

Employment & Labour, Legal Suppliers

The Personal Pension Plan advantage for lawyers



INTEGRIS Pension Management Corp. provides a unique and elite service for lawyers with a Personal Pension Plan (PPP) that's designed to help professionals maximize their retirement nest egg, says the company's CEO **Jean-Pierre Laporte**.

Laporte, who worked for many years as a pension lawyer on Bay Street for several prestigious firms, explains that INTEGRIS introduced the Personal Pension Plan to the industry nearly four years ago. The PPP allows its members to put the largest amount of money in a tax-deferred vehicle to save for retirement permitted by the *Income Tax Act*.

"It's well in excess of what is permitted under RRSP rules," he says. "It takes all of the pension rules that have historically applied to large companies and makes them available to a single individual in a small professional corporation – like a lawyer.

"So really, at the end of the day, when the professional legal corporation sets up a Personal Pension Plan, the lawyer who is collecting a salary from his/her own legal firm can now put aside \$1 million more over 20 years towards their retirement than if they contributed the maximum to an RRSP. It's a \$1-million advantage that pension and tax laws allow professionals to do."

The problem is, says Laporte, many people (including experts like tax lawyers and accountants) still don't know about it. He would like to change that.

"When lawyers understand that this is available and that people are signing up for it, then all of a sudden they can join the club — they can be part of the elite and have a really good pension plan, pay less taxes and have more money to retire without taking additional risks," he says. "The value of the plan is not based on picking good stocks. It's purely a tax play. It's the fact that the pension and tax rules allow you to put more money in a PPP than you could in an RRSP – pure and simple."

Laporte says INTEGRIS was, in effect, created to provide the PPP to professionals who have incorporated their businesses because many professionals who are self-employed do not have access to the pension plans.

When he was still a practising pension lawyer he asked a managing partner whether pension plans could be offered to associates and was told, "No, you're on your own — we are never going to provide that. You have the RRSP."

The Personal Pension Plan takes the benefits of those large corporate plans and brings them to the individual

professional, he says.

“There are more than one million Canadians who qualify for this and we wanted to give them an opportunity to build the largest possible pension plan and pay the least amount of taxes,” he says.

The group of professionals who qualify includes lawyers, doctors, dentists, chiropractors, IT consultants and management consultants. These professionals often operate their own businesses and have enjoyed the right to incorporate since the *Business Corporations Act of Ontario* was amended.

“When that change occurred, I thought, ‘Why don’t we create a plan design that will give the small, one-person professional all of the advantages that these large company plans have’ and that’s where the idea was born,” Laporte says.

Known as having considerable expertise in the area of pensions, Laporte was an advisor to former Liberal Party of Canada leader Michael Ignatieff and politicians Stephane Dion and Bob Rae while they were part of the Official Opposition.

Together, they made expanding the Canadian Pension Plan part of the federal Liberal platform, which is only now becoming a reality.