

# The INTEGRIS Personal Pension Plan (PPP®)

A Smarter Way to Save for Retirement



**PPP® PROPOSAL as at January 1st, 2022 for  
30YROLDPPP\_5YRS\_PS FIVE\_YEARS of SAMPLE CORP**

**Retirement at Age 65**

Presented by  
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For more information about the PPP, please visit <http://ppp.ia.ca/>.

## Executive Summary

### 'Future-proofing' your retirement and the advantages of your PPP vs RRSP

- Creditor-proofing of investments
- Substantial contributions from your employer for past service
- Annual PPP contributions are greater than your personal RRSP contributions
- Additional contributions from your employer in the event of poor investment returns

#### 1 Corporate contributions

**\$30,780**

**\$32,473**

**\$34,259**

Current contributions  
for the first 3 years

**\$1,386,367**

Additional contributions for  
enhancements at retirement

#### 2 My retirement income

Total value accumulated in  
your PPP and RRSP would be **\$12,999,340**

Your projected pension at retirement **\$870,029**

At retirement, assets under the PPP would  
exceed assets under an RRSP by **\$3,840,758**

#### 3 Annual administrative fees

Annual Administrative Fees **\$1,013**

Trust Set Up Fees **\$0**

Integris Annual Fees **\$1,138**

**No set up fees**

**No extra fees for triennial actuarial valuations**

#### 4 My corporate tax savings

Corporate Tax Rate of 12.2% = **\$538,890**

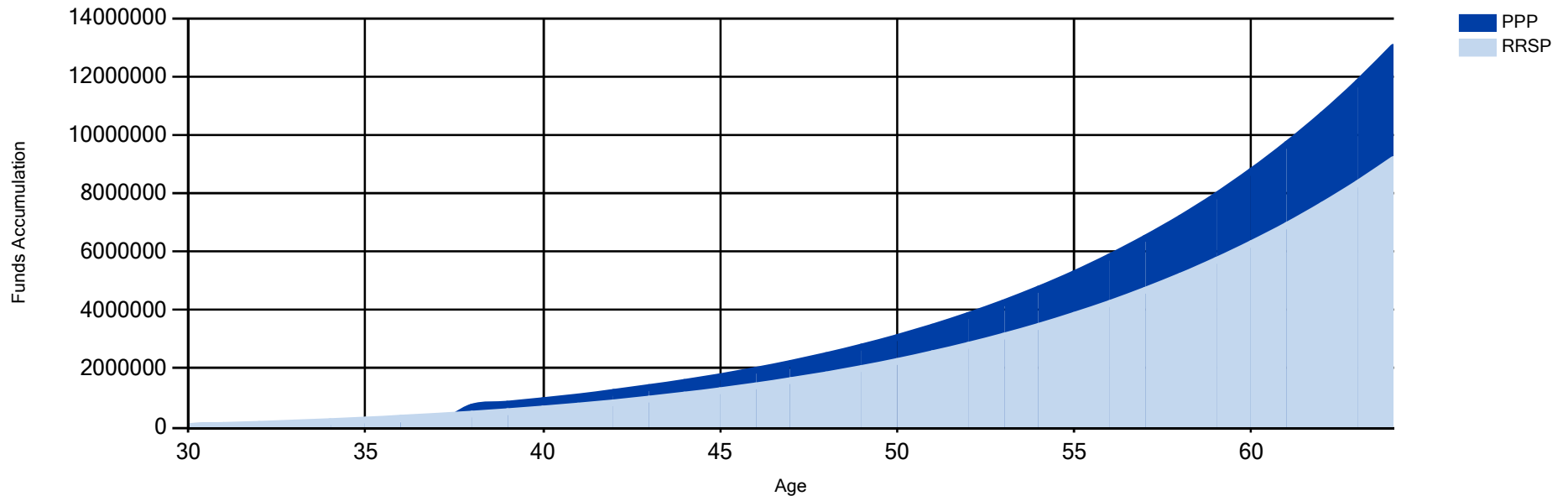
Corporate Tax Rate of 26% = **\$1,148,453**

The above values are projection estimates based on the data used to prepare this illustration.

