

# PENSION UPDATE

January 2008

## Retirement Plan Administration Updates for 2008

The 2008 limit for tax-deferred contributions to a registered pension plan is \$21,000, which is equivalent to an income of \$116,666.67. 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.

### Other Changes

As introduced in the 2007 Federal budget, provisions such as pension income splitting and the new conversion age for converting registered assets into an income stream will take affect.

### Income Splitting

This provision allows an individual to allocate up to half of pension income to their spouse for income tax purposes. If you are over 65 years of age, you will be able to split income derived from both pension plans and registered savings plans. If the individual is under 65 than only pension income can be split.

### Conversion Age

An individual can now delay the conversion of their registered assets into an income stream until the end of the year in which they turn 71 (from the previous conversion age of 69).

By: Ryan Kuruliak

	Registered Retirement Savings Plan (RRSP)	Money Purchase (DC) Registered Pension Plan	Defined Benefit (DB) Registered Pension Plan*	Deferred Profit Sharing Plan (DPSP)
2008	\$20,000	\$21,000	\$2,333	\$10,500
2009	\$21,000	\$22,000	\$2,444	\$11,000
2010	\$22,000	Indexed **	Indexed **	Indexed **
2011	Indexed **	Indexed **	Indexed **	Indexed **

<b>Canada/Quebec Pension Plan</b>	Years Maximum Pensionable Earnings (YMPE)	\$44,900.00
	Years Basic Exemption (YBE)	\$3,500
	Contribution Rate (Employee/Employer)	4.95%
	Maximum Contribution (Employee/Employer)	\$2,049.30
<b>Old Age Security</b>	Maximum Retirement Pension (Age 65)	\$884.58
	Basic OAS	\$502.31
	Guaranteed Income Supplement (GIS) Maximum Allowance (for spouse)	\$634.02 921.00
	Survivor's Allowance	\$1,020.91

### New Fiduciary Tools For 2008

**Governance Report Card**— High level summary of the governance review elements completed by Protues on behalf of the sponsor in the year.

**Stakeholder Report**— A summary Plan Sponsors can share with members that summarizes the retirement income program review process, plan purpose, plan terms, member rights & responsibilities and reinforces the value of the program to members.

**PROTEUS**  
RETIREMENT PLAN GOVERNANCE

[www.proteusperformance.com](http://www.proteusperformance.com)

• 250 Ferrand Drive Phone: 416 421 3557 •  
• Suite 303 Fax: 416 421 1348 •  
• Toronto, Ontario M3C3G8 Toll Free: 800 360 6363 •

**VALUE. KNOWLEDGE. SERVICE.**

*Proteus Performance Management is a premier provider of pension governance and cost efficiency to Canadian Pension and Investment Funds. We create an environment of participation and teamwork in a selection & review process which focuses on specific client needs. The firm maintains itself free of conflicts of interest and in all cases act in the best interests of the client.*