HOOPP Pension Plan Versus Individual Pension Plan

A Guide for Ontario Physicians Exploring Retirement Options

Prepared By: Sean Wilson, September 2025

About

This paper was prepared to help Ontario physicians understand two important retirement income options: the Healthcare of Ontario Pension Plan (HOOPP) and the Individual Pension Plan (IPP). Our purpose is to educate, giving you the clarity needed to make informed decisions about your future.

Both HOOPP and IPPs can be powerful tools for funding a secure retirement. The right choice depends on your unique circumstances. In the pages that follow, we outline the benefits and limitations of each approach so that you can decide which path best fits your goals.

Our analysis is based on publicly available information from recent HOOPP annual reports and the plan text effective January 1, 2025. Care has been taken to present this material in a way that is accurate, accessible, and relevant to the financial realities of Ontario physicians.

About the Author

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Sean is a financial planner and portfolio manager who works closely with Canadian business owners and professionals to bring clarity and confidence to their financial lives. Through Moraine Wealth Advisory, he helps clients navigate retirement planning, tax strategies, and big-picture wealth decisions. Outside of work, Sean is actively involved in his community and supports initiatives such as the Women & Wealth Gala, reflecting his belief that financial planning is about people, families, and building a future with purpose.

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Introduction

Retirement is something most of us look forward to, the chance to spend more time on hobbies, family, and personal interests. For Ontario physicians, however, the landscape shifted in 2025. The ability to pay yourself through your medical professional corporation and the expansion of HOOPP to permit Ontario physicians to join create the need for physicians to understand how HOOPP compares to alternatives, such as an Individual Pension Plan (IPP).

These decisions are rarely straightforward and are best made in consultation with your trusted advisors, including your accountant and financial planner. It is particularly valuable to work with someone who has deep expertise in corporate taxation and a clear understanding of how pensions operate. A comprehensive financial plan can illustrate how your choices affect wealth accumulation, retirement income, taxation, and estate planning, while balancing both your corporate and personal assets. This planning also helps address key risks such as the possibility of outliving your savings, while weighing the structured nature of one pension option against the flexibility of another.

For Ontario physicians, this paper reviews two main pension pathways:

The Healthcare of Ontario Pension Plan (HOOPP): A large, well-funded defined benefit pension plan traditionally associated with hospital employees. It is now available to physicians whose medical professional corporations are members of the Ontario Hospital Association. HOOPP provides the security of an inflation-protected lifetime pension, delivered at very low operating expenses thanks to its size and scale.

The Individual Pension Plan (IPP): Often referred to as a “supercharged RRSP” for incorporated professionals and business owners. Funded entirely by your corporation, with the exception of past service recognized at inception, which may be partially funded through your personal RRSP, an IPP allows for larger, tax-deductible contributions that grow with age. An IPP offers flexibility over contributions, control over investments, and the flexibility of making or deferring contributions if returns fall short.

Both programs are powerful retirement tools for providing income in retirement. HOOPP provides certainty with a lifetime income. In contrast, an IPP can provide you with a lifetime income, though it is guaranteed only for as long as the assets remain, but also comes with the added benefit of increased flexibility. Ultimately, the right choice depends on whether you value the security of a lifetime income or the flexibility to shape your retirement strategy around your unique goals.

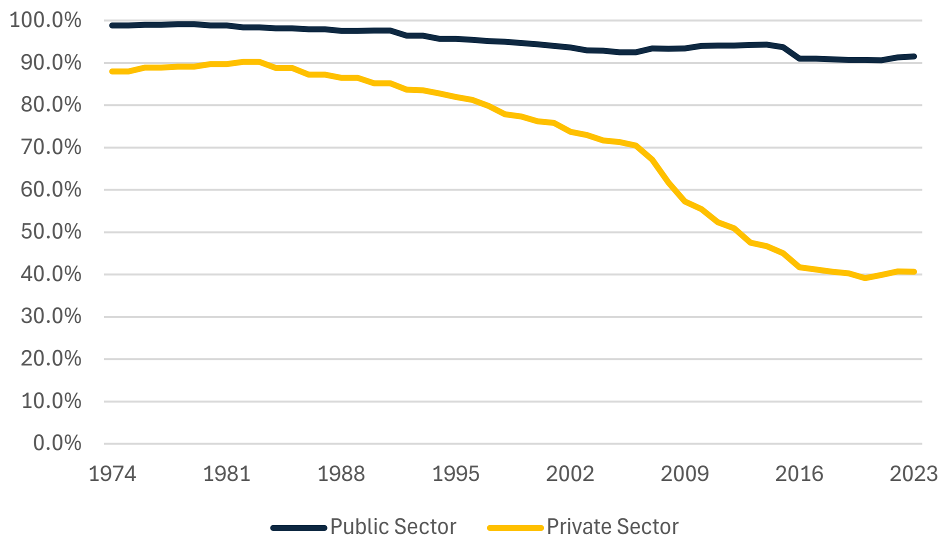
Some Recent History of Pensions in Canada

