

PENSION UPDATE

January 2009

Retirement Plan Administration Updates for 2009

The 2009 limit for tax-deferred contributions to a registered pension plan is \$22,000, which is equivalent to an income of \$122,222.22. Persons below this limit will continue to be restricted to 18% of earnings.

Sponsors of retirement plans will have to update their administration practices to accommodate the new limits.

	Registered Retirement Savings Plan (RRSP)	Money Purchase (DC) Registered Pension Plan	Defined Benefit (DB) Registered Pension Plan	Deferred Profit Sharing Plan (DPSP)
2009	\$21,000.00	\$22,000.00	\$2,444.44*	\$11,000.00
2010	\$22,000.00	Indexed **	Indexed **	Indexed **
2011 and beyond	Indexed **	Indexed **	Indexed **	Indexed **
* This is the maximum pension benefit allowable per year of service ** The contribution limit will be indexed to the average wage growth rate				

Other Changes

As introduced in the 2008 Federal budget, the new Tax Free Savings Account will be available at most financial institutions beginning January 1, 2009.

Tax Free Savings Account

The Tax Free Savings Account (TFSA) is like a mirror image of a Registered Retirement Savings Plan.

Canadian residents age 18 and over with a SIN are able to contribute up to \$5,000 per year to a TFSA. This limit will be indexed to inflation and rounded to the nearest \$500.

Contributions made to a TFSA are not tax deductible. However, the investment earnings within the TFSA are not subject to taxation and withdrawals from a TFSA are tax free. If money is withdrawn, the TFSA holder receives the contribution room back the following year. Unused contribution room can be carried forward from year to year.

Canada/ Quebec Pension Plan	Years Maximum Pensionable Earnings (YMPE)	\$46,300.00
	Years Basic Exemption (YBE)	\$3,500.00
	Contribution Rate (Employee/Employer)	4.95%
	Maximum Contribution (Employee/Employer)	\$2,118.60
Old Age Security (Maximum Monthly Benefit)	Maximum Retirement Pension (Age 65)	\$908.75
	Basic OAS	\$516.96
	Guaranteed Income Supplement (GIS) Maximum	\$652.51
	Allowance (for spouse)	\$947.86
	Survivor's Allowance	\$1,050.68

New Governance Tools For 2009

Pension Committee Portal— This web based tool provides a centralized location for the Pension Committee to manage the plan.

Plan Member Site Enhancements— The plan member site will be improved to include new tools and additional educational materials.

PROTEUS

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