

PENSION UPDATE

January 2015

Retirement Plan Administration Updates for 2015

The 2015 limit for tax-deferred contributions to a registered Defined Contribution pension plan is the lessor of \$25,370 or 18% of earned income for the current year. This limit applies to the sum of employee and employer contributions as well as Additional Voluntary Contributions. DPSP contributions by an employer are limited to the lessor of \$12,685 or 18% of earned income for the current year. Funding for DC, DPSP, and the deemed value of DB benefits is reported on annual T4 slips for members.

RRSP contributions are based on earnings for the prior year (2014) less the Pension Adjustment for 2014 (plus available unused RRSP contribution room from prior years). Available RRSP room for the current year is detailed on individual Notice of Assessment statements from Canada Revenue Agency.

	Registered Retirement Savings Plan (RRSP)**	Money Purchase (DC) Registered	Defined Benefit (DB) Registered Pension Plan*	Deferred Profit Sharing Plan (DPSP)	Tax Free Savings Account (TFSA)**
2014	\$24,270	\$24,930	\$2,770	\$12,465	\$5,500
2015	\$24,930	\$25,370**	\$2,819**	\$12,685 **	\$5,500****

* The maximum pension benefit allowable per year of service—pegged at 1/9th the DC funding limit. The applicable Pension Adjustment (PA) is (9 x the year's earned DB Pension Benefit) minus \$600

** 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 and rounded to the nearest \$500.

		2014	2015
Canada Pension Plan (CPP)	Years Maximum Pensionable Earnings (YMPE)	\$52,500	\$53,600
	Contribution Rate (Employee/Employer)	4.95%	4.95%
	Max Contribution (Employee/Employer - each)	\$2,425	\$2,480
Quebec Pension Plan (QPP)	Contribution Rate (Employee/Employer)	5.175%	5.25%
	Max Contribution (Employee/Employer—each)	\$2,535	\$2,630

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