

Pension Plans

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Employee Pension Plans

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The goal of these news releases is to keep you up to date on the most recent legislative changes governing pension plans and various aspects of the way in which your plan works. This initiative is part of Assumption Life's information and communications program for employers, members of the retirement committee, and employees enrolled in the pension plan.

In this issue, you will find three charts. The first one indicates the prescribed limits for the various registered pension plans (RPP), being the Defined

Benefit Plans, the Defined Contribution or Money Purchase Plans, the Deferred Profit Sharing Plans (DPSP) and the Registered Retirement Savings Plans (RRSP). The second chart summarizes the Canada and Quebec Pension Plan contributions and benefits. Finally, the third chart indicates the maximum benefits payable under the Old Age Security Program.

We encourage you to distribute copies of this information to your employees.

Registered Plans Limits (\$)

	RPP* Defined Benefit	RPP Defined Contribution	DPSP	RRSP
2003	1,722	15,500	7,750	14,500
2004	1,833	16,500	8,250	15,500
2005	2,000	18,000	9,000	16,500
2006	2,111	19,000	9,500	18,000
2007	2,222	20,000	10,000	19,000
2008	2,333	21,000	10,500	20,000
2009	2,444	22,000	11,000	21,000
2010	Indexed	Indexed	Indexed	22,000

**Refers to the maximum under the Income Tax Act and not necessarily the maximum of your own pension plan.*

Canada Pension Plan / Québec Pension Plan – 2006

	2005		2006	
	CPP	QPP	CPP	QPP
Maximum pensionable earnings (MPE)	\$41,100.00	\$41,100.00	\$42,100.00	\$42,100.00
Year's basic exemption (YBE)	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00
Maximum annual contributions *				
- Employee	\$1,861.20	\$1,861.20	\$1,910.70	\$1,910.70
- Employer	\$1,861.20	\$1,861.20	\$1,910.70	\$1,910.70
- Self-employed worker	\$3,772.40	\$3,772.40	\$3,821.40	\$3,821.40
Pension benefits				
Maximum monthly benefit				
- at age 65	\$828.75	\$828.75	\$844.58	\$844.58
- at age 60	\$580.13	\$580.13	\$591.21	\$591.21
Death benefits				
- Lump sum	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
- Spouse's maximum monthly pension				
- Under 55 years of age	\$462.42	\$699.42	\$471.85	\$714.30
- age 55 to 64	\$462.42	\$710.37	\$471.85	\$716.31
- age 65 or over	\$497.25	\$497.25	\$506.75	\$506.75
- Maximum monthly orphan's pension (per child)	\$195.96	\$62.22	\$200.47	\$63.65
Disability benefits				
- Maximum monthly benefit				
- contributor	\$1,010.23	\$1,010.20	\$1,031.05	\$1,031.02
- dependant child	\$195.96	\$ 62.22	\$200.47	\$ 63.65

Old Age Security Monthly Benefits

	January 2005	January 2006
Old Age Security Pension (AOS) (age 65 and over)	\$471.76	\$484.63
Allowance (age 60 to 64)		
Regular	\$836.97	\$874.30
Survivor	\$924.04	\$967.24
Guaranteed Income Supplement		
Single	\$560.69	\$593.97
Spouse/Common-law Partner of:		
a Non-OAS pensioner	\$560.69	\$593.97
an OAS pensioner	\$365.21	\$389.67
an Allowance Recipient	\$365.21	\$389.67
Increase over previous year ⁽¹⁾	2.0 %	2.73 %

Note: Pensioners with an individual net income above \$62,144 must repay part or all of the maximum Old Age Security pension amount. The repayment amounts are normally deducted from their monthly payments before they are issued. The full OAS pension is eliminated when a pensioner's net income is \$100,914 or more.

(1) Old Age Security Pension, Guaranteed Income Supplement and Allowance are adjusted quarterly to reflect any increase in the Consumer Price Index (CPI).