

Pension Statistics 2007

ECONOMIC AND CAPITAL MARKET STATISTICS	2006	2005	2004	Average (geometric)	
				5-Year	10-Year
Change in Canadian CPI (Oct. to Oct.)	0.9%	2.6%	2.3%	2.1%	2.0%
Change in Average Earnings (Sept. to Sept.)	1.8%	4.0%	2.5%	2.4%	2.0%
S&P / TSX Composite Index (Total Return)	17.3%	24.1%	14.5%	13.1%	10.0%
S&P 500 Total Return (CAN\$)	16.0%	1.5%	2.9%	-0.3%	6.7%
MSCI World Index Total Return (CAN\$)	19.6%	6.8%	6.4%	3.3%	5.9%
Scotia Capital Universe (Bond) Index	4.1%	6.5%	7.2%	6.6%	6.9%
Diversified Fund Return (Median, MS Universe)	12.7%	11.9%	10.2%	8.5%	8.5%
Yield on Long Term Canada Bonds (Dec.)	4.2%	4.1%	4.8%	4.7%	5.2%
Yield on Long Term Corporate Bonds (Dec.)	5.2%	5.1%	5.8%	5.8%	6.3%
3-month T-Bill Rate (Dec.)	4.2%	3.4%	2.5%	3.1%	3.7%

PENSION PLAN FIGURES	2006	2005	2004	Average (geometric)	
				5-Year	10-Year
Prescribed interest on member required contributions (DB)	2.91%	2.46%	2.72%	2.97%	3.74%
Interest rate used to compute CIA Transfer Values (Dec.)	4.75% / 4.75%	4.5% / 5%	5.5% / 6%	N/A	N/A

Figures below are dollar amounts unless indicated otherwise.

CANADA/QUEBEC PENSION PLAN (CPP/QPP)	2007	2006	2005	2004	2003
Retirement Pension (maximum starting at age 65)	863.75	844.58	828.75	814.17	801.25
Retirement Pension (maximum starting at age 60)	604.63	591.21	580.13	569.92	560.88
Year's Maximum Pensionable Earnings (YMPE)	43,700	42,100	41,100	40,500	39,900
Maximum employee contribution	1,989.90	1,910.70	1,861.20	1,831.50	1,801.80

OAS PENSIONS (maximums possible)	2007	2006	2005	2004	2003
OAS Pension (Jan. 1)	491.93	484.63	471.76	462.47	453.36
Spouse's allowance for GIS recipients between 60 and 65 who are:					
– married	901.97	874.30	836.97	820.48	804.31
– widowed	991.81	967.24	924.04	905.83	887.98
GIS for single person	620.91	593.97	560.69	549.63	538.80
GIS for married (per person)	410.04	389.67	365.21	358.01	350.95
2007 income threshold when OAS "clawback" begins: 63,511	Income at which OAS pension completely clawed back: 102,865				

ITA LIMITS	2007	2006	2005	2004	2003
Maximum contribution to an RRSP	19,000	18,000	16,500	15,500	14,500
Maximum contribution to a DC RPP	20,000	19,000	18,000	16,500	15,500
Maximum employee contribution to a DB Plan	14,580	13,880	13,180	12,130	11,430
ITA maximum annual pension limit	2,222.22	2,111.11	2,000	1,833.33	1,722.22

Please refer to the explanatory notes on the reverse side.

EXPLANATORY NOTES – PENSION STATISTICS

CPI

Consumer Price Index for Canada. All items, not seasonally adjusted. Bank of Canada Web site.

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 Morneau Sobeco's *Performance Universe of Pension Managers' Pooled Funds*.

CANADA BOND YIELD

CANSIM Series 14072.

CORPORATE BOND YIELD

Useful in 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 B14060.

PRESCRIBED INTEREST RATE ON MEMBER REQUIRED CONTRIBUTIONS

Minimum annual rate to be credited in Ontario, Nova Scotia, New Brunswick, 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)

Prior to February 1, 2005, rates are based on B14013 for the first 15 years, and 6% thereafter. Starting on February 1, 2005, rates are based on B14070 for the first 10 years, and B14072 thereafter. The rates are shown as before / after February 1, 2005.