## Executive Summary (cont'd)

PPP® Proposal Summary as of January 1st, 2022 for 30YROLDPPP_5YRS_PS FIVE_YEARS				
PPP Proposal	Additional PPP Contributions above RRSP Contributions	PPP Advantage (Additional registered assets) at retirement	Extra Corporate Tax Deduction allowed in 2022 for purchase of past service	Terminal Funding at Age 57
Retirement at Age 65	\$1,476,663	\$3,840,758	\$231,610	\$2,916,666

PPP vs. RRSP



## Your INTEGRIS Personal Pension Plan (PPP)

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### What is a PPP?

A PPP is a registered pension plan approved by the Canada Revenue Agency (CRA) and provincial authorities, if applicable. This type of plan promises, under its defined benefit (DB) component, an amount of annual income at retirement. This annual retirement income is equal to 2% of your career average earnings indexed to the date of retirement for each year of credited service. This amount is subject to CRA's maximum prescribed amount. Additional retirement funds may be available if the client utilized the defined contribution (DC) and additional voluntary account (AVC) components of the pension plan.

Your PPP is funded by a transfer of your RRSP assets and by employer contributions, as determined by your actuary, subject to CRA's prescribed rules. In some situations, employee contributions are also possible.

### The main advantages of your PPP vs RRSP are:

- Funds invested in your PPP are trade creditor-proof
- Substantial contributions from your employer for past service (if received T4 income)
- Annual contributions that are greater than your RRSP contributions
- Additional contributions from your employer in the event of lower than expected investment returns
- The PPP is a tax shelter more powerful than a RRSP. At retirement your PPP assets will exceed your RRSP assets by \$3,840,758.

### Your options at retirement or termination of your PPP

#### a) Transfer to RRSP or RRIF

- Subject to CRA's maximum transfer amount
- The excess will be paid in cash, less withholding taxes

#### b) Purchase of an annuity from an insurance company \*

#### c) Pension payment from your PPP \*

- The PPP will remain in force and your employer will continue to be the administrator of your PPP
- Administrative fees for your PPP will continue to apply
- Additional contributions from your employer may be required during the period of payment of your pension
- Additional contributions will be determined by your actuary

\* Opportunity to improve your pension, subject to CRA rules. Additional contributions will be paid by your employer, if required.

**The accuracy of these projections are highly dependent on the quality of the data provided. Failure to enter information required by the Member Profile Form or misstating amounts can result in unreliable output. A decision to establish a PPP should not be made until you have confirmed data used with INTEGRIS Pension Management Corp. INTEGRIS is not responsible if income or asset information was erroneously supplied.**

## Data and assumptions

Personal Pension Plan	
Effective Date	January 1st, 2022

Company	
Name	SAMPLE CORP
Incorporation Date	January 1st, 2017

Member	
First Name	30YROLDPPP_5YRS_PS
Last Name	FIVE_YEARS
Sex	Male
Date of Birth	January 1st, 1992
Date of Hire	January 1st, 2017
Province of Employment	Ontario
Connected Person (*)	Yes

(\*) Person who : - owns, directly or indirectly, at least 10% of the issued shares of any class of the capital stock of the employer or a corporation related to the employer, or  
 - does not deal at arm's length with the employer, or  
 - is a specified shareholder of the employer under paragraph (d) of the definition of specified shareholder in subsection 248(1) of the Income Tax Act.

Member's RRSP	
Unused Deductions at End of 2021	\$100,000
Non-Deducted Contributions at End of 2021	\$0
Unused Contributions in 2022	\$0

Designated Savings Arrangements (*)	
Amount Not Locked-In (e.g. RRSP, RRIF)	\$0
Amount Locked-In (e.g. LIRA or DC assets)	\$0
Amount Available for Transfer	\$0

(\*) Registered retirement savings plan, locked-in retirement account, defined contribution pension plan, registered retirement income fund and life income fund under which the member is the annuitant.