In Canada, almost all public sector employees continue to participate in a defined benefit pension plan. By contrast, the private sector has experienced a significant decline since the 1970s, when nearly 90% of pension plans were defined benefit. Today, that number has fallen to roughly 40%.

One of the key drivers behind this trend is the volatility of the reported liabilities for the companies implementing or maintaining existing defined benefit pension plans. If markets perform poorly, which is outside the variables a company can control, they may be liable for significant additional funding to offset any pension plan deficits. Even in cases where additional funding isn't required, the program can lead to substantial volatility in their corporate financial reporting.

Figure 1 below highlights the long-term shift in defined benefit pension participation across both the public and private sectors since the 1970s.

Figure 1: Proportion of workers whose pension plan is a Defined Benefit plan



Source: Statistics Canada table 11-10-0097-01

Pension Basics

Before we compare HOOPP and IPPs, it's helpful to take a step back and review the two most common types of pensions in Canada: **Defined Contribution (DC)** and **Defined Benefit (DB)**.

Defined Contribution Pension (DC)

A defined contribution (DC) pension is a retirement savings plan where the amount you contribute to your account is fixed and predictable, but the eventual benefit you receive depends on investment performance.

- **Contributions:** Both you (and often your employer) contribute a set percentage of your salary into the plan.
- **Investment Growth:** The account balance is invested, usually in a selection of funds you choose from. Returns can go up or down depending on markets.
- **Retirement Income:** At retirement, the size of your pension pot depends on how much was contributed and how well the investments performed. You then draw income through options like an annuity or withdrawals.
- **Risk:** Unlike a traditional defined benefit plan, the risk sits with you, the member, not the employer. There is no guaranteed payout, but you have greater flexibility and portability if you change jobs.

Defined Benefit Pension (DB)

A defined benefit (DB) pension is a retirement plan that promises you a specified monthly pension payout for life, based on a formula.

- **Benefit Formula:** Typically based on years of service and average salary (for example: 2% × years of service × average of best 5 years' salary).
- **Employer's Role:** Your employer is responsible for funding the plan and managing the investments. Your employer bears the investment risk and longevity risk.
- **Retirement Income:** You will receive a predictable, steady income stream in retirement, which is often indexed to inflation pursuant to the terms adopted for the plan.
- **Risk:** You don't control the investments, but you also don't bear the investment risk. Your benefit is a lifetime income as long as the plan remains solvent.

Where HOOPP and IPPs Fit In

Both HOOPP and an IPP are defined benefit pensions; however, they need to be looked at differently. HOOPP is what is considered a multi-employer pension plan, where multiple legal entities contribute to the same pension. These types of pensions will have thousands of members contributing to fund the plan, ***which can reduce both operating costs as a***

percentage of assets and risks. On the other side of the equation is an IPP, typically adopted by business owners or incorporated professionals. The IPP is based on a benefit and funding driven by actuarial assumptions. The IPP, however, is more like a defined contribution plan in that the ability for the pension plan to provide the formula pension to be received in retirement will be driven by how much you have contributed and how well the investments have performed. That said, the IPP still brings much financial flexibility and many to the table.

The Basic DB Formula

At its core, the DB pension formula looks like this:

2% x Years of Service x Average of Best 5 Years' Salary

The HOOPP Formula

The HOOPP Formula is broken down into two parts. The lower accrual rate is based on the portion of earnings up to the YMPE, "Yearly Maximum Pensionable Earnings under the Canada Pension Plan", and the higher accrual rate for the portion of earnings over YMPE.

