



# 12 REASONS TO JOIN THE 3P PROFESSIONAL PENSION PLAN

## **BUILD A MUCH BIGGER NEST EGG:**

Your family will accumulate a **significantly larger portfolio** value than you would otherwise in passive corporate investments or in RRSPs. For many professionals, the advantage over traditional RRSP savings can be a **million dollars** or more. You can have a worry-free retirement starting when you want to rather than when you have to.



## **LEAVE MORE FOR YOUR CHILDREN:**

You can pass down tax-sheltered savings to your **children's respective pensions**, without probate or any immediate tax consequences.



## **TRANSITION MORE GRADUALLY INTO YOUR RETIREMENT YEARS:**

Rather than working long and hard hours right up to your last day on the job, you can start to draw a smaller temporary pension as early as **age 55**, allowing you to 'slow down' your practice, while still enjoying a similar total income.



## **PAY MUCH LESS TAX:**

Access **7 new** tax deductions that would not be normally available to non-pension holders. For many professionals, these savings can amount to **hundreds of thousands of dollars**. Additionally, BCMA **contribution matching** also applies to the pension plan, just like your RRSP!



## **SPLIT INCOME WITH YOUR SPOUSE:**

Mr. Morneau's **2018 TOSI** rules do not apply to pension income which can be accessed from **age 55** on. In addition, a pension credit is applied to the first **\$4000** per annum per couple to lighten the tax load.



## **LOWER YOUR PORTFOLIO COSTS:**

The pooled product exploits economies of scale to reduce the administration, investment management, custodian and trustee costs normally paid annually by individual pension plan sponsors, while rewarding you with even **lower costs as time goes by**.



## **GIVE YOURSELF A GOLDEN HANDSHAKE:**

You can retire anytime between the ages of **55-64**, yet still 'buy forward' those future years to achieve an unreduced pension, while generating a large **corporate tax reduction**. In addition, you can create an indexed pension.



## **ENJOY THE HIGHEST LEVEL OF CREDITOR PROTECTION:**

Both provincial and federal law rank pension assets above all other claims (except for divorce settlements).



## **BENEFIT FROM MARKET CYCLES:**

When markets are booming and your retirement savings are generating returns in excess of the **CRA** goal of **7.5%** per annum, you are required to take a contribution holiday until assets exceed pension obligation liabilities by less than **25%**. **HOWEVER**, one of the fundamental strengths of the **3P Pension** is that you can instead contribute up to **17%** of your salary to the additional voluntary contribution subaccount (**AVC**) and then enjoy a large personal tax deduction. When the market inevitably cycles downward and **3-year** returns drop below the **7.5%** threshold, your corporation will then make tax deductible special payments to put the pension fund back on target. This is an optimal counter-cyclical strategy: buying low during recessions and holding while bull markets run their course.



## **SUPERIOR FLEXIBILITY:**

Each year the plan sponsor can decide to contribute to the defined benefit (**DB**) or the defined contribution/**AVC** subaccount. In years where corporate cash flows are low, the annual contribution to the DC account can be as low as **\$1440**.



## **AVOID HASSLE:**

Traditional IPP's impose an onerous compliance burden on the client. **3P** acts as the quarterback for the team, which includes the pension administrator, trustee and custodian. The bulk of paperwork and correspondence with regulators and **CRA** will be handled by **3P** and our partners.



## **BE REASSURED:**

The **3P pension** is subject to the **highest standard of care** under Canadian law. Assets are held and protected by the custodian, usually a large Canadian banking institution. The administrator and trustee both provide continuous oversight as fiduciaries.