Assumptions	
Retirement Age	Age 65
Rate of Return on Assets	7.50% per year
Inflation Rate	4.00% per year
Salary Increase	5.50% per year
Maximum Pension Increase	5.50% per year
Amortization of Initial Past Service	1 year

PPP Fees	
Annual Administrative Fees	\$1,013
Trust Set Up Fees	\$0
Integris Annual Fees	\$1,138

## Data and Assumptions (cont'd)

Member's Salaries - SAMPLE CORP							
Year	Salary	Year	Salary	Year	Salary	Year	Salary
2022	\$171,000	2012	\$	2002	\$	1992	\$
2021	\$171,000	2011	\$	2001	\$	1991	\$
2020	\$150,000	2010	\$	2000	\$	1990	\$
2019	\$150,000	2009	\$	1999	\$	1989	\$
2018	\$80,000	2008	\$	1998	\$	1988	\$
2017	\$80,000	2007	\$	1997	\$	1987	\$
2016	\$	2006	\$	1996	\$	1986	\$
2015	\$	2005	\$	1995	\$	1985	\$
2014	\$	2004	\$	1994	\$	1984	\$
2013	\$	2003	\$	1993	\$	1983	\$

Note: Client represents that data supplied under this schedule represents employment income (T4) such as salaries and/or bonuses or income paid under a EPSP or T4PS. Dividend income or other business income, management fees do not qualify as pensionable income and should not be reported in this table.



## Summary of Results

Amounts Required at Past Service Purchase	
Qualifying Transfer	\$322,070
Maximum Employer Contribution for Past Service	\$231,610

Annual Employer Contributions		
Year	Contributions - Current Service	Contributions - Past Service *
2022	18.00% of salary without exceeding \$30,780	\$0
2023	18.00% of salary without exceeding \$32,473	\$0
2024	18.00% of salary without exceeding \$34,259	\$0
2025	18.00% of salary without exceeding \$36,143	\$0

This illustration should be used for information to help you understand the product. It is based on CRA rules currently in force.

Contributions for current service and past service presented in this illustration are based on CRA's prescribed assumptions and the data described in the previous section. Future contributions to your PPP will be determined by your actuary within future actuarial valuations.

Projections of pension amounts and assets presented in the following sections are based on the data and assumptions described in the previous section.



## PPP vs RRSP

The PPP is a tax shelter that is more powerful than an RRSP. At retirement you will: a) contribute an additional amount of \$1,476,663  
b) accumulate additional fund of \$3,840,758

Personal Pension Plan and AVC (\$)											RRSP (\$)	
Year	DB Current Service Contributions	DB Past Service Contributions*	Defined Benefits Fund	DC Current Service Contributions	Defined Contributions Fund	PPP Fund	Fees**	AVC Contributions***	AVC Fund	PPP & AVC Fund	RRSP Contributions	RRSP Fund
Current assets									0	0		0
2022	0	0	0	30,780	31,913	31,913	2,430	28,610	29,663	61,576	29,210	30,286
2023	0	0	0	32,473	67,975	67,975	2,430	0	31,888	99,863	30,780	64,471
2024	0	0	0	34,259	108,594	108,594	2,430	0	34,280	142,874	32,473	102,975
2025	0	0	0	36,143	154,212	154,212	2,430	0	36,851	191,063	34,259	146,219
2026	0	0	0	38,131	205,313	205,313	2,430	0	39,615	244,928	36,143	194,659
2027	0	0	0	40,228	262,421	262,421	2,430	0	42,586	305,007	38,131	248,793
2028	0	0	0	42,441	326,106	326,106	2,430	0	45,780	371,886	40,228	309,162
2029	0	0	0	44,775	396,988	396,988	2,430	0	49,214	446,202	42,441	376,353
DB Conversion			322,070		-322,070				0			
2030	47,605	231,610	635,722	0	80,537	716,259	2,430	0	52,905	769,164	44,775	451,003
2031	51,165	0	736,450	0	86,577	823,027	2,430	0	56,873	879,900	47,238	533,806
2032	55,016	0	848,726	0	93,070	941,796	2,430	0	61,138	1,002,934	49,836	625,513
2033	59,135	0	973,693	0	100,050	1,073,743	2,430	0	65,723	1,139,466	52,577	726,939
2034	63,578	10,983	1,124,446	0	107,554	1,232,000	2,430	0	70,652	1,302,652	55,468	838,970
2035	68,347	0	1,279,643	0	115,621	1,395,264	2,430	0	75,951	1,471,215	58,519	962,567
2036	73,456	0	1,451,777	0	124,293	1,576,070	2,430	0	81,647	1,657,717	61,738	1,098,771
2037	78,983	0	1,642,552	0	133,615	1,776,167	2,430	0	87,771	1,863,938	65,133	1,248,710
2038	84,899	0	1,853,769	0	143,636	1,997,405	2,430	0	94,354	2,091,759	68,716	1,413,610
2039	91,269	0	2,087,431	0	154,409	2,241,840	2,430	0	101,431	2,343,271	72,495	1,594,795
2040	98,121	0	2,345,722	0	165,990	2,511,712	2,430	0	109,038	2,620,750	76,482	1,793,703
2041	105,462	0	2,630,996	0	178,439	2,809,435	2,430	0	117,216	2,926,651	80,689	2,011,891
2042	113,391	0	2,945,887	0	191,822	3,137,709	2,430	0	126,007	3,263,716	85,126	2,251,043
2043	121,895	0	3,293,212	0	206,209	3,499,421	2,430	400	135,872	3,635,293	89,808	2,512,986
2044	131,037	0	3,676,065	0	221,675	3,897,740	2,430	600	146,684	4,044,424	94,748	2,799,697
2045	140,843	0	4,097,799	0	238,301	4,336,100	2,430	600	158,307	4,494,407	99,959	3,113,314
2046	151,430	0	4,562,140	0	256,174	4,818,314	2,430	600	170,802	4,989,116	105,457	3,456,153
2047	162,761	0	5,073,055	0	275,387	5,348,442	2,430	600	184,234	5,532,676	111,257	3,830,718