1.5% x years of service x best 5 years average YMPE x Years of service

Plus:

2.0% x years of service x the portion of best 5 years average annualized earnings above YMPE x Years of service

Note: For physicians, HOOPP also introduces the concept of "baseline earnings," which we explain later in this paper.

Example

Assume a doctor decides to participate in the HOOPP pension for 2025. And declared a baseline income of $250,000.

The pension benefit that this doctor will have accrued in the first year in the plan would be calculated as follows:

1.5% x YMPE ($71,300) = $1,070

2.0% x (T4 Income – YMPE) or ($250,000 -$71,300) = $3,574

Combined = $1,070 + $3,574 = $4,644 per year of income.

Now, if we assume that these were the average of your best five years at the end of your career, and your career was 30 years, multiply this by 30.

$4644 x 30 years = $139,305 per year would be the amount of the pension you would have accrued.

Pension Limits under the Income Tax Act

Both HOOPP and IPPs are registered pension plans (RPPs) and must follow federal limits. In 2025, the maximum annual accrual is **$3,757**, calculated as 2% of $187,833 (the income ceiling for RRSP purposes).

For physicians with higher declared incomes—for example, $400,000 with a baseline of $300,000—HOOPP establishes a **Retirement Compensation Arrangement (RCA)**. The RCA allows non-registered pension accruals above the $3,757 threshold, ensuring pension benefits reflect higher earnings.

Where an RCA fits with an IPP

A physician establishing an IPP can also consider adding an RCA. While this may not apply to all situations—particularly when blending salary and dividends—the RCA offers flexibility. It can be funded later in your career, closer to retirement, if appropriate for your overall strategy.

A Bit About Retirement Compensation Arrangements (RCAs)

An RCA is a powerful tool for high-income earners who want maximum retirement flexibility and tax efficiency. Contributions made by a company are tax-deductible and grow tax-deferred inside the plan, with withdrawals taxed later, often at lower rates or in more favourable jurisdictions. Unlike registered plans, there are no age limits or withdrawal restrictions, making it adaptable to changing careers, relocations, or business exits. RCAs are also creditor-proof, can benefit spouses or heirs, and are widely used in executive compensation, succession planning, and cross-border strategies. They represent the highest-level retirement program available in Canada for professionals, executives, and entrepreneurs. To learn more about RCA, click here.

IPP Formula

For 2025, the **money purchase limit**, the maximum that can be contributed to a DC pension plan, is **$33,810**. This will be the maximum contribution allowed to an RRSP in 2026, which lags the money purchase limit by one year. The maximum RRSP contribution accrual for 2025 is $32,490. To determine the salary needed to generate this amount, the calculation divides $33,810 by 18%, resulting in a maximum pensionable salary of **$187,833** for 2025 (compared to **$180,500** in 2024).

In an IPP, your annual pension accrual is based on the lesser of your actual T4 salary or the maximum pensionable salary set under the Income Tax Act. The standard IPP accrual rate is **2% per year of service**.

Formula:

Current Year's Pension Accrual = 2% x (Lesser of Salary or Maximum Allowed Earnings)

Each year, the maximum accrual is indexed to reflect average wage growth in Canada, generally assumed to be **CPI + 1%**.

