

PENSION UPDATE

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Retirement Plan Administration Updates for 2010

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The 2010 limit for tax-deferred contributions to a registered pension plan is \$22,450, which is equivalent to an income of \$124,722.22. Persons below this limit will continue to be restricted to 18% of earnings.

	Registered Retirement Savings Plan (RRSP)	Money Purchase (DC) Registered Pension Plan	Defined Benefit (DB) Registered Pension Plan	Deferred Profit Sharing Plan (DPSP)	Tax Free Savings Account (TFSA)
2010	\$22,000.00***	\$22,450.00	\$2,494.44*	\$11,225.00	\$5,000.00***
2011 and beyond	Indexed **	Indexed **	Indexed **	Indexed **	Indexed****
* This is the maximum pension benefit allowable per year of service—pegged at 1/9th the DC funding limit.					
** The contribution limit will be indexed to the average wage growth rate.					
*** Unused contribution room can be carried forward from year to year.					
**** The contribution limit will be indexed to inflation in \$500.00 increments.					

Pension Reform in the News

Pension plan reform has been a hot topic over the last couple years.

In each of Ontario, Alberta/British Columbia, and Nova Scotia an expert commission on pensions has reviewed the current system and made recommendations for improvements.

Canada/Quebec Pension Plan	Years Maximum Pensionable Earnings (YMPE)	\$47,200.00
	Years Basic Exemption (YBE)	\$3,500.00
	Contribution Rate (Employee/Employer)	4.95%
	Maximum Contribution (Employee/Employer)	\$2,163.16
	Maximum Retirement Pension (Age 65)	\$934.17
Old Age Security (Maximum Monthly Benefit)	Basic OAS	\$516.96
	Guaranteed Income Supplement (GIS) Maximum	\$652.51
	Allowance (for spouse)	\$947.86
	Survivor's Allowance	\$1,050.68

In addition, most jurisdictions introduced defined benefit solvency payment relief regulations in 2009.

Various interest groups are currently proposing a wide range of pension reforms. Possible changes include modifying regulations to allow private companies to pool their pension plans at lower costs. Other options under consideration include expanding the Canada Pension Plan or creating a voluntary supplementary plan to the Canada Pension Plan. Visit Proteus' [Pension Matters blog](#) for updates through 2010.

New Governance Tools For 2010

Plan Level Style/Holdings Based Attribution - Reports for investment committees which identify aggregate investment style and performance attribution of the overall investment structure by examining the underlying security holdings.

Pension Matters Blog— A blog (www.proteusperformance.com/blog) featuring timely updates, thoughtful commentary and insights regarding pension governance and investment issues.

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