



Individual Pension Plan



Dramatically boost your retirement assets with tax-deductible corporate contributions.

How an IPP works

An IPP is a tax-deferred savings vehicle used to invest and save for retirement. Contributions are tax-deductible and made directly from the corporation. Similar to an RRSP, the assets inside an IPP are tax-deferred until withdrawal. A clear advantage of an IPP is you can contribute up to 65% more than an RRSP.

How much can be contributed to an IPP?

Age	RRSP Contribution	IPP Contribution	IPP Advantage	
45	\$26,500	\$31,400	\$4,900	18%
50	\$26,500	\$34,500	\$8,000	30%
55	\$26,500	\$37,900	\$11,400	43%
60	\$26,500	\$41,600	\$15,100	57%
65	\$26,500	\$43,600	\$17,100	65%

Advantages of an IPP

- Increased tax-deductible contribution room – up to 65% more than an RRSP
- Can reduce passive income in Corporation
- Tax-deductible company contributions for prior years (past service)
- Richest benefit plan in Canada – 2% defined benefit pension plan
- All costs are tax-deductible to the company
- Creditor Protection
- Increased corporate and personal tax savings
- Can include employed family members and pass on wealth to the next generation



Who is a good candidate for an IPP?

- Business owner
- Over age 40
- Incorporated professional
- \$100,000+IN T4 earnings*

Case Study

A professional, age 55, incorporated for 10 years, maximum T4 earnings and \$250,000 in RRSPs

- \$91,300 in immediate past service funding – tax-deductible to the company
- Up to \$500,000 more in tax-deductible contribution room over working years
- The IPP can accumulate up to \$1,000,000 more in assets than an RRSP

All of the above figures are based on 2019 prescribed assumptions

Got Questions?

Contact DJB Wealth Management Inc. today - we can help you stay on the right path!



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