

## UPCOMING DEADLINES

Pension Adjustment (PA) calculations and reporting on T4(s)  
*March 1, 2021*

Form 7 – Summary of Contributions for 2021 (Note that TT Actuarial will notify/assist you with this form if it is a requirement for your plan)  
*March 1, 2021*

T3P - Employees' Pension Plan Income Tax Return (Trusteed Plans only)  
*March 31, 2021*



## Contact Us

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### WE WANT YOUR INPUT!

**Your feedback is always appreciated. If you have suggestions for our next newsletter please let us know.**

## Newsletter – Winter 2021

### TO OUR VALUED CLIENTS & ASSOCIATES

Welcome to our latest newsletter, the first for this year. We hope this continued form of communication throughout 2021 will help to keep you updated on the latest news in the pension industry and important information that affects you as a pension plan sponsor or advisor.

Our first newsletter of the year always includes a CPP and OAS summary for your reference. **Please refer to page 2 of this newsletter for our summary of CPP and OAS rates as at January 1, 2021.**

During these unusual times we remind you that our team at TT Actuarial is always here to discuss and develop solutions to any challenges you may face with respect to pension plans and retirement planning. Should you have any questions or concerns, please feel free to reach out to us!

We extend our wishes to all for a healthy, safe and prosperous 2021!

### TOOLS AND SUPPORT

We are pleased to assist plan administrators with calculating Pension Adjustments. Individual Pension Plan (IPP) plan sponsors can use the IPP Pension Adjustment Calculator, which is provided with our year-end package sent by email. The IPP calculator is also available on our [website](#).

For assistance with verifying required or permissible pension plan contributions for 2021 please contact us.

### IPP EXEMPTIONS FROM ONTARIO LEGISLATION

Legislation to exempt certain IPPs from the oversight of the Ontario Pension Benefits Act came into effect in December 2020. If your plan is eligible for this exemption, we have emailed an election form for you to complete to advise us of your decision in this regard. If you have not yet returned that election form please return it as soon as possible. You can contact any of our team members should have any questions or concerns.

### YMPE LIMIT, CPP CONTRIBUTIONS AND PENSION LIMITS

Upon review of our CPP update you may notice that the 2021 Year's Maximum Pensionable Earnings (YMPE) and the CPP employer/employee contribution rates have increased more than usual. This is due to a pandemic-related distortion in average wages as reflected in the industrial aggregate wage measure, and is a result of significantly higher layoffs in lower wage sectors of the economy. We expect the average wage index will normalize once lower-paid jobs are added back into the economy post-pandemic.

Since pension limits are correlated to the average wage increase, some IPP sponsors may wish to file an actuarial valuation early to capture funding opportunities for investment losses and artificially higher pension limits. Please contact us if you wish to pursue this opportunity.

### THANK YOU!

We thank you and value your continued business. We continue to strive for high quality service, "thinking outside the box" and developing customized solutions for business owners. *Client referrals are always welcome.*

**Continue to Page 2 for the 2021 CPP & OAS rates and other relevant limits update!**

## Maximum CPP Benefit Rates Effective January 2021

Type of CPP Benefit	Maximum Benefit Rates
Retirement Pension (at age 65)	\$1,203.75 (monthly)
Post-Retirement Benefit (at age 65, for post-65 contributions)	\$30.09 (monthly)
Disability Pension	\$1,413.66 (monthly)
Death Benefit (one-time payment)	\$2,500.00 (lump sum)
Survivor's Pension (under 65)	\$650.72 (monthly)
Survivor's Pension (65 and older)	\$722.25 (monthly)
Combined Pensions – Survivor/Retirement	\$1,203.75 (monthly)
– Survivor/Disability	\$1,413.66 (monthly)
Children of Disabled or Deceased Contributor	\$257.58 (monthly)
Flat Rate – Survivor's Pension	\$199.31 (monthly)
– Disability Pension	\$510.85 (monthly)

Notes: The CPP enhancement is not reflected in the maximum benefit amounts. The Post-Retirement Benefit is a supplementary benefit which is in addition to total CPP benefits. Each year that a contribution is made to the CPP while a retirement pension is being received, the contributor becomes eligible for a Post-Retirement Benefit in the following year. Therefore, the contributor can receive more than one Post-Retirement Benefit after age 65.

## Other CPP figures for 2021

Year's maximum pensionable earnings (YMPE)	\$61,600.00
Year's Basic Exemption	\$3,500.00
Employee/Employer Maximum Contribution (5.45%)	\$3,166.45
Self-Employed Maximum Contribution (10.90%)	\$6,332.90
CPP Cost of Living Increase (January 1, 2021)	1.00%

## Maximum OAS Benefit Rates Effective January 1, 2021

Type of OAS Benefit	Maximum Monthly Benefit Rates – January to March 2021
Basic OAS Pension (at age 65)	\$615.37
Guaranteed Income Supplement (including top-up benefit)	
– Single	\$919.12
– Spouse/Common-law partner of non-pensioner	\$919.12
– Spouse/Common-law partner of pensioner	\$553.28
– Spouse/Common-law partner of Allowance recipient	\$553.28
Total Allowance (including top-up benefit)	
– Regular	\$1,168.65
– Survivor	\$1,393.08
OAS Pension Repayment Range in 2021	\$79,845 to \$129,075

Notes: All OAS benefits are adjusted quarterly (in January, April, July and October) based on increases in the CPI. The annual OAS repayment amount is equal to 15% of the amount by which net income exceeds \$79,845. The full amount of the OAS benefit is eliminated when net income reaches \$129,075.