



Money Purchase Limit Increase

Effective January 1, 2003, the Money Purchase Limit for Defined Contribution plans has been increased from \$13,500 to \$14,500 in accordance with the scheduled increase contained in section 147.1(1) of the Income Tax Act (Canada). This change has no effect on the 2003 RRSP Dollar Limit or the Defined Benefit Limit. The three limits are:

Integrating

Design

& Delivery

YEAR	RRSP DOLLAR LIMIT	MONEY PURCHASE LIMIT	DEFINED BENEFIT LIMIT
2003	\$13,500	\$14,500	\$1,722.22
2004	\$14,500	\$15,500	\$1,722.22
2005	\$15,500	\$15,500 x AIW increase from 2004	(\$15,500 x AIW increase from 2004) x 1/9

Please note that if AIW (Average Industrial Wage) decreases, the Money Purchase Limit and the Defined Benefit Limit neither decrease nor increase.

Therefore, the Money Purchase Limit will change every year, the RRSP Dollar Limit will change every year starting in 2004, and the Defined Benefit Limit will change every year starting in 2005. This is, of course, subject to any future amendments to the Income Tax Act.

Any pension plan with a Defined Contribution provision may need to be amended because of this change. If the plan refers to the Money Purchase Limit (and that definition is properly defined), then the plan may not need to be amended.

Most Defined Benefit plans that do not have a Defined Contribution offset do not need to be amended until 2005.

For further information, please contact us at info@morneausobeco.com.

Toronto, January 17, 2003