

PENSION UPDATE

August 2003

INCREASED RETIREMENT SAVINGS PLAN CONTRIBUTION LIMITS ARE NOW LAW

In their February 2003 budget, the Federal government proposed increases to the contribution limits to retirement plans. Since that time the limits have received Royal Assent and are now law.

Persons are still only allowed to contribute 18% of their earnings to registered plans. However, these new changes will allow individuals with higher earnings to contribute more to their retirement plan on a tax-deferred basis.

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

If you have any questions on what will be required for your plan, or would like to learn more about our *Governance Process* please contact us at (416) 421-3557 ext. 12 or toll free at 1-877-360-6363.

An electronic version of this publication is available in the 'Articles and Information' section of our website (www.proteusperformance.com).

Coming in the next issue of the Pension Update ... An update on the status of The Joint Forum of Financial Market Regulators' Proposed Regulatory Principles for Capital Accumulation Plans.

The New Schedule for Retirement Plan Contribution Limits is as follows

	Registered Retirement Savings Plan (RRSP)	Money Purchase (DC) Registered Pension Plan	Defined Benefit (DB) Registered Pension Plan *	Deferred Profit Sharing Plan (DPSP)
2003	\$14,500	\$15,500	\$1,722	\$7,750
2004	\$15,500	\$16,500	\$1,833	\$8,250
2005	\$16,500	\$18,000	\$2,000	\$9,000
2006	\$18,000	Indexed **	Indexed **	Indexed **
2007	Indexed **	Indexed **	Indexed **	Indexed **

* This is the maximum pension benefit allowable per year of service

** The contribution limit will be indexed to average wage growth

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