company and by transferring funds from existing RRSPs.

# IPP Advantages

- Annual contribution ceiling higher than an RRSP
- Tax-deductible company contributions
- Tax-sheltered fund returns
- Elect to purchase past service (to increase contributions and retirement income)
- Annuity upgrade possible upon retirement
- 7.5% return

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When you confided your investments to Beneva, you made the decision to do business with a company that takes pride in offering the services of top specialists in the field, whether in investment portfolio management or retirement planning.

This is why, as part of managing and monitoring your individual pension plan (IPP), you will have access to the expertise of **Mallette actuaires inc.**, a firm specializing in actuary consulting services in addition to our expertise in pension plan management.

As Beneva's partner for the monitoring of your plan's actuarial aspects, this firm's extensive experience and exceptional professionalism are sure to provide you with complete satisfaction.

### And the best part?

You will have access to our wide range of segregated funds, managed by external managers who are among the best in the industry, as well as the excellent service provided by our Client Services department.

Beneva is pleased to offer you a financial product that is especially designed with the needs of business owners and executives in mind: the **Individual Pension Plan (IPP)**.

In today's market, it can be difficult to obtain a good return on your money and make sufficient contributions to a pension plan so as to ensure a comfortable retirement income.

Fortunately, there exists a registered financial product for **business owners and executives** that provides an easy, worry-free way for their company to contribute to their retirement nest-egg.

The **Individual Pension Plan** is an individual registered retirement plan that has a generous contribution ceiling and an interesting return, and offers attractive tax savings for both you and your company.

If you are age 40 and over and earn an annual salary of over \$75,000, you could benefit from consulting your financial security advisor for more information about this exceptional investment vehicle.

For more information,  
go to **beneva.ca**.

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