Assumption Life

15 REASONS WHY
YOU SHOULD CONSIDER A PPP®

1. **Over 20 years, the PPP® member could have over $1,000,000 more in registered assets to retire on (assuming the same rate of return on assets as earned in an RRSP).**
2. **There are 7 new types of tax deductions inside a PPP® that you cannot find inside an RRSP:**
   a. Greater annual deductions ranging from $1,896 at age 40 to $18,481 by age 64 and beyond
   b. Terminal funding to enhance the basic pension (up to $2,000,000 deduction)
   c. Corporation's ability to make tax-deductible contributions to assist in the purchase of past service
   d. Special Payments (also tax-deductible) if the pension plan's assets don't return 7.5%
   e. Interests paid to lenders for contributions made to the PPP® are tax-deductible
   f. Investment management fees paid on any asset inside the PPP® are tax-deductible
   g. Annual administration and actuarial fees are tax-deductible

3. Assets inside a PPP® are trade-creditor protected.
4. Required contributions to the PPP® owed by the corporation are provided super priority in a bankruptcy and rank above secured creditors like the banks.
5. Assets inside a PPP® can pass from generation to generation without triggering a deemed disposition. Also, because the funds do not end up in the estate, there are no probate fees if other family members are also members of the PPP®.
6. Ability to increase tax deductible contributions past the age of 71 via special payments.
7. Corporate sponsor can claim back 100% of GST or HST levied against PPP fees from the CRA via input tax credits.
8. IPPs (Individual Pension Plans) must cease all tax-deductible contributions if they are in excess surplus (in excess of 25% of liabilities). However, accruals can continue which will use up the surplus, and contributions to an RRSP can be made which can then be transferred to the PPP's AVC Account.
9. **Additional tax savings opportunity upon set-up**: members aged 38 and under who paid $100,000, for example, in the year of plan set-up could make an $18,000 PPP® contribution and an $18,000 RRSP, assuming no earned income in the year 1990.
10. **Unlocking**: not only are AVC assets unlocked at all times (by eliminating the AVC provisions from the plan text), but by reducing accrued benefits and creating surplus, additional funds can be withdrawn.
11. **Participating life insurance add-on**: the large tax savings/refunds created by the multitude of additional tax deductions could be used by the corporation to purchase an limited-pay overfunded Participating life insurance policy with the corporation designated as the death beneficiary, thereby funding the policy with $0.00 cost.
12. **Early retirement**: available as early as age 50, with pension income-splitting and $4,000 worth of pension being eligible for the pension amount non-refundable credit. RRIF (Registered Retirement Income Fund) income-splitting only starts at age 65.
13. **Flexibility:** being able to switch between a DB (Defined Benefit) and a DC (Defined Contribution) plan every year helps control pension costs. But the superior tax deductions afforded by DB plans aren't lost in a DC year since the plan can be amended to convert DC into DB years (and allow for a past service contribution).
14. **Fiduciary and Governance**: INTEGRIS offers a 'pension committee' service to ensure compliance and supervision with pension officers, compliance staff and lawyers at no extra cost.
15. **Purification for life time capital gains exemption**: deductions created inside the company when purchasing past service, borrowing or doing terminal funding/special payments, can purify a corporation for this special tax exemption ($883,384 in 2020).

WHO IS INTEGRIS PENSION MANAGEMENT?

INTEGRIS Pension Management Corp. is a private Canadian based company that offers peace of mind by providing access to highly experienced actuaries, pension and compliance officers. We have built strong strategic alliances with some of Canada's highly regulated and well- capitalized companies to offer you the best-in-class service providers.

"For us, acting in the best interest of our pension clients is at the heart of what we do. This is in fact a legal obligation set out in the Pension Benefits Act. We are the private sector equivalent to the Ontario Teachers' Pension Plan Board - a fiduciary of our clients."

- Jean-Pierre A. Laporte, B.A. M.A. J.D.
Chief Executive Officer

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6253-00A-APR20