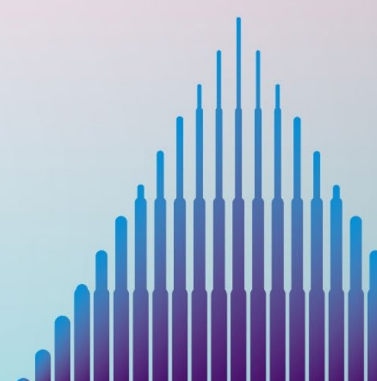




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Canada



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## 2023 Pension Contribution Limits — Available Now

*The CRA has published the new maximum RPP and RRSP contribution limits for 2023*

The CRA has announced the 2023 contribution limits for Money Purchase Registered Pension Plans (RPP), Registered Retirement Savings Plans (RRSP) and Deferred Profit Sharing Plans (DPSP).

The contribution limits for 2022 and 2023 are as follows:

	2022	2023
<b>Money Purchase Registered Pension Plans</b>		
Contribution limit	\$30,780	\$31,560
Pensionable earnings <sup>1</sup>	\$171,000	\$175,333
<b>Registered Retirement Savings Plans</b>		
Contribution limit	\$29,210	\$30,780
Previous year's earned income <sup>2</sup>	\$162,278	\$171,000
<b>Deferred Profit Sharing Plans</b>		
Contribution limit	\$15,390	\$15,780
Pensionable earnings <sup>3</sup>	\$85,500	\$87,667

(1) The total of all employer and employee contributions to an RPP is limited to the lesser of the current year's contribution limit and 18% of the employee's pensionable earnings for the year. The amount of pensionable earnings that generates the contribution limit is indicated in the table.

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(2) The total of all contributions to an RRSP is limited to the lesser of the current year's contribution limit and 18% of an individual's earned income for the preceding year, plus any carry-forward contribution room. The amount of earned income that generates the contribution limit is indicated in the table.

(3) The total of all employer contributions to a DPSP are limited to the lesser of the current year's contribution limit and 18% of an employee's pensionable earnings for the year. The amount of pensionable earnings that generates the contribution limit each year is indicated in the table.

### **KPMG observations**

The RRSP contribution limit is equal to the RPP contribution limit for the preceding year. As a result, the new maximum RRSP contribution limit for 2024 will increase to \$31,560 (\$175,333 x 18%) up from \$30,780 (\$171,000 x 18%) in 2023.

For more information, contact your KPMG adviser.

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