

ECONOMIC AND CAPITAL MARKET STATISTICS	2002	2001	2000	1999	1998	1997	Average 1997-02
Change in Canadian CPI (Oct. to Oct.)	3.2%	1.9%	2.8%	2.3%	1.0%	1.5%	2.1%
Change in Average Earnings (Oct. to Oct.)	2.2%	2.0%	2.4%	1.6%	0.5%	3.4%	2.0%
S&P / TSX Composite Index	-12.4%	-12.6%	7.4%	31.7%	-1.6%	15.0%	4.6%
S&P 500 Total Return (\$ Cdn.)	-22.9%	-6.5%	-5.6%	13.9%	37.8%	39.2%	9.3%
MSCI World Index Total Return (\$ Cdn.)	-20.7%	-11.7%	-10.2%	18.1%	33.5%	20.9%	5.0%
Scotia Capital Markets Universe (Bond) Index	8.7%	8.1%	10.2%	-1.1%	9.2%	9.6%	7.5%
Diversified Fund Return (Median, MS Universe)	-4.7%	0.2%	9.8%	11.7%	6.8%	14.7%	6.4%
Matrix Funds Total Return:							
Aggressive	-11.7%	-3.7%					-7.7%
Balanced	-6.5%	-1.1%					-3.8%
Conservative	-0.2%	3.0%					1.4%
Yield on Long Term Canada Bonds (Dec.)	5.4%	5.8%	5.6%	6.3%	5.1%	5.8%	5.7%
Yield on Long Term Corporate Bonds (Dec.)	6.7%	7.1%	7.0%	7.2%	6.1%	6.4%	6.8%
T-Bill Rate (Dec.)	2.7%	2.0%	5.6%	4.9%	4.7%	4.5%	4.1%

PENSION PLAN FIGURES

Prescribed interest on member required contributions (DB)	3.78%	3.90%	5.22%	4.68%	4.25%	4.56%	4.39%
Interest rate used to compute CIA Transfer Values (Dec.)	6.25%	6.00%	6.50%	7.00%	5.75%	6.50%	6.33%

Figures below are dollar amounts unless indicated otherwise

CANADA/QUEBEC PENSION PLAN (C/QPP)	2003	2002	2001	2000	1999	1998	1997	1996
Retirement Pension (Maximum at age 65)	801.25	788.75	775.00	762.92	751.67	744.79	736.81	727.08
Retirement Pension (Maximum at age 60)	560.88	552.13	542.50	534.04	526.17	521.35	515.77	508.96
Year's Maximum Pensionable Earnings (YMPE)	39,900	39,100	38,300	37,600	37,400	36,900	35,800	35,400
Year's Basic Exemption (YBE)	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Contribution Rate (between YBE and YMPE)	4.95%	4.7%	4.3%	3.9%	3.5%	3.2%	3.0%	2.8%
Maximum Contribution	1,801.80	1,673.20	1,496.40	1,329.90	1,186.50	1,068.80	969.00	893.20

OAS PENSIONS (maximums possible)

OAS Pension (Jan. 1)	453.36	442.66	431.36	419.92	410.82	407.15	400.71	394.76
Spouse's allowance for GIS recipients between 60 and 65 who are:	- married	804.31	785.33	765.28	744.98	728.83	710.89	700.33
	- widowed	887.98	867.02	844.88	822.47	804.64	784.82	773.16
GIS for single person	538.80	526.08	512.65	499.05	488.23	483.86	476.20	469.13
GIS for married (per person)	350.95	342.67	333.92	325.06	318.01	315.17	310.18	305.57

CONTRIBUTION LIMITS

Maximum to an RRSP	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Maximum to a Money Purchase RPP	14,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500

Please refer to the explanatory notes on the reverse side

EXPLANATORY NOTES FOR PART 1

CPI

Consumer Price Index for Canada. All items, not seasonally adjusted. Bank of Canada Review P100000. Total.

