



Westcoast Actuaries Inc.

113 – 3855 Henning Drive
Burnaby, British Columbia
Canada V5C 6N3
Telephone: (604)-730-1898
Facsimile: (604)-730-1886
Email: info@westcoast-actuaries.com

Actuarial Services & Pension Consulting

Pension Plan Administration & Valuation



WESTCOAST WATCH



**Edition WW-P1
January 2003**

Welcome to the first edition of the **Westcoast Watch!** The purpose of this electronic bulletin is to provide our clients and contacts with the latest news in the world of pensions.

Government Plans

For 2003, highlights of changes in CPP (“Canada Pension Plan”) and Old Age Security (“OAS”) are:

- the Year’s Maximum Pensionable Earnings (“YMPE”) is \$39,900;
- the maximum CPP pension is \$9,615 per year;
- the employee and employer each contributes 4.95% of earnings between \$3,500 (the Year’s Basic Exemption, or “YBE”) and the YMPE;
- the maximum CPP employee / employer contribution is \$1,801.80 each;
- the maximum OAS pension is \$453.36 per month for the first quarter of 2003.

Details on benefit amounts and changes from previous amounts are summarized below:

CPP (Canada Pension Plan) Summary

<u>Type of Benefits</u>	<u>New 2003 Maximum Rates</u>	<u>Old 2002 Maximum Rates</u>	<u>% Change</u>
Retirement (at age 65)	\$801.25	\$788.75	1.6%
Disability	\$971.26	\$956.05	1.6%
Survivors - under age 65	\$444.96	\$437.99	1.6%
- age 65 & over	\$480.75	\$473.25	1.6%
Children of Disabled Contributor	\$186.71	\$183.77	1.6%
Children of Deceased Contributor	\$186.71	\$183.77	1.6%
Death (lump sum)	\$2,500.00	\$2,500.00	0.0%
Other Information & Statistics			
Year’s Maximum Pensionable Earnings (YMPE)	\$39,900.00	\$39,100.00	2.0%
Year’s Basic Exemption (YBE)	\$3,500.00	\$3,500.00	0.0%
Employee / Employer Contribution Rate	4.95%	4.70%	5.3%



OAS (Old Age Security) Summary

<u>Type of Benefits</u>	<u>New 2003 1st Q Maximum Rates</u>	<u>Old 2002 4th Q Maximum Rates</u>	<u>% Change</u>
Old Age Security Pension	\$453.36	\$449.32	0.9%
Guaranteed Income Supplement			
♦ Single	\$538.80	\$533.99	0.9%
Spouse / Common-law partner of			
♦ a Non-Pensioner	\$538.80	\$533.99	0.9%
♦ a Pensioner	\$350.95	\$347.82	0.9%
♦ an Allowance Recipient	\$350.95	\$347.82	0.9%
The Allowance			
♦ Regular	\$804.31	\$797.14	0.9%
♦ Survivor	\$887.98	\$880.06	0.9%

Individual Pension Plans (IPPs)

The estimated *maximum* Individual Pension Plan contributions which can be made in 2003 for a new shareholder plan with past service benefits from 1991 to 2002 are as follows:

<u>Age As at 01/01/2003</u>	<u>Past Service Liability</u>	<u>PSPA* Past Service Pension Adjustment</u>	<u>Maximum Net Past Service Contribution</u>	<u>Maximum Current Service Contribution</u>	<u>Total Maximum 2003 Contribution</u>
50	\$214,700	\$167,400	\$47,300	\$18,500	\$65,800
51	218,800	167,400	51,400	18,900	70,300
52	223,000	167,400	55,600	19,200	74,800
53	227,200	167,400	59,800	19,600	79,400
54	231,500	167,400	64,100	20,000	84,100
55	235,900	167,400	68,500	20,300	88,800
56	240,400	167,400	73,000	20,700	93,700
57	244,900	167,400	77,500	21,100	98,600
58	249,600	167,400	82,200	21,500	103,700
59	254,300	167,400	86,900	21,900	108,800
60	259,100	167,400	91,700	22,400	114,100
61	264,000	167,400	96,600	22,800	119,400
62	269,000	167,400	101,600	23,200	124,800
63	274,100	167,400	106,700	23,700	130,400
64	279,300	167,400	111,900	24,100	136,000
65	300,300	167,400	132,900	25,900	158,800
66	322,800	167,400	155,400	27,900	183,300
67	347,000	167,400	179,600	30,000	209,600
68	373,100	167,400	205,700	32,200	237,900
69	401,000	167,400	233,600	34,600	268,200

* PSPA amount is assumed to be transferred from the member's RRSP to the IPP as a qualifying transfer.

This WESTCOAST WATCH publication is for information purposes only. Every effort has been made to ensure the accuracy of the information provided herein. However, no person or firm involved in the preparation or distribution of this bulletin accepts any liability for its contents or use. Should you have any questions or wish to discuss any of the information presented, please contact our consulting actuaries below:

• Ian Baker Tel: (604) 570-0083
• Stephen Cheng Tel: (604) 732-0898

Email: ian.baker@westcoast-actuaries.com
Email: stephen.cheng@westcoast-actuaries.com