

INDIVIDUAL PENSION PLAN (IPP)

CLIENT BROCHURE



Over and Above Your RRSP

WITH AN IPP YOU CAN:

- Create a personal pension plan through your professional corporation
- Contribute much more than an RRSP allows
- Gain a number of tax advantages
- Determine pension income and contribution amounts that are right for you
- Choose from a broad range of CDSPI investment funds

 **ADVICE.
INSURANCE.
INVESTMENTS.**
CDSPI

How Does an IPP Work?

An IPP is a defined benefit pension plan that you can use to fund your own pension if you operate your dental practice through a professional corporation. You work with an actuary to determine the pension income and contribution amounts that are right for you.

Then, your corporation makes tax-deductible contributions to the plan that are invested based on an established strategy. An actuarial valuation periodically ensures the plan is being properly funded.

When you retire, the funds in the plan provide you with a predetermined annual benefit.

Who Can Benefit From an IPP?

An IPP is an excellent choice for dentists who would like to contribute considerably more to their retirement savings than RRSPs allow. Ideal candidates for IPPs are dentists aged 40–65 with annual incomes in excess of \$120,000.

Gain These Advantages

- **Higher Contributions Allow Money-Saving Tax Deductions** — As the table below illustrates, an IPP can allow you to contribute significantly more for your retirement than an RRSP allows. If your corporation has existed prior to the establishment of the IPP, your corporation may be eligible to make additional past service contributions to the plan. All of these contributions are tax deductible to your corporation.

IPP Contribution Room vs. RRSP Contribution Room

IPP CONTRIBUTION ROOM			
Age	2012	2013	2014
40	\$24,900	\$26,800	\$28,800
45	\$27,400	\$29,400	\$31,700
50	\$30,100	\$32,300	\$34,800
55	\$33,100	\$35,500	\$38,200
60	\$36,300	\$39,000	\$42,000
65	\$40,100	\$41,400	\$42,700
RRSP CONTRIBUTION ROOM			
	2012	2013	2014
	\$22,970	\$23,820	\$25,130 (est)

Based on a maximum pensionable income level of \$132,333 for 2012 and indexed for 2013 and 2014. IPP contribution amounts are based on a 5.5% annual compound increase in the Average Industrial Wage.

- **Creditor Protection** — Assets held in this IPP are exempt from the claims of creditors in most circumstances.
- **Superior Selection of Funds, Renowned Managers and Low Fees** — This IPP invests in the CDSPI family of investment funds. To fund your IPP, you'll gain all of the advantages that come with CDSPI funds — which are available exclusively to dental professionals and their families.

Managed by leading fund managers, CDSPI funds have extremely low management fees ranging from 0.65 to 1.77 per cent¹ depending on the fund selected — and no loads or routine service charges² to hinder your returns. There are more than 30 CDSPI funds, including Managed Risk Portfolios (wrap funds), covering all major asset categories.

Eligibility

You are eligible to participate in this IPP if you are a dentist who is a member of a participating provincial or territorial dental association (in Quebec, only CDA members are eligible).

Reach for Higher Retirement Savings

To learn more about this IPP, visit www.cdspi.com. For help setting up the plan and choosing investments to fund it, contact a CDSPI investment planning advisor.

If you have questions about the plan, or would like to obtain no-cost investment planning advice* from a licensed professional, please contact CDSPI Advisory Services Inc. at:

1.800.561.9401 or cdspi.com

¹ Management fees are subject to applicable taxes. ² Surcharges may be levied for short-term trading.

³ Restrictions may apply to advisory services in certain jurisdictions.