



WEALTH  
MANAGEMENT  
INC.

# 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	\$4,900	18%
50	\$26,500	\$34,500	\$8,000	30%
55	\$26,500	\$37,900	\$11,400	43%
60	\$26,500	\$41,600	\$15,100	57%
65	\$26,500	\$43,600	\$17,100	65%

### 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\*

### GOT QUESTIONS?

Contact DJB Wealth Management Inc. today - we can help you stay on the right path!

Connect with a Certified Financial Planner™ professional by phone at 905.684.9221 or email [wealth@djb.com](mailto:wealth@djb.com).