

Mr. Age 50 with past service

Age: 50

24.0 years of service

Summary Illustration for an Individual Pension Plan (IPP)

An IPP can allow you to significantly improve your tax-assisted retirement savings over the alternative of an RRSP.

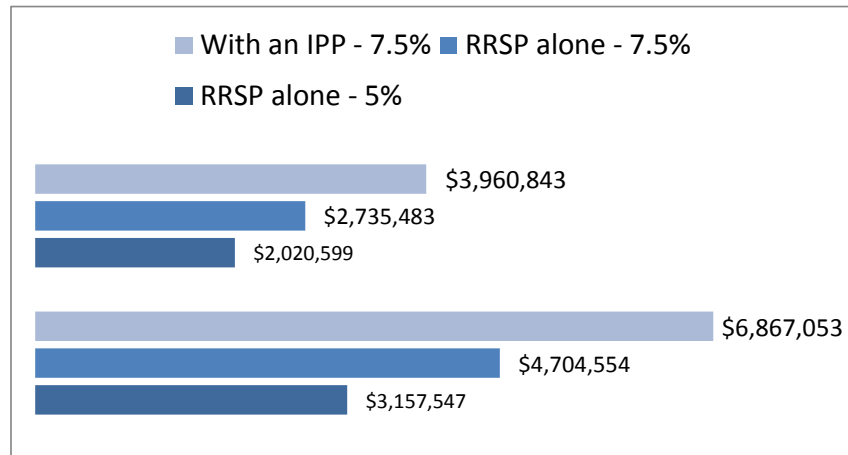
Projected accumulations:

To age 65

145% of the accumulation
of an RRSP with
7.5% returns

To age 71

146% of the accumulation
of an RRSP with
7.5% returns



IPP contributions must be set assuming a prescribed rate of return of 7.5%. RRSP accumulations are shown above at 7.5% and 5% investment returns, for comparison purposes. Additional tax-deductible contributions would have to be made to the IPP if investment returns fall short of the 7.5% expectation.

Contributions to the IPP are made by your company and are fully tax-deductible. It is possible for you to recognize the years of past service you had with the company, as long as you transfer a portion of your RRSP into the IPP.

Required RRSP transfer to allow recognition of past service in the IPP: \$ 535,600

Tax-deductible corporate contribution to the IPP relating to past service: \$ 206,179

Note that this contribution can either be made as soon as you set up your IPP or amortized over a number of years.

Going forward, an IPP also allows on-going contributions that are larger than those you would be allowed to make to your RRSP. In your case, this is how they compare for the next 3 years:

Annual contributions:					
	IPP	vs.	RRSP	=	
2015	\$32,046		\$24,930	=	\$7,116 more
2016	\$34,447		\$25,370	=	\$9,077 more
2017	\$37,036		\$26,765	=	\$10,271 more

Finally, all fees relating to the operation of the IPP are likewise tax-deductible to your company. This includes the investment management fees as well as all actuarial and pension administration fees.

This summary is based on the data shown on page 6 of the detailed illustration that accompanies this summary. It would be our pleasure to assist you in setting up an IPP. Should you or your accountant have any questions, we invite you to contact your investment advisor or Buck Consultants IPP Team by e-mail at ipp@xerox.com to set up a call with our IPP specialists.

IPP Team
Buck Consultants

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