

Economic and Capital Markets	2008	2007	Average (geometric)		Comments
			5-Year	10-Year	
Change in CPI for Canada (Oct. to Oct.)	2.6%	2.4%	2.2%	2.3%	Not seasonally adjusted. CANSIM Series V1558664
Change in Average Earnings (Sept. to Sept.)	3.2%	3.2%	3.0%	2.4%	
S&P/TSX Composite Index (Total Return)	-33.0%	9.8%	4.2%	5.3%	
S&P 500 Total Return (CAN\$)	-22.6%	-10.3%	-3.4%	-3.6%	
MSCI World Index Total Return (CAN\$)	-25.8%	-7.5%	-1.4%	-2.8%	
DEX Universe Bond Index	6.4%	3.7%	5.5%	6.0%	
3-month T-Bill Rate (Dec.)	0.8%	3.9%	2.9%	3.2%	CANSIM Series V122531
Diversified Fund Median Return	-16.5%	2.1%	3.7%	5.0%	MS <i>Universe</i> Pooled Fund Survey
Yield on long-term Canada bonds (Dec.)	3.5%	4.2%	4.1%	4.9%	CANSIM Series V122544
Dex Long-Term Corporate Bonds AAA/AA (Dec.)	7.0%	5.3%	5.4%	5.9%	
Prescribed interest on DB contributions	2.81%	3.09%	2.80%	3.45%	CANSIM Series V122515; see note 1.
Discount rate for CIA Transfer Values (Dec.)	3.75%/5.25%	4.75%/5%	N/A	N/A	First 10 years/thereafter; see note 2.

	2009	2008	Comments
Canada/Quebec Pension Plan			
Retirement pension (maximum starting at 65)	\$908.75	\$884.58	Reduced for early retirement between 60 and 65; see note 3.
Year's Maximum Pensionable Earnings (YMPE)	\$46,300	\$44,900	
Maximum employee contribution to plan	\$2,118.60	\$2,049.30	Equals 4.95% of earnings between \$3,500 and YMPE.
OAS Pension (maximum possible)			
OAS Pension (Jan. 1)	\$516.96	\$502.31	Payable from 65, subject to residency test. Indexed quarterly to CPI.
Lower threshold for OAS clawback	\$66,335	\$64,718	Income at which OAS clawback begins.
Upper limit for OAS clawback	\$107,692	\$104,903	Income at which OAS is completely clawed back.
GIS for single person	\$652.51	\$634.02	Subject to income test; benefits are paid tax-free. Indexed quarterly.
GIS for married person	\$430.90	\$418.69	
Income Tax Act Limits			
Maximum contribution to an RRSP	\$21,000	\$20,000	See note 4.
Maximum contribution to a DC RPP	\$22,000	\$21,000	Limited further to 18% of earned income in the previous year.
Maximum employee contribution to a DB Plan	\$15,980	\$15,280	This is the combined employee/employer contribution limit.
Maximum annual DB pension in an RPP	\$2,444.44	\$2,333.33	Applies to required contributions; further limited to 9% of pay.
			Limit for each year of pensionable service.

1. Interest on member required contributions to ON, NS, NB, BC and federal DB plans. Round down to nearest 1/10 of 1% in SK, MB and AB.

2. Based on 2005 CIA transfer value standard. 2009 CIA standard will increase rates and lower transfer values.

3. C/QPP pension starting at age 60 is 70% of amount starting at 65. Indexed annually after retirement to changes in CPI.

4. "RPP" means Registered Pension Plan. "DB" means defined benefit. "DC" means defined contribution.

