



## Canadian Retirement Plan Limits for the Tax Years 2016 – 2020

The Canada Revenue Agency recently announced the 2020 contribution limits.

For 2020, 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 \$58,700**. Contributors are not required or permitted to make additional contributions to the CPP/QPP if they earn more than \$58,700.

The CPP basic exemption amount for 2020 **remains the same at \$3,500**. The 2020 limit for Registered Retirement Savings Plans (RRSP) **will be \$27,230, a slight increase from 2019 (\$26,500)**.

Under the CPP, the employee and employer contribution rates for 2020 will increase to 5.25%, and the maximum annual contribution will increase to \$2,898 for each. The rates are increasing as a result of the enhancements to CCP which went into effect on January 1, 2019.

Limits for the Plan Year	2020	2019	2018	2017	2016
Money Purchase (MP)	\$27,830	\$27,230	\$26,500	\$26,230	\$26,010
Registered Retirement Savings Plan (RRSP)	\$27,230	\$26,500	\$26,230	\$26,010	\$25,370
Year's Maximum Pensionable Earnings (YMPE)	\$58,700	\$57,400	\$55,900	\$55,300	\$54,900
Deferred Profit Sharing Plans (DPSP)	\$13,915	\$13,615	\$13,250	\$13,115	\$13,005
Defined Benefit Pension Plan (DBPP)	\$3,092.22	\$3,025.56	\$2,914.44	\$2,914.44	\$2,890
Tax Free Savings Account (TFSA) Limit	\$6,000	\$6,000	\$5,500	\$5,500	\$5,500

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

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