Note that all funds are accumulated at a rate of 7.50% at December 31

\* Past Service Contributions include Special Payments if CRA's prescribed assumptions are not met (e.g. interest rate below 7.5%).

\*\* Fees are inclusive of sales tax and are tax deductible to the sponsor of the pension plan when paid by the employer

\*\*\* AVC are personal tax deductible contributions that are voluntary.

## PPP vs RRSP

Year	Personal Pension Plan and AVC (\$)							RRSP (\$)				
	DB Current Service Contributions	DB Past Service Contributions*	Defined Benefits Fund	DC Current Service Contributions	Defined Contributions Fund	PPP Fund	Fees**	AVC Contributions***	AVC Fund	PPP & AVC Fund	RRSP Contributions	RRSP Fund
2048	174,996	0	5,634,974	0	296,041	5,931,015	2,430	600	198,674	6,129,689	117,376	4,239,720
2049	188,121	0	6,252,645	0	318,244	6,570,889	2,430	600	214,197	6,785,086	123,832	4,686,091
2050	202,224	0	6,931,264	0	342,112	7,273,376	2,430	600	230,884	7,504,260	130,642	5,173,000
2051	217,385	0	7,676,498	0	367,770	8,044,268	2,430	600	248,822	8,293,090	137,828	5,703,878
2052	233,688	0	8,494,528	0	395,353	8,889,881	2,430	600	268,106	9,157,987	145,408	6,282,431
2053	251,216	0	9,392,084	0	425,004	9,817,088	2,430	600	288,836	10,105,920	153,406	6,912,668
2054	270,061	0	10,376,500	0	456,879	10,833,380	2,430	600	311,121	11,144,500	161,843	7,598,920
2055	290,318	0	11,455,740	0	491,145	11,946,890	2,430	600	335,077	12,281,960	170,744	8,345,870
2056	312,093	0	12,638,510	0	527,981	13,166,490	2,430	600	360,830	13,527,320	180,135	9,158,578
Cumulative	3,838,495	242,593	12,638,510	299,230	527,981	13,166,490	87,480	36,810	360,830	13,527,320	2,641,235	9,158,578

Note that all funds are accumulated at a rate of 7.50% at December 31

\* Past Service Contributions include Special Payments if CRA's prescribed assumptions are not met (e.g. interest rate below 7.5%).

\*\* Fees are inclusive of sales tax and are tax deductible to the sponsor of the pension plan when paid by the employer

\*\*\* AVC are personal tax deductible contributions that are voluntary.

## Projected Pensions and Terminal Funding

Upon retirement, your PPP benefits can be improved.