Table 1 – Features of HOOPP vs. IPP vs. RRSP

Feature	HOOPP (Defined Benefit Pension)	IPP (Individual Pension Plan)	RRSP
Retirement Income	Pension Formula Based (1.5% x upto average YMPE of best 5 years x service) ***plus*** 2.0% x (average salary over YMPE of best 5 years) x years of service.	Lifetime pension based on salary and service (2% cap). Not guaranteed and depends on investment performance.	No guarantee Income depends on investment performance and withdrawals
Contribution Room	Fixed percentage of salary (6.9% up to YMPE, 9.2% above) for employee portions. Employer portion is 1.26x the employee portion.	Actuarial and age-based formula Limits grow larger than RRSPs, especially after age 40. Past service and terminal funding top-ups are allowed	18% of income up to annual CRA limit ($32,490 in 2025).
Who Bears the Risk	The plan bears market risk and longevity risk Pension is backed by $123B fund at 111% funded	Corporation is responsible if returns are less than 7.5% (the corporation has the option to make deductible top-ups). Individual & corporation bears all the risk	Individual Investor bears all of the risk
Inflation Protection	Annual cost-of-living adjustments	Optional cost of living adjustment COLA, via terminal funding	No COLA
Estate Benefits	Survivor's pension for spouse; limited guarantees 5 years for spouse or beneficiaries with a spouse, and 15 years as a single. If drawing on the person after the appropriate guarantee period remaining assets stay in the plan	Assets belong to you. Residual flows to spouse, heirs, or estate. Taxable at death unless transferred to a spouse or financially dependent child/grandchild	Remaining assets flow to heirs Taxable at death unless transferred to a spouse or financially dependent child/grandchild
Tax Efficiency	Employees receive a deduction from their gross income for their contributions, and the corporation gets a deduction for its contribution. Pension income splitting + $2,000 pension credit in retirement	Contributions are fully deductible to the corporation Investment growth is sheltered Admin + investment fees deductible. Pension income splitting + $2,000 pension credit in retirement	Contributions are personally deductible and grow tax sheltered. Withdrawals are fully taxable. Eligible for pension income splitting and the $2,000 pension income credit starting at age 65.
Investment Control	None. Assets are professionally managed	Full control of investments with advisor/portfolio manager CRA compliant but customizable	Full control (DIY or through an advisor)
Flexibility	Locked-in for retirement. If you leave, you can keep a deferred pension in the plan or transfer the commuted value to a locked-in account, up to CRA limits and certain age. Any excess is paid as taxable cash.	Not locked in for Ontario connected plans. The plan can be wound up, with assets transferred to an RRSP or RRIF. Excess amounts above transfer limits may be paid out as taxable lump sums.	Full flexibility. Funds can be withdrawn at any time, though withdrawals are fully taxable.

Why This Matters

Every physician will have their own long-term planning goals and risk tolerance. Each option funds retirement differently, offers different levels of control, and has different implications regarding tax efficiency, wealth transfer, and income predictability. HOOPP offers predictability with contributions that are straightforward and a pension that is managed for you. An IPP give you some of that control, letting you and your advisor decide how to invest while also maximizing your tax-deductible contributions. RRSPs and TFSAs provide you with flexibility and accessibility, but your retirement income will depend solely on investment returns and discipline. Together, the options highlight how your retirement is funded, whether that be managed for you, controlled with an advisor, or entirely self-directed, directly influencing the balance between tax efficiency, stability, and flexibility in your long-term plan.

Eligibility

Your ability to participate in either HOOPP or an IPP depends on your employment structure and how you pay yourself.

HOOPP Eligibility

To join HOOPP as an incorporated physician, your MPC must first register as a HOOPP employer. This requires your MPC becoming a member of the Ontario Hospital Association (OHA). Membership fees are not publicly posted, but are generally understood to be around **$1,300 per year**.

In addition, you must:

- Be actively practicing in Ontario, and
- Pay yourself employment income in the form of a **salary** (dividends do not generate pension room).

Mandatory Employer Rules

If you own **50% or more** of another MPC, that corporation must also join the OHA and HOOPP. If your ownership is **less than 50%**, participation is optional and decided by the physician group that owns the corporation.

Employee Participation

When your MPC registers as a HOOPP employer, it creates obligations beyond your own retirement funding:

- **All new employees** of your MPC are automatically enrolled in the pension plan.

- **Existing employees** may choose to join.
- Your MPC must contribute **1.26 times each employee's contributions**.

This requirement is a significant difference compared to other pension structures. For physicians with larger practices or more staff, the mandatory employer contributions with HOOPP can represent a substantial ongoing cost.

IPP Eligibility

If you are an incorporated physician and pay yourself employment income in the form of a **salary**, you qualify to establish an IPP. While an IPP can be set up at any age, it is generally most effective once you reach at least **age 40**, when contribution room becomes more meaningful and larger than what can be contributed to an RRSP. Like HOOPP, dividends do not generate pensionable earnings for IPP purposes.

A key advantage of the IPP structure is flexibility. You can choose to restrict plan membership to certain classes of employees, meaning your staff are not automatically required to participate. In most cases, the IPP is mainly set up for you (the physician), and this feature helps keep the plan focused on you while limiting additional financial obligations for your corporation.

Baseline Income

Baseline Earnings: A Comprehensive Explanation

Baseline earnings represent the expected pensionable earnings an incorporated physician anticipates receiving in a plan year from their MPC, expressed on an annualized basis. This concept is specifically outlined for physicians joining HOOPP on or after January 1, 2025, in relation to your employment with your MPC.

