

WOOD GUNDY

IMPORTANT LIMITS FOR REGISTERED PLANS

Registered Retirement Savings Plan

A Registered Retirement Savings Plan (RRSP) allows Canadian residents to contribute up to 18% of their previous year’s earned income, subject to the annual RRSP limit established by the Canada Revenue Agency (CRA).

Tax-Free Savings Account

A Tax-Free Savings Account (TFSA) allows Canadian residents to save their money tax-free, subject to the annual TFSA dollar limit established by the CRA. Investments in a TFSA will grow tax-free; you will not pay tax on income or capital gains earned within the account, even when you make a withdrawal.

Any unused TFSA contribution room is carried forward to future years, therefore, if you have not contributed to a TFSA in previous years, you may have up to \$88,000 in accumulated TFSA contribution room.

Registered Education Savings Plan

One of the ways to save for a child’s education, while retaining ownership of assets, is through a Registered Education Savings Plan (RESP). An RESP offers certain tax advantages and government grants (federal and provincial, where applicable), that make it an attractive savings vehicle.

Individual Pension Plans

An Individual Pension Plan (IPP) is a defined benefit pension plan established by an employer to provide pension benefits for an employee after retirement. The maximum pension benefit that an employee can accrue for each year of service is 2% of their T4 earnings, subject to the annual defined benefit limit established by the CRA.

Other important limits

Year	RRSP contribution limit
2022	\$29,210
2023	\$30,780
2024	\$31,560

Year	Annual contribution limit
2013 - 2014	\$5,500
2015	\$10,000
2016 - 2018	\$5,500
2019 - 2022	\$6,000
2023	\$6,500

Per Beneficiary	[•]
Annual Contribution Limit	No Limit
Lifetime Contribution Limit	\$50,000
Canada Education Savings Grant (CESG) ¹	Up to \$500 per year (20% of the first \$2,500 of annual contributions)
CESG Lifetime Limit	\$7,200

Annual defined benefit limit for 2023
\$3,506.67

Minimum annual income required to reach the maximum RRSP annual contribution limit for 2023
\$171,000

Year	Year’s maximum pensionable earnings (YMPE)	Money purchase limit	Deferred profit sharing plan limit
2023	\$66,600	\$31,560	\$15,780

¹ CESG is a federal government RESP grant paid directly into the RESP, based on eligible RESP contributions.

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