Terminal funding is an additional amount that your employer can contribute at the time you retire.

You will find below the projected pension amounts at different retirement dates along with the contributions for the terminal funding.

The table shown below reflects the following improvements:

Unreduced early retirement:	Yes
Temporary pension at age 65:	Yes
Fully indexed pension:	Yes

Retirement		Projected Annual Pensions (\$)					Terminal Funding (\$)						
Retirement Date	Age	Basic Pension	Additional Pension	Temporary Pension	Initial Pension	Pension at Age 65	Basic Pension Value	Additional Pension Value	Temporary Pension Value	Full Indexation Value	Total Value	PPP Fund	Terminal Funding
2047-01-01	55	206,058	119,987	41,932	367,977	482,626	3,562,125	2,074,211	339,899	799,368	6,775,603	3,924,871	2,850,732
2048-01-01	56	236,157	121,580	46,008	403,744	509,170	4,025,997	2,072,692	342,618	844,476	7,285,783	4,387,992	2,897,791
2049-01-01	57	270,343	121,585	50,405	442,332	536,380	4,541,763	2,042,622	340,735	890,077	7,815,197	4,898,531	2,916,666
2050-01-01	58	309,184	119,614	55,146	483,944	564,269	5,115,140	1,978,893	333,194	935,242	8,362,469	5,460,969	2,901,500
2051-01-01	59	353,326	115,213	60,257	528,795	592,850	5,752,140	1,875,664	318,880	980,607	8,927,291	6,080,212	2,847,079
2052-01-01	60	403,517	107,836	65,763	577,116	622,139	6,459,506	1,726,233	296,593	1,025,520	9,507,852	6,761,619	2,746,233
2053-01-01	61	460,577	96,883	71,693	629,153	652,149	7,243,950	1,523,782	264,045	1,069,695	10,101,472	7,511,034	2,590,438
2054-01-01	62	525,506	81,586	78,076	685,168	682,896	8,113,286	1,259,606	220,252	1,113,417	10,706,561	8,334,829	2,371,732
2055-01-01	63	599,430	61,067	84,944	745,441	714,394	9,077,167	924,741	163,092	1,156,739	11,321,739	9,239,946	2,081,793
2056-01-01	64	683,672	34,269	92,331	810,272	746,658	10,145,688	508,547	90,577	1,198,612	11,943,424	10,233,951	1,709,473
2057-01-01	65	870,029	0	0	870,029	870,029	12,641,526	0	0	1,383,347	14,024,873	12,638,506	1,386,367
2058-01-01	66	841,855	0	0	841,855	0	11,965,280	0	0	1,273,726	13,239,006	12,491,113	747,893
2059-01-01	67	908,776	0	0	908,776	0	12,623,814	0	0	1,305,003	13,928,817	13,754,420	174,397
2060-01-01	68	982,053	0	0	982,053	0	13,319,585	0	0	1,337,556	14,657,141	15,122,299	0
2061-01-01	69	1,061,786	0	0	1,061,786	0	14,047,430	0	0	1,368,643	15,416,073	16,602,580	0
2062-01-01	70	1,148,631	0	0	1,148,631	0	14,809,294	0	0	1,399,032	16,208,326	18,203,617	0
2063-01-01	71	1,243,453	0	0	1,243,453	0	15,609,060	0	0	1,427,483	17,036,543	19,934,404	0

Basic DB pension:	Pension payable from your PPP at retirement date, before improvements i.e. reduced by actuarial equivalence
Additional pension:	Maximum pension allowed by CRA at retirement date less the basic pension
Temporary pension:	Pension payable at retirement date until age 65
Initial pension:	Total pension payable at retirement date
Pension at age 65:	Indexed pension payable from age 65

## Settlement Options

At retirement or PPP termination, you can: a) receive a pension from your PPP Fund  
b) buy a pension from an insurance company  
c) transfer the PPP fund to your RRSP or RRIF

In addition, the amount of the additional voluntary contribution account (\$360,830) will be transferred to your RRSP or RRIF account. Any amount contributed to the defined contribution provision of the PPP accumulated with interests will be transferred to your RRSP or RRIF account.

