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WESTCOAST WATCH!



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Westcoast Actuaries Inc. is pleased to announce the release of its *no-fee* Individual Pension Plan (IPP) **On-Line Quoting System**, version 2003.2.

The **IPP On-Line Quoting System** is specifically designed for shareholders of corporations with post-1990 past service.

The **IPP On-Line Quoting System** provides clients and their financial advisors with an immediate quotation showing:

- ◆ a summary indicating maximum deductible contributions for 2003, 2004 and 2005; and
- ◆ a year-by-year comparison of contributions and accumulations for an IPP / RRSP combination versus an RRSP.

The **IPP On-Line Quoting System** takes into account the changes proposed in the February 2003 Federal Budget. The following 4 tables show that post-budget IPPs are even more advantageous than pre-budget IPPs when compared to RRSPs.

TABLE 1 – 2003 CURRENT SERVICE CONTRIBUTIONS - SAMPLES

Age	45	50	55	60	65
Post-Budget	\$18,597	20,428	22,439	24,648	25,959
Pre-Budget	\$16,895	18,558	20,385	22,392	25,959
Increase	\$1,702	1,870	2,054	2,256	0



TABLE 2 – 2003 CURRENT SERVICE CONTRIBUTIONS - SAMPLES

Age	45	50	55	60	65
Post-Budget IPP	\$18,597	20,428	22,439	24,648	25,949
Post-Budget RRSP	\$14,500	14,500	14,500	14,500	14,500
Differences					
Post-Budget	\$4,097	5,928	7,939	10,148	11,449
Pre-Budget	\$3,395	5,058	6,885	8,892	12,449

TABLE 3 – NEW 2003 IPP MEMBER JOINING AT AGE 60

Year	2003	2004	2005	2006	2007	2008
Age	60	61	62	63	64	65
IPP	\$24,648	26,497	28,484	30,620	32,917	35,385
RRSP	\$14,500	15,500	16,500	18,000	18,990	20,030
Differences						
Post-Budget	\$10,148	10,997	11,984	12,620	13,927	15,355
Pre-Budget	\$8,892	9,571	10,376	11,467	12,653	13,945

TABLE 4 – 2003 IPP MEMBER JOINING AT AGE 60 - MAXIMUM CONTRIBUTIONS

	Post-Budget	Pre-Budget
Past Service Liability	\$285,264	259,164
Less Qualifying Transfer From RRSP	(\$167,400)	(167,400)
Net Past Service Contributions	\$117,864	91,764
Add Current Service Contributions	\$24,648	22,392
Maximum Total Contributions	\$142,512	114,156

Our website provides a considerable amount of IPP information. A good starting point is our **IPP FAQ** (Frequently Asked Questions).

Your comments or questions concerning our **IPP On-Line Quoting System** may be directed to Ian Baker who can be reached by telephone at (604) 570-0083 or by email at ian.baker@westcoast-actuaries.com.

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:

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