

# Individual Pension Plan

**DRAMATICALLY BOOST YOUR RETIREMENT ASSETS WITH TAX-DEDUCTIBLE CORPORATE CONTRIBUTIONS**

## How an IPP works

An IPP is a tax-deferred savings vehicle used to invest and save for retirement. Contributions are tax-deductible and made directly from the corporation. Similar to an RRSP, the assets inside an IPP are tax-deferred until withdrawal. A clear advantage of an IPP is you can contribute up to 65% more than an RRSP.

## How much can be contributed to an IPP?

Age	RRSP Contribution	IPP Contribution	IPP Advantage	
45	\$26,500	\$31,400	<b>\$4,900</b>	<b>18%</b>
50	\$26,500	\$34,500	<b>\$8,000</b>	<b>30%</b>
55	\$26,500	\$37,900	<b>\$11,400</b>	<b>43%</b>
60	\$26,500	\$41,600	<b>\$15,100</b>	<b>57%</b>
65	\$26,500	\$43,600	<b>\$17,100</b>	<b>65%</b>

### Case Study

A professional, age 55, incorporated for 10 years, maximum T4 earnings and \$250,000 in RRSPs

- ✓ \$91,300 in immediate past service funding – tax-deductible to the company
- ✓ Up to \$500,000 more in tax-deductible contribution room over working years
- ✓ The IPP can accumulate up to \$1,000,000 more in assets than an RRSP

*All of the above figures are based on 2019 prescribed assumptions*

## Advantages of an IPP

- ✓ Increased tax-deductible contribution room – up to 65% more than an RRSP
- ✓ Can reduce passive income in Corporation
- ✓ Tax-deductible company contributions for prior years (past service)
- ✓ Richest benefit plan in Canada – 2% defined benefit pension plan
- ✓ All costs are tax-deductible to the company
- ✓ Creditor Protection
- ✓ Increased corporate and personal tax savings
- ✓ Can include employed family members and pass on wealth to the next generation

## Who is a good candidate for an IPP?



**BUSINESS  
OWNER**



**OVER  
AGE 40**



**INCORPORATED  
PROFESSIONAL**



**\$100,000+ IN  
T4 EARNINGS\***

*An IPP can be established for someone with lower earnings*

## NEXT STEPS

Contact us by phone at **519-426-5160** or email **planning@goodcas.com** to receive a personal IPP quote.