AVERAGE (WEEKLY) EARNINGS

Industrial Aggregate excluding unclassified - all employees, not seasonally adjusted. Statistics Canada L172126. Up to and including 2000, the Statistics Canada L57711 Industrial was used. The L57711 was replaced in March 2001 when a new Industrial Classification System was implemented.

S&P / TSX COMPOSITE INDEX

Beginning on May 1, 2002, the S&P/TSX Composite Index replaced the TSE 300 Total Return Index. Figures pre-dating 2002 correspond to the TSE 300 Total Return Index.

MSCI

Morgan Stanley Capital International.

DIVERSIFIED FUND RETURN

Median of one year rates of return of the pooled diversified funds in the Morneau Sobeco Performance Universe of Pension Fund Managers.

MATRIX FUNDS

A series of three "lifestyle" investment funds, with asset mixes from conservative to aggressive. Funds are managed by external investment managers whom we select and monitor on an ongoing basis.

CORPORATE BOND YIELD

Can be taken into account when developing a discount rate for FAS 87 or CICA 3461 purposes. CANSIM Series B14048, not annualized.

T-BILL RATE

Government of Canada Treasury bills (3-month rate), CANSIM Series B14007.

PRESCRIBED INTEREST RATE ON MEMBER REQUIRED CONTRIBUTIONS

Minimum annual rate to be credited in Ontario, Nova Scotia, New Brunswick, Quebec, British Columbia, Federal. This rate is rounded down to nearest 1/10% in Saskatchewan, Manitoba and Alberta. (Based on Average Month-End rates during one calendar year, CANSIM Series B14045)

INTEREST RATE USED TO COMPUTE CIA MINIMUM TRANSFER VALUES (non-indexed pensions)

Rate shown is the discount rate for the 15 years following termination, death or retirement (6%/yr used after 15 years). Rate depends on Long Term Canada Bond yields. (Calculated from CANSIM Series B14013)

C/QPP

Pension is the maximum monthly amount for a person retiring on January 1 in the year shown and is the same for the CPP and QPP (except in 1998 where the maximum QPP pension at age 65 was \$750.65 from January to June). After retirement, pension is increased each January 1 by the % change in CPI over the 12-month period ending in the preceding October. (Until 1998, indexing of QPP pensions was deferred if the change in CPI was less than 1%)

YBE

Contributions to C/QPP are not made on earnings below this level.

YMPE

Ceiling on earnings to compute C/QPP contributions and pension.

C/QPP CONTRIBUTION

Contribution made on earnings between the YBE and the YMPE. Same for employers and employees. Double this rate for self employed.

OAS

Old Age Security. Pension benefit payable to all residents of Canada upon meeting age and residence conditions. Adjusted quarterly based on changes in the CPI. Subject to "clawback" if income exceeds \$57,879. Pension amount shown is payable monthly.

SPOUSE'S ALLOWANCE

Subject to an income test. Payable monthly to the spouse aged 60-64 of an OAS recipient. A widow or widower can receive a higher amount. Pension amount adjusted quarterly based on change in the CPI. Benefits are received tax-free.

GIS

Guaranteed Income Supplement. Subject to income test. Payable monthly to persons in receipt of OAS. The pension is adjusted quarterly based on changes in the CPI. Benefits are received tax-free.

RPP

Registered Pension Plan.

CONTRIBUTION LIMITS

Besides the dollar caps, contributions are further limited to 18% of earned income. RRSP limits shown assume no pension adjustments (PAs) in prior year or unused contribution room. Money purchase RPP limits reflect combined employee/employer contributions.

PENSION ADJUSTMENT (PAs)

Sum of individual's pension credits under RPPs. Used to compute RRSP contribution room.

