

Solutions for Business Owners

Individual Pension Plans (IPP)

(The Super Charged RRSP for Business Owners)



Business Owner Pension Plan

Wealth Without Worry

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Individual Pension Plans (IPP)

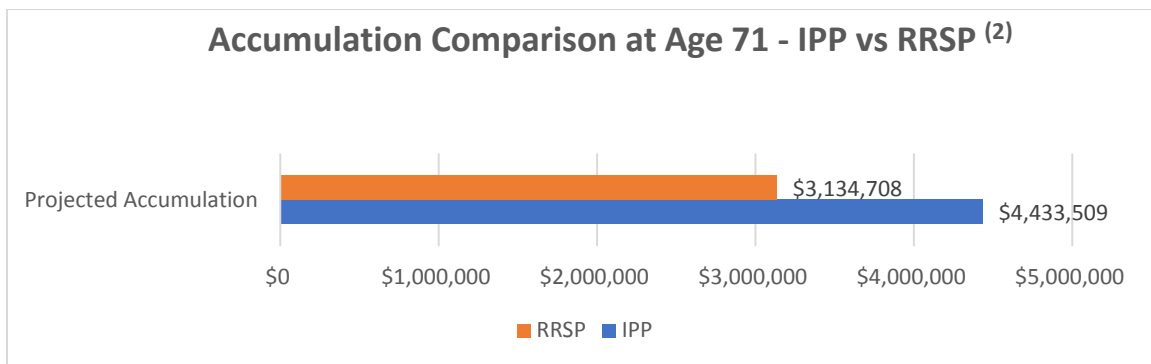
(The Super Charged RRSP for Business Owners)

An Individual Pension Plan [IPP] is an RRSP alternative available to business owners and senior executives, which offers significant advantages such as larger tax-deductible contributions limit and a larger retirement pension.

Higher IPP contribution limits is an important tax and investment planning tool for many business owners since the after-tax benefits of registered plans (IPP & RRSP) are significantly better than allocating the same dollars into corporately owned investment accounts. ⁽¹⁾

The IPP is essentially a defined benefit pension plan that pays a predetermined pension income based on years of service and income similar to the pensions of government employees and teachers. The difference is that with an IPP, the business owner's company is the plan sponsor instead of the government.

Contributions to the IPP are generally made directly by the sponsoring company instead of individually as with an RRSP. An IPP is set up by an actuary who determines annual contribution amounts and the eventual pension income benefits based on age and length of employment.



Benefits of an IPP include;

1. Larger annual tax deductible contribution limits compared to an RRSP
2. Additional tax deductible contributions available at retirement
3. Larger pension income than an RRSP
4. Better creditor protection than an RRSP
5. Potential large upfront tax-deductible contribution
6. Tax Deductible investment management fees
7. Potential tax-free rollover to employed family members

Disadvantages of an IPP include;

1. No access to funds while employed and member of plan
2. Minimum annual contribution requirements
3. Higher start up and ongoing expenses vs. RRSP
4. More stringent regulatory controls

Which incorporated business owners should consider an IPP;

1. Those who wish to contribute more into a registered plan than their RRSP allows
2. Those who draw a salary of \$150,000 or more
3. Those at least 40 years of age
4. Those who wish to pass their registered portfolio tax free to an adult child working at the same firm
5. Those who wish to create a large corporate tax deduction at their retirement

The IPP is not suitable for every business owner and there are any factors to consider before implementing an IPP strategy. Always consult a professional Financial Advisor with experience assessing, implementing and ongoing servicing of Individual Pension Plans prior to making any decision.

To determine if an Individual Pension Plan may be suitable for you, your family members, or senior employees, contact us at 416-690-9990 or info@westendwealth.com.

(1) Financial Post, Feb. 10, 2017

(2) Serre Financial, August 8, 2016 sample for Business Owner born Dec 31, 1960, assume 7.5% average return for both IPP & RRSP

West End Wealth Planning, Part of IPC Securities Corporation



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Our Personal Wealth Management Strategy

Wealth Without Worry

Helping our clients to “not” consistently worry about their financial situation or make costly financial mistakes, is just part of our Personal Wealth Management Strategy.

Our all-encompassing process helps you to make intelligent financial decisions and guides the integration of your investments, tax minimization, asset protection, estate, and retirement strategies.

To provide you with a better understanding about how your financial decisions are effecting your current and future wealth, we will cover the cost of a professional assessment on your overall financial and investment strategies.

To Schedule a Financial & Investment Risk Assessment

Call us @ **416-640-9990 extension #4**

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