

Communicating your vision to clients: an IPP case study



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By Rebecca Neal

What do you do when you know one of your clients will be best served by an individual pension plan (IPP), but you're not sure how to begin explaining the intricacies of what can come across as a complex solution? Let's walk through a case study.

Imagine a new client wants to talk Registered Retirement Savings Plans (RRSPs). This client operates a small business in Ontario, already has \$300,000 saved in RRSPs, and is motivated to maximize their retirement fund. During the introductory consultation, they frequently mention taxes with distaste.

You know an IPP would be their best option because it would give them more room to save and help them out on taxes — but as soon as you say the words "individual pension plan," the client retorts forcefully, "No, no, no. I don't trust pension plans. This is my money. I want it in my RRSP."

You're still convinced an IPP is in your client's best interests, but aren't sure how to convince your client given their initial negative reaction. Despite the client's prejudice against pension plans, you can help them see why an IPP is the optimal solution for their situation. The key is to clearly outline an IPP's tax benefits and plan ownership rules, as well as providing a compelling, personalized illustration.

Keep it simple, silly

IPPs have many benefits and you could draw on a lot of details to make your case, but what often works best is to focus on three key messages selected based on your client's specific needs. Take a step back and consider your client's pain points. What were they looking for when they came to you? Why do you believe an IPP will best solve their challenges? Answering these questions will help you identify the most convincing arguments.

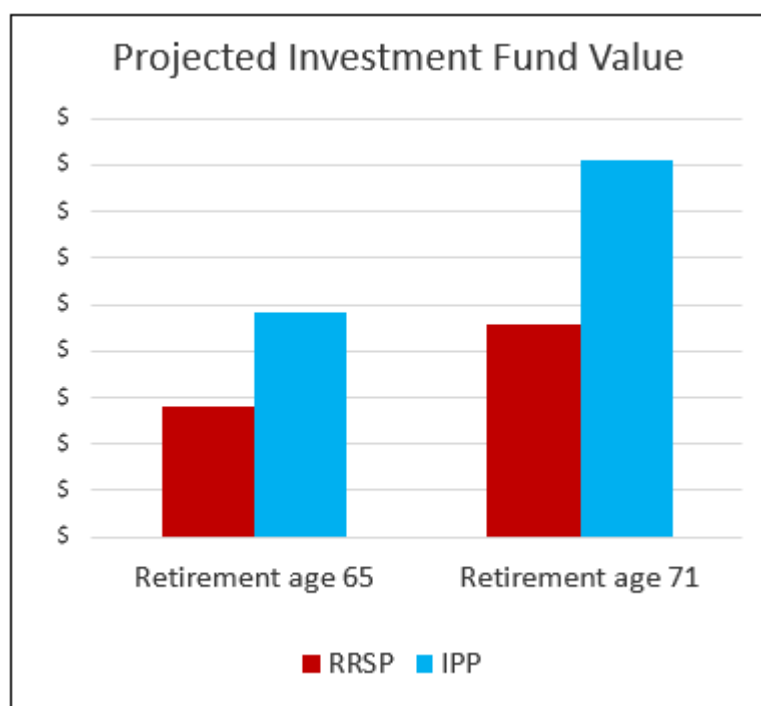
Typically, you'll be comparing an IPP to an RRSP. You can highlight the greater potential for investment savings at retirement, the greater available contribution room, and the greater potential for company tax savings with an IPP. (See "[The often-overlooked IPP is more powerful than you think](#)" in the March 2025 issue of eFORUM.)

In this case, it makes sense to focus on two prominent pain points: taxes and asset ownership. Increased potential for retirement savings is an obvious third key message. To ensure the client trusts what you say regarding asset ownership within an IPP, you can plan to have your actuary call in during the follow-up meeting.

A picture is worth a thousand words

Not everyone is comfortable talking numbers, but everyone appreciates a good illustration. Instead of bogging down your client with dollar values and percentages, use a visual to communicate projected values.

An effective illustration will be minimalist and make good use of design and colour so the message pops out at first glance. For example, the image below zeroes in on just two potential retirement dates. It's very easy to see the projected IPP will far surpass the projected RRSP on both those dates.



Remember you can always ask your actuary for clear, visual illustrations that compare an IPP to an RRSP. Because they come from the actuary, you can feel confident speaking to them in meetings with your clients. Whenever you need further back-up, simply loop your actuary into the meeting.

Tailor the illustration

What's even better than a clear, simple, visual-based communication? A *personalized*, clear, simple, visual-based communication. Tailoring the illustration to your client's specific situation will have a much stronger impact than tossing out general facts and numbers. Personalization makes the solution you're proposing feel real to your client — and the benefits of an IPP undeniable.

An actuary can incorporate your client's data into a personalized illustration that powerfully demonstrates the value of an IPP compared to an RRSP at future retirement dates.

Explaining in the most compelling way *why* you're recommending an IPP to a client makes it more likely your client will have that "lightbulb moment" and take the best path forward for their situation. Even if the client ultimately decides against this course of action, leaning on an actuary's expertise means you'll know you've done your due diligence and made the best possible case for your recommendation.

Watch for a future eFORUM article on the difference between IPP regulations for connected persons versus non-connected persons in Ontario.

Rebecca Neal, FSA, is an actuary with TT Actuarial Inc., a firm with deep IPP experience. She hosts *The Pension Pod*, a podcast focused on pension solutions, which includes [this episode](#) with expert insights on IPPs from Chris Tomev.