		(AS OF JANUARY 1)		
EMPLOYMENT INSURANCE		2003	2002	2001
Benefit Formula ¹ (as a % of insurable earnings)		55%	55%	55%
Maximum Insurable Earnings (annual)		\$39,000	\$39,000	\$39,000
Maximum Benefit (weekly)		\$413	\$413	\$413
Employee Premium				
- rate as a % of insurable earnings		2.10%	2.20%	2.25%
- maximum annual dollar amount		\$819.00	\$858.00	\$877.50
Employer Premium - rate as a % of insurable earnings	- without Registered Wage Loss Replacement Plan	2.94%	3.08%	3.15%
	- with registered WLRP ²	2.65%	2.79%	2.86%
Employer Premium - maximum annual dollar amount	- without registered WLRP	\$1,146.60	\$1,201.20	\$1,228.50
	- with registered WLRP	\$1033.58	\$1,088.10	\$1,115.40

CPP DISABILITY BENEFITS³

Formula for Benefit Amount (monthly)	\$370.32 plus	\$364.49 plus	\$353.87 plus
	75% of employee's retirement pension		
Maximum Benefit (monthly)	\$971.26	\$956.05	\$935.12
Child Benefit (monthly amount per child) ⁴	\$186.71	\$183.77	\$178.42

QPP DISABILITY BENEFITS

Formula for Benefit Amount (monthly)	\$370.29 plus	\$364.46 plus	\$353.84 plus
	75% of employee's retirement pension		
Maximum Benefit (monthly)	\$971.23	\$956.02	\$935.09
Child Benefit (monthly amount per child)	\$59.28	\$58.35	\$56.65

¹ Lower income families may qualify for additional benefit amounts depending on family income and child tax benefit amounts received.

² To be registered, the wage loss replacement plan 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 fourth month following date of disability (also true in Quebec).

⁴ Child benefits are payable over and above the Maximum Benefit amount shown (also true in Quebec).

INCOME TAX TREATMENT OF PREMIUMS AND BENEFITS IN EMPLOYEES' HANDS

TYPE OF INSURANCE BENEFIT	EMPLOYER CONTRIBUTIONS		BENEFIT PAYMENTS
	QUEBEC	OTHER PROVINCES	ALL PROVINCES
Life Insurance	Taxable	Taxable	Non-taxable
AD&D	Taxable	Non-taxable	Non-taxable
Disability	Non-taxable	Non-taxable	See table below
Extended Health	Taxable	Non-taxable	Non-taxable
Dental	Taxable	Non-taxable	Non-taxable

INCOME TAX TREATMENT OF DISABILITY BENEFITS

SCENARIO	TAX TREATMENT OF BENEFIT PAYMENTS IN EMPLOYEE'S 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 Customs and Revenue Agency may allow this under certain circumstances.)

TAXES

	PREMIUM TAX ⁵ - INSURED BENEFITS	PREMIUM TAX - ASO ⁶ PLANS	SALES TAX ⁷ - ON INSURED PREMIUMS AND DEPOSITS	SALES TAX - ASO PLANS	TAX - ON ADMINISTRATION AND CONSULTING FEES
Alberta	2.00%	None	None	None	7% GST
British Columbia	2.00%	None	None	None	7% GST
Manitoba	2.00%	None	None	None	7% GST
Newfoundland & Labrador	4.00%	4.00%	None	None	15% HST ⁸
New Brunswick	2.00%	None	None	None	15% HST
Nova Scotia	3.00%	None	None	None	15% HST
Ontario	2.00%	2.00%	8% PST	8% PST ⁹	7% GST
P.E.I.	3.50%	None	None	None	7% GST
Quebec	2.35%	2.35%	9% PST	9% PST	7% GST + 7.5% QST
Saskatchewan	3.00%	None	None	None	7% GST
Nunavut	3.00%	None	None	None	7% GST
N.W.T.	3.00%	None	None	None	7% GST
Yukon	2.00%	None	None	None	7% GST

⁵ Taxes 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.

⁶ ASO means Administrative Services Only.

⁷ 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.

⁸ HST means Harmonized Sales Tax.

⁹ GST may also be applicable in some situations.