



Canadian Retirement Plan Limits for the Tax Years 2017 to 2021

The Canada Revenue Agency recently announced the 2021 contribution limits.

For 2021, the yearly maximum pensionable earnings (YMPE) under the Canada Pension Plan (CPP) or maximum pensionable earnings (MPE) under the Quebec Pension Plan (QPP) will **increase to \$61,600**. Contributors are not required or permitted to make additional contributions to the CPP if they earn more than \$61,600.

The CPP basic exemption amount for 2021 **remains the same at \$3,500**. The 2021 limit for Registered Retirement Savings Plans (RRSP) **will be \$27,830, a slight increase from 2020 (\$27,230)**.

Under the CPP, the employee and employer contribution rates for 2021 will increase to 5.45%, and the maximum annual employee and employer contribution will increase to \$3,166.45 each. The rates are increasing as a result of the enhancements to CPP which went into effect on January 1, 2020.

Limits for the Plan Year	2021	2020	2019	2018	2017
Money Purchase (MP)	\$29,210	\$27,830	\$27,230	\$26,500	\$26,230
Registered Retirement Savings Plan (RRSP)	\$27,830	\$27,230	\$26,500	\$26,230	\$26,010
Year's Maximum Pensionable Earnings (YMPE)	\$61,600	\$58,700	\$57,400	\$55,900	\$55,300
Deferred Profit Sharing Plans (DPSP)	\$14,605	\$13,915	\$13,615	\$13,250	\$13,115
Defined Benefit Pension Plan (DBPP)	\$3,245.56	\$3,092.22	\$3,025.56	\$2,944.44	\$2,914.44
Tax Free Savings Account (TFSA) Limit	\$6,000	\$6,000	\$6,000	\$5,500	\$5,500

Source: Canada Revenue Agency. Figures are in CAD dollars.

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