	As of January 1, 2009	As of January 1, 2008	Comments
Employment Insurance			
Benefit Formula (as a % of insurable earnings)	55%	55%	Lower income families may qualify for additional benefit.
Maximum Insurable Earnings (annual)	\$42,300	\$41,100	
Maximum Benefit (weekly)	\$447	\$435	
Employee Premium	Canada / Quebec		See note 1.
> rate as a % of insurable earnings	1.73% / 1.38%	1.73% / 1.39%	
> maximum annual dollar amount	\$731.79 / \$583.74	\$711.03 / \$571.29	
Employer Premium			See notes 1, 2.
> rate as a % of insurable earnings			
– without registered WLRP	2.42% / 1.93%	2.42% / 1.95%	WLRP: Wage Loss Replacement Plan
– with registered WLRP	2.03% / 1.54%	2.04% / 1.57%	
> maximum annual dollar amount			
– without registered WLRP	\$1,024.51 / \$817.24	\$995.44 / \$799.81	
– with registered WLRP	\$859.85 / \$652.04	\$839.01 / \$643.84	
Disability Benefits			
	CPP / QPP		See note 3.
Formula for Benefit Amount (monthly)	\$424.43 / \$424.40	\$414.08 / \$414.05	
Maximum Benefit (monthly)	\$1,105.99 / \$1,105.96	\$1,077.52 / \$1,077.49	Plus 75% of employee's retirement pension.
Child Benefit (monthly amount per child)	\$213.99 / \$67.95	\$208.77 / \$66.29	In addition to the Maximum Benefit.

INCOME TAX TREATMENT OF PREMIUMS AND BENEFITS IN EMPLOYEES' HANDS

Type of Insurance Benefit	Employer Contributions		Benefit Payments All Provinces	Type of Insurance Benefit	Employer Contributions		Benefit Payments All Provinces
	Quebec	Other Provinces			Quebec	Other Provinces	
Life Insurance	Taxable	Taxable	Non-taxable	Extended Health	Taxable	Non-taxable	Non-taxable
AD&D	Taxable	Non-taxable	Non-taxable	Dental	Taxable	Non-taxable	Non-taxable
Disability	Non-taxable	Non-taxable	See table below				

INCOME TAX TREATMENT OF DISABILITY BENEFITS

Scenario	Tax Treatment of Benefit Payments in Employees' Hands
Employee pays 100% of disability premiums	Not taxable
Employer pays all or part of disability premiums	Taxable, subject to deduction of employee contributions made to the disability plan since 1968, or Non-taxable if employer contributions are added back to the employee's T4. (Canada Revenue Agency may allow this under certain circumstances.)

TAXES

	Premium Tax ⁴ – Insured Benefits	Premium Tax – ASO ⁵ Plans	Sales Tax ⁶ – On Insured Premiums & Deposits	Sales Tax – ASO Plans	Tax – On Administration & Consulting Fees
Alberta	2.00%	None	None	None	5% GST
British Columbia	2.00%	None	None	None	5% GST
Manitoba	2.00%	None	None	None	5% GST
Newfoundland & Labrador	4.00%	4.00%	None	None	13% HST
New Brunswick	2.00%	None	None	None	13% HST
Nova Scotia	3.00%	None	None	None	13% HST
Ontario	2.00%	2.00%	8% PST	8% ⁷ PST	5% GST
P.E.I.	3.50%	None	None	None	5% GST
Quebec	2.35%	2.35%	9% PST	9% PST	5% GST + 7.5% QST
Saskatchewan	3.00%	None	None	None	5% GST

1. Additional premiums are required for the Quebec Parental Insurance Plan (QPIP).
2. To be registered, the Wage Loss Replacement Plan (WLRP) must be a qualifying insured or self-insured short-term disability plan. A smaller reduction applies for qualifying Cumulative Paid Sick Leave plans.
3. Disability benefits commence in the 4th month following the date of disability.
4. Tax on insured plans are as a % of net premium. Net premium is gross

- premium less experience refunds. Premium tax is paid by the insurance carrier, and included within the overall premium rate in insured plans.
5. ASO means Administrative Services Only.
6. Sales tax is remitted by the plan sponsor, and is in addition to the overall premium. Any sales tax on employee-paid premium should either be paid by the employee, or reported as a taxable benefit if paid by the employer.
7. GST may also be applicable in some situations.