CPP/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. 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%.

YMPE

Ceiling on annual earnings to compute CPP/QPP contributions and pension.

CPP/QPP CONTRIBUTION

4.95% of earnings between the YBE (\$3,500) and the YMPE. Same rate for employers and employees. Double the rate for self-employed.

OAS

Old Age Security. Monthly pension payable to all residents of Canada upon meeting age and residence conditions. Adjusted quarterly based on change in the CPI. Subject to "clawback" if income exceeds a threshold.

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.

ITA LIMITS

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

Benefits Statistics 2007

EMPLOYMENT INSURANCE	(as of January 1)		
	2007	2006	2005
Benefit Formula ¹ (as a % of insurable earnings)	55%	55%	55%
Maximum Insurable Earnings (annual)	\$40,000	\$39,000	\$39,000
Maximum Benefit (weekly)	\$423	\$413	\$413
Employee Premium			
– rate as a % of insurable earnings ²	1.80%	1.87%	1.95%
– maximum annual dollar amount ³	\$720.00	\$729.30	\$761.00
Employer Premium			
– rate as a % of insurable earnings			
– without registered Wage Loss Replacement Plan (WLRP) ⁴	2.52%	2.62%	2.73%
– with registered WLRP ⁵	2.16%	2.28%	2.41%
– maximum annual dollar amount			
– without registered WLRP	\$1,008.00	\$1,021.02	\$1,065.00
– with registered WLRP	\$864.00	\$888.29	\$939.98

CPP DISABILITY BENEFITS⁶	(as of January 1)		
	2007	2006	2005
Formula for Benefit Amount (monthly)	\$405.96	\$397.62	\$388.67
	plus 75% of employee's retirement pension		
Maximum Benefit (monthly)	\$1,053.77	\$1,031.05	\$1,010.23
Child Benefit (monthly amount per child) ⁷	\$204.68	\$200.47	\$195.96

QPP DISABILITY BENEFITS	(as of January 1)		
	2007	2006	2005
Formula for Benefit Amount (monthly)	\$405.93	\$397.59	\$388.64
	plus 75% of employee's retirement pension		
Maximum Benefit (monthly)	\$1,053.74	\$1,031.02	\$1,010.20
Child Benefit (monthly amount per child)	\$64.99	\$63.65	\$62.22

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

² The rate for Quebec is lower at 1.46%, due to the province offering its own parental benefits from January 1, 2006.

³ The amount for Quebec is lower at \$584, due to the province offering its own parental benefits from January 1, 2006.

⁴ The rate for Quebec is lower at 2.04%, due to the province offering its own parental benefits from January 1, 2006.

⁵ 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.

⁶ Disability benefits commence in the fourth month following the date of disability (also true in Quebec).

⁷ 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 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 ⁸ – Insured Benefits	Premium Tax – ASO ⁹ Plans	Sales Tax ¹⁰ – On Insured Premiums & Deposits	Sales Tax – ASO Plans	Tax – On Administration & Consulting Fees
Alberta	2.00%	None	None	None	6% GST
British Columbia	2.00%	None	None	None	6% GST
Manitoba	2.00%	None	None	None	6% GST
Newfoundland & Labrador	4.00%	4.00%	None	None	14% HST ¹¹
New Brunswick	2.00%	None	None	None	14% HST
Nova Scotia	3.00%	None	None	None	14% HST
Ontario	2.00%	2.00%	8% PST	8% PST ¹²	6% GST
P.E.I.	3.50%	None	None	None	6% GST
Quebec	2.35%	2.35%	9% PST	9% PST	6% GST + 7.5% QST
Saskatchewan	3.00%	None	None	None	6% GST

⁸ 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.

⁹ ASO means Administrative Services Only.

¹⁰ 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.

¹¹ HST means Harmonized Sales Tax.

¹² GST may also be applicable in some situations.