

Secure your retirement with an Individual Pension Plan: A smart choice for business owners

Are you a business owner or incorporated professional looking for a solid retirement savings strategy? An Individual Pension Plan (“IPP”) might be the solution for you.



What is an IPP?

- An IPP is a retirement pension plan typically designed for one person, offering a tax-efficient way for business owners to build their retirement savings while reducing corporate taxes.



Who can benefit

- Ideal for individuals aged 40 to 71, generally earning over \$100,000 annually, IPPs offer numerous advantages over traditional Registered Retirement Savings Plans (“RRSP”).



Tax benefits for your business

- Deduct initial lump-sum contributions and ongoing IPP contributions from your corporate taxes.
- Enjoy tax deductions on all IPP-related expenses, including investment fees.



Predictable retirement income

- As a defined benefit plan, IPPs ensure a guaranteed retirement benefit based on your employment earnings (T4 income). Contributions increase with age, exceeding RRSP limits by thousands of dollars as you grow older.



For personalized advice, reach out to your BMO Private Wealth professional.



Flexible contributions

- Top up contributions if investment returns fall below 7.5% to maintain retirement income security.
- Actuarial valuations every three years ensure funding sufficiency, while a deficit may require additional funding.



Investment options

- Similar to RRSPs, IPPs offer a wide range of eligible investments, with a 10% limit on individual securities to ensure portfolio diversification.



Explore your retirement options

- Consider IPPs for their generous contribution limits, creditor protection, and tax benefits.



Private Wealth

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