Conventional IPP vs. INTEGRIS PPP Comparison

The INTEGRIS PPP provides the latest in terms of pension plan design innovation for incorporated professionals and entrepreneurs. The following chart provides a summary of how problems common to the conventional individual pension plan have been remedied by the PPP.

Plan Feature	Conventional IPP Problem	INTEGRIS PPP Solution
Flexibility of Contribution Schedule	Contributions are mainly based on age of member and do not take into consideration the financial health of the plan sponsor.	Ability to switch from DB to DC and back and to modulate contributions and timing thereof provides an 'escape hatch'.
Excess surplus	If assets exceed liabilities by 25%, contribution holidays are required by CRA, stopping all corporate tax deductions to the plan	Member can elect to switch to DC component. While company is still bound to a contribution holiday under the DB component of the Plan (and the DC component) plan member can make voluntary member contributions to the Additional Voluntary Contribution account of the PPP and continue to claim tax deductions personally (up to 17% of T4 income)
Optimization based on asset classes	Because IPP is a single account, the pension fund must provide a balanced portfolio blending interest income with capital gains and the overall returns often target the 7.5% prescribed	Advisor can increase corporate tax deductions by placing lower-yielding income producing assets inside the DB component and allocating more speculative and volatile

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	rate.	asset classes (stocks) to the DC and AVC accounts where the 7.5% assumption does not apply. Lower rates of return in the DB account create additional tax-deductible corporate contributions (Special Payments)
Ability to Generate Economies of Scale	The IPP is tailor-made for the plan member. All of the service providers seek compensation out of a single pension plan with no ability to generate economies of scale.	All PPP plan texts are identical and the resources of INTEGRIS are spread over the entire client pool, thereby generating economies of scale that can be passed down to the client.
Plan Administration Responsibility	Under an IPP, the client is responsible for plan administration.	Under the PPP, the client delegates the plan administrative duties to INTEGRIS.
Requirement to be Age 40+ to Benefit	Below age 40, the RRSP limit is more generous than the IPP limit. (ex: $3000 less at age 30).	Individuals under age 40 could save under the DC component of the INTEGRIS PPP and contribute up to $640 more than in an RRSP.

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Requirement to Earn Higher Salary to Benefit	Since the ultimate pension is based on salary, the higher the salary, the higher the pension. However, high salaries trigger higher personal tax brackets, and payroll taxes (CPP).	PPP's Clients who prefer dividend-splitting or saving retained earnings in a Holdco, could save only under the DC component of the PPP and set the salary at a modest level to avoid excess personal taxation. They could then roll their RRSPs into the Additional Voluntary Contribution subaccount, triggering large additional corporate tax deductions in connection with the administrative and investment management fees.
Fiduciary Obligations	The Client's Corporation as the legal plan administrator has the responsibility of plan administration and is the fiduciary of the plan.	While the Client's Corporation is the legal plan administrator, under the PPP model, it appoints INTEGRIS to be the delegated plan administrator and makes INTEGRIS a fiduciary of the PPP. In this way, the only role of the Client's Corporation is to supervise INTEGRIS which is done via 24/7 online reporting.

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Locked-in Nature of Pension Amounts	In an IPP, all contributions and monies transferred as a qualifying transfer to purchase past service is locked-in by provincial laws and can only be accessed at retirement.	The following are not locked-in under the PPP: (a) transfers of RRSPs into the AVC subaccount (b) Voluntary Contributions made by the employee to the AVC subaccount.