

Registered plan contribution dollar limits and year's maximum pensionable earnings
December 5, 2011

Please review the following changes to registered plan dollar limits and year's maximum pensionable earnings (YMPE) for 2012:

Effective January 1, 2012, the **registered plan dollar limits** will increase as follows:

- Defined Contribution Pension Plan (DCPP) – \$23,820
- Deferred Profit Sharing Plan (DPSP) – \$11,910
- Registered Retirement Savings Plan (RRSP) – \$22,970

In addition, the maximum pension limit for a Defined Benefit Pension Plan (DBPP) will be increased to \$2,646.67 per year of service.

As well, the **year's maximum pensionable earnings (YMPE) under the Canada Pension Plan (CPP)** for 2012 will be \$50,100 (up from \$48,300 in 2011). Contributors who earn more than \$50,100 in 2012 are not required or permitted to make additional contributions to the CPP. The basic exemption amount for 2012 will remain at \$3,500. Individuals who earn less than that amount do not need to contribute to the CPP.

The employee and employer contribution rates for 2012 will remain unchanged at 4.95%, and the self-employed contribution rate will remain unchanged at 9.9%. The maximum employer and employee contribution to the plan for 2012 will be \$2,306.70 (up from \$2,217.60 in 2011), and the maximum self-employed contribution will be \$4,613.40 (up from \$4,435.20 in 2011).

What does this mean to you?

If you have, as one of your plan rules, contributions over and above the DCPP, RRSP or DPSP contribution limits being spilled over into another product (usually a non-registered vehicle), the spills will now occur at a higher dollar limit effective January 1, 2012.