### Option A - Receive a pension from your PPP

You can choose to receive a pension from your PPP.

The PPP remains in force and your company continues to administer the PPP.

Actuarial valuations will still be performed and the employer can contribute additional amounts to amortize any deficits depending on provincial regulations.

The expected Defined Benefit only annual pension at the selected retirement age and corresponding Fund values are set out below.

If assets were contributed to the Defined Contribution and Additional Voluntary Contribution accounts of your PPP they can be transferred to a LIRA or RRSP/RRIF, in accordance with applicable laws.

Accumulation Date	Age	PPP Fund (\$)	Annual Pension Amount (\$)
2057-01-01	65	12,638,510	870,029

### Option B - Purchase an annuity

You can use your PPP fund to purchase an annuity from an insurance company.

If your PPP fund exceeds the premium of the insurer, the surplus will be paid in cash, less withholding taxes.

If your PPP fund is insufficient, an additional contribution from your employer may be paid.

### Option C - Transfer

At the termination of your PPP, CRA will limit the amount you can transfer to your RRSP or RRIF. Any amount in excess will be taxable at the time of transfer.

Termination Date	Age	PPP Fund (\$)	Maximum Transfer Value (\$)	Taxable Amount (\$)
2047-01-01	55	3,924,871	3,390,866	534,005
2048-01-01	56	4,387,992	3,792,005	595,987
2049-01-01	57	4,898,531	4,232,819	665,712
2050-01-01	58	5,460,969	4,716,777	744,192
2051-01-01	59	6,080,212	5,294,483	785,729
2052-01-01	60	6,761,619	5,880,560	881,059
2053-01-01	61	7,511,034	6,522,282	988,752
2054-01-01	62	8,334,829	7,285,104	1,049,725
2055-01-01	63	9,239,946	8,058,065	1,181,881
2056-01-01	64	10,233,951	8,902,460	1,331,491
2057-01-01	65	12,638,506	9,668,334	2,970,172
2058-01-01	66	12,491,113	10,102,256	2,388,857
2059-01-01	67	13,754,420	10,632,685	3,121,735
2060-01-01	68	15,122,299	11,097,199	4,025,100
2061-01-01	69	16,602,580	11,679,647	4,922,933
2062-01-01	70	18,203,617	12,175,484	6,028,133
2063-01-01	71	19,934,404	12,807,561	7,126,843

## Setting up your PPP in four simple steps

Setting up  
your personal  
pension plan (PPP)  
in 4 steps...



### We're with you every step of the way

#### 1 Making the decision

After filling out your *Member Profile*, you'll receive a personalized PPP Proposal (retirement projection) within two business days. This document will help you make an informed decision.

Our representatives will be available to meet with you or answer your questions at any time. You can also contact our team by email at [rri-ipp@ia.ca](mailto:rri-ipp@ia.ca).

#### 2 Gathering your documents

##### You'll need the following documents to set up your PPP:

- Your T4 slips for past service years to be recognized with your employer. If these T4s are not available from your employer, we can request them from the Canada Revenue Agency (CRA). All you have to do is fill out a T1013 form. The T4 request will take four to eight weeks.
- Statements showing assets held in all designated savings arrangements on which the member is the annuitant (RRSPs, LIRAs, RRIFs, LIFs, and DC plans) as of the signature date of the full-service request.
- Your most recent notice of assessment from the CRA.
- During this step, it may also be necessary to review your RRSP investments.

You may need 4 to 8 weeks.

#### 3 Setting up the plan

Within two weeks of receiving all of the necessary documents, iA Financial Group (Industrial Alliance Insurance and Financial Services Inc.) will register your plan with the government authorities.

#### 4 Employer contributions

Your employer's first contributions can be made as soon as the documents are sent to the government authorities to register the plan.

Employer contributions made to the PPP during a fiscal year or within 120 days of the fiscal year end are tax-deductible if they are paid on service rendered prior to the end of the fiscal year.

##### Transfer from RRSPs

The transfer of funds from RRSPs must be carried out within 90 days of the plan's approval by the CRA in order for employer contributions on past service to be eligible.

It usually takes two to three months to get approval from the CRA after the registration request has been sent.

2 to 3 months usually required for approval

2-week turnaround time