Here's a breakdown of how baseline earnings are established and how they influence your HOOPP pension:

Initial Establishment of Baseline Earnings

In your first year of HOOPP membership, you, as an incorporated physician, will set your baseline earnings through your MPC's participation agreement. It is important to note that while you have the flexibility to choose this initial amount, it should be reasonable and reflect what you can pay yourself moving forward. This initial decision is significant as it directly impacts your contributions to the Plan and the pension benefits you will accrue.

Annual Adjustment of Baseline Earnings

Each subsequent year after your first year of membership, your baseline earnings will be automatically updated based on your annualized earnings from the preceding year. This mechanism is designed to reflect the dynamic nature of your practice income.

Upper and Lower Earnings Limits:

Your contributions and pension accruals are governed by upper and lower earnings limits that are relative to your baseline earnings. These limits are determined annually through an "earnings limit adjustment".

Earnings Limit Adjustment:

This adjustment is calculated by multiplying your baseline earnings by the sum of the previous year's Consumer Price Index (CPI) increase (as determined by the administrator) plus an additional one percent.

For example, if your baseline earnings were $100,000 and the CPI (at 2%) plus 1% equals 3%, your earnings limit adjustment for the next year would be $3,000 (3% of $100,000). Consequently, your upper earnings limit would be $103,000, and your lower earnings limit would be $97,000.

Impact on Contributions and Pension Accrual:

You will contribute to HOOPP based on your employment earnings, provided they fall within these upper and lower limits.

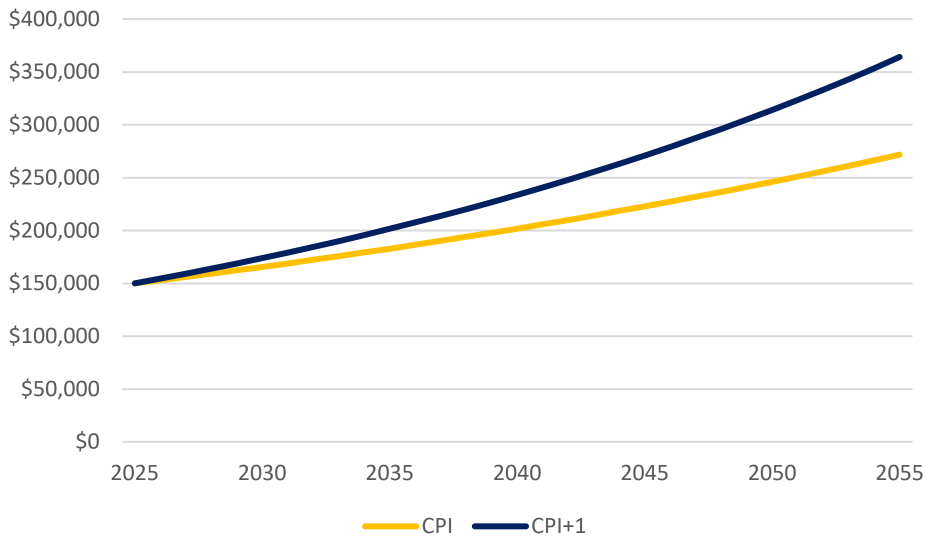
Building Full Service:

If your employment earnings fall within your upper and lower limits, it ensures you earn a full year of service in the Plan for that calendar year. Note that employment earnings that fall below the lower earnings limit will only accrue a partial year benefit. Remember the pension formula that factors in the accrued pension benefit multiplied by years of service.

Maximizing Your Pension:

HOOPP encourages increasing your earnings each year to take full advantage of your upper earnings limit. This strategic approach allows the annualized earnings used in your pension calculation to grow, leading to a larger pension in retirement. The cumulative effect of increasing your earnings by CPI + 1% (to the upper limit) compared to just CPI can result in a significant boost to your lifetime pension.

Chart 1 – Illustrative Example of 1% Growth Over Time



Reduced Earnings Scenarios

Even if your employment earnings fall below your lower earnings limit in a given year, you will continue to build a secure retirement. ***In such a case, your accumulated service for that year will be proportionally adjusted***, but your annualized earnings for pension calculation purposes will be no less than your lower earnings limit.

Strategic Considerations and Professional Advice

The decision regarding your initial baseline earnings and subsequent annual adjustments is a critical component of your retirement planning. It is recommended to consult with a professional advisor to determine the baseline earnings amount that aligns best with your expected employment earnings and future retirement objectives.

HOOPP Contributions

If you choose to participate in HOOPP through your medical professional corporation (MPC), both **employee** and **employer** contributions must be made. Contributions are tied directly to the **baseline income** you select when joining the plan.

Employee Contributions:

6.9% of earnings up to **YMPE** ($71,300 in 2025).

9.2% of earnings above the YMPE.

Employer Contributions:

Your MPC must contribute **1.26 times your employee contribution**.

Example: Baseline Income of $200,000

Employee:

6.9% × $71,300 = **$4,920**

9.2% × ($200,000 – $71,300) = **$11,840**

Total Employee Contribution = $16,760

Employer:

$16,760 × 1.26 = **$21,118**

Combined Annual Contribution = $37,878

Disability Protection

One of HOOPP's unique features is "**free accrual**." If you become disabled and meet the Plan's qualification for being disabled, your pension continues to grow during the approved disability period at no cost to you or your MPC. This provides added protection and peace of mind during unexpected health events. It is important to note, that if you do work part-time during a period of disability, then there may be clawbacks or limitations to this benefit.

IPP Contributions

IPP contributions are based on the 2% pension benefit accrual, with the actuary determining the amount of contribution required to fund the accruing pension benefit. The maximum pension accrual in 2025 is $3,757, and with a 2% pension accrual formula, is based on T4 salary of $187,833. The amount of contribution required to fund the pension increases with the member's age. The Income Tax Act specifies the assumptions the actuary must use in determining the funding level, and once the member has attained age 40, the amount required to fund the maximum IPP accrual exceeds the maximum contribution permitted to be made to a DC pension plan on the same income.

Each year, the maximum allowable earnings and pension accrual are adjusted for average wage growth, typically estimated at **CPI + 1%**. Also, each year, as the member ages, the gap between what can be funded for the accrual in an IPP relative to a DC pension plan on the same amount of income increases.

As such, with an IPP you get larger contributions than for a DC pension plan or RRSP, with this gap increasing with age, along with potential additional contributions if investment returns fall short of assumptions. This makes it especially attractive for mid- to late-career physicians seeking to accelerate retirement savings.

(See Table 2 for a breakdown of the additional contribution capacity available under an IPP at the 2025 maximum pensionable salary of $187,833.)

Table 2 – Breakdown of Additional Contribution Capacity

Age	Contribution %	IPP	RRSP 18%	Additional Funding
40	18.90%	$35,500	$32,490	$3,010
41	19.30%	$36,252	$32,490	$3,762
42	19.60%	$36,815	$32,490	$4,325
43	20.00%	$37,567	$32,490	$5,077
44	20.40%	$38,318	$32,490	$5,828
45	20.80%	$39,069	$32,490	$6,579
50	22.80%	$42,826	$32,490	$10,336
55	25.00%	$46,958	$32,490	$14,468
60	27.50%	$51,654	$32,490	$19,164
65	28.80%	$54,096	$32,490	$21,606

Table 3 – Contribution Comparison HOOPP vs. IPP vs. RRSP

Feature	HOOPP (Defined Benefit Pension)	IPP (Individual Pension Plan)	RRSP
Contribution Rate	6.9% of annualized earnings up to the Year's Maximum Pensionable Earnings (YMPE) 9.2% of earnings above the YMPE The employer portion is 1.26x the employee portion.	Calculated by an actuary and designed to rise with age. Contributions begin to outpace RRSP limits around age 40 and become significantly higher through your 50s and 60s.	18% of earned income up to the CRA annual limit ($32,490 in 2025). Room accumulates with income and unused space carries forward indefinitely
Who Pays?	Members make regular contributions that are deducted directly from their pay for each pay period Employers are required to contribute 126% of member contributions For physicians who join HOOPP via a Medical Professional Corporation (MPC) the employer contributions are tax-deductible for the corporation	All contributions are paid by the corporation and are fully deductible as business expenses Actuarial, trustee, and administrative fees are also deductible	Individual makes contributions personally. Contributions are tax-deductible against personal income, but account fees are not deductible
Flexibility if Income Changes	Lets incorporated physicians set a baseline salary below their full T4 income. Contributions are tied to that baseline, with some annual flexibility, and do not include dividends	No contributions if no salary is paid; no free accrual.Contributions only possible if a T4 salary is paid. No accrual during years paid by dividends or no income	Contributions stop if income is low, but unused room carries forward indefinitely. No new RRSP room is created without earned income, and there is no employer match or automatic accrual.
Special Contributions	Not possible to make arbitrary, lump-sum contributions	Special tax-deductible top-ups allowed if investment returns fall below 7.5%, plus terminal funding at retirement	No special top-ups. Contributions limited to annual CRA room and carry-forward of unused space
Disability Coverage	Provides free accrual of benefits during disability or, if severe, an immediate disability pension without early retirement reductions.	No automatic disability protection. Contributions stop if no salary is paid, though plan assets remain protected from creditors	No disability protection. Growth continues only if contributions are made
Maximum Funding Potiental	Contribution rates fixed by plan rules. Maximum pension capped at CRA limits	Much higher funding room with age. Past service and terminal funding allow additional large contributions.	Limited to annual CRA maximum ($32,490 in 2025) plus carry-forward of unused room.

Pension Investments

HOOPP Investments: Professionally Managed and Pooled

HOOPP is widely recognized as one of Canada's strongest and most respected defined benefit (DB) pension plans.

Financial Strength and Funded Status

HOOPP's financial health is a key reason many physicians find it appealing. As of December 31, 2024, HOOPP reported net assets of **$123 billion**, up from **$112.6 billion** in 2023.

A critical measure of stability is the funded status, which compares assets to pension obligations. In 2024, HOOPP reported a **funded status of 111%** on a smoothed asset value basis, meaning the plan held $1.11 in assets for every dollar owed in pension benefits. This was the 15th consecutive year HOOPP maintained a surplus.

Another point of reassurance is contribution stability. Contribution rates have not changed since 2004 and are projected to remain the same until at least the end of 2026—providing over 20 years of cost certainty for both you and your employer.

Investment Management and Strategy

HOOPP's fund is managed by an in-house team of investment professionals whose fiduciary duty is to act in your best interest. Their investment strategy is designed to deliver on the pension promise over the long term. Roughly **80% of the benefits you receive in retirement** will come from investment returns, with only about 20% coming from contributions made by you and your MPC.

HOOPP uses a **liability-aware investing (LAI) approach**. This means investment decisions are made with the goal of matching assets to future pension obligations. The strategy is designed to safeguard your pension against market volatility, adapt to changing economic conditions, manage risks effectively, and take advantage of opportunities—all to protect your pension promise, including inflation protection.

Asset Classes and Diversification

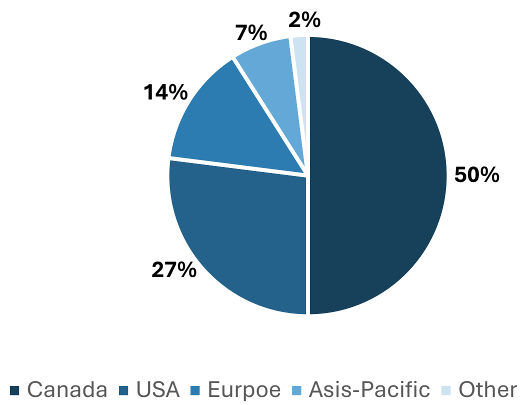
Your contributions, pooled with those of all other members, are invested in a globally diversified portfolio that includes:

- **Fixed Income:** Bonds and cash that help manage interest rate and inflation risks, while also providing stability and liquidity.
- **Public Equities:** Stocks in Canada, the U.S., and international markets that drive long-term growth.
- **Private Markets:**
    - ***Private Equity (HOOPP Capital Partners – HCP):*** Investments in global private companies for strong, risk-adjusted returns.
    - ***Infrastructure (HOOPP Infrastructure – HI):*** Long-term investments in sectors such as communications, power, transportation, and utilities.
    - ***Private Credit:*** Financing for businesses, infrastructure, and real estate projects that provide diversification and yield.
    - **Real Estate:** Income-producing properties that deliver steady cash flow and hedge against inflation.
    - **Credit Investments:** Including liquid credit, macro credit, and structured credit.
    - **Derivatives and Alternatives:** Tools to manage risk, enhance returns, and provide exposure to hedge funds, insurance funds, and reinsurance strategies.

Geographic Diversification and Sustainable Investing

HOOPP emphasizes global diversification to protect and grow your retirement savings. As of 2024, the portfolio was spread across multiple regions: **50% in Canada, 27% in the U.S., 14% in Europe, 7% in Asia-Pacific, and 2% in other markets**. To strengthen this international presence, HOOPP opened a London, U.K., office in June 2024. This expansion gives the plan greater access to private market opportunities in the U.K. and Europe and helps build stronger, higher-quality investment relationships.

Chart 2: HOOPP Geographical Diversification



Sustainable investing is also a priority. HOOPP has committed to a **net-zero emissions portfolio by 2050**, with interim milestones in 2025 and 2030. These targets include actively engaging with the companies HOOPP invests in, encouraging them to adopt credible transition plans, and committing more capital to green investments.

Plan Performance and Funding Stability

Strong investment results are a cornerstone of your pension security. In 2024, HOOPP reported:

Net investment income: $11.1 billion

Fund return (net of costs): 9.7%

10-year annualized return: 7.5%

20-year annualized return: 8.7%

This long-term performance, combined with HOOPP's stable funding approach, helps ensure the plan can continue to deliver on its pension promise to you.

IPP Investing Options

With an IPP, you gain greater flexibility and control over how your retirement funds are invested. Of course, this flexibility also comes with added responsibility.

If you decide to take a **self-directed approach**, you will need to ensure the investment platform you choose can support an IPP account. Keep in mind:

- No single investment can make up more than **10%** of your portfolio (with the exception of broad-based mutual funds or ETFs).
- You are not allowed to hold shares of your own company inside the pension plan.

If you prefer to work with an advisor, we recommend choosing a **portfolio manager**—someone with a fiduciary duty to act in your best interests. This ensures your pension investments are managed with the highest level of professional responsibility.

An IPP gives you the option to invest more aggressively if your risk tolerance and financial capacity allow. In cases where investment performance exceeds the plan's assumed return (currently about **7.5%**)[1], it may even reduce the need for future corporate contributions.

The key is to invest in a way that aligns with your long-term goals. Your IPP should be treated as the **foundation of your retirement income**. That means avoiding speculative, high-risk bets and focusing instead on a disciplined, thoughtful investment strategy designed to meet your pension needs over time.

Costs:

HOOPP Costs

With HOOPP, your medical professional corporation (MPC) will pay ongoing Ontario Hospital Association (OHA) membership fees of approximately **$1,300 per year**. Operating costs and investment management fees are paid directly by HOOPP and have been factored into the employee and employer contribution rates.

IPP Costs

With an IPP, you can expect annual administration costs in the range of **$1,700 to $2,000 per year**. If you choose to work with an investment advisor who charges a fee (for example, 1% of assets under management), that cost can be paid directly by your MPC rather than

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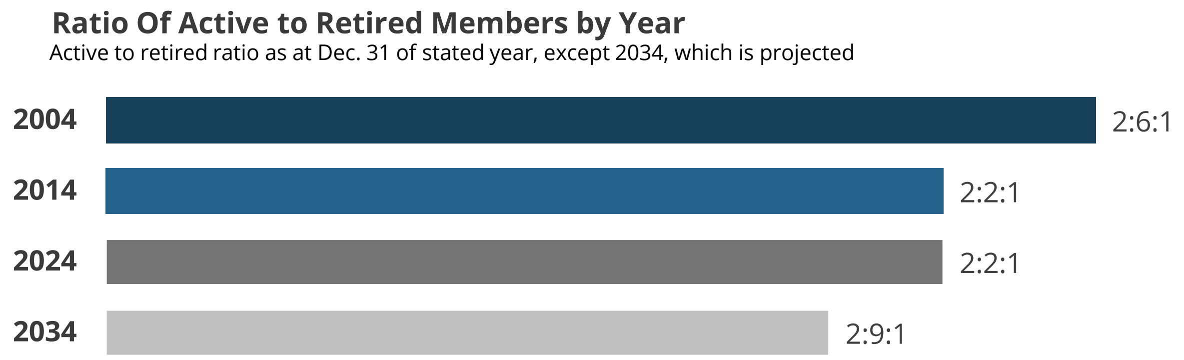
[1] This rate is prescribed under the Income Tax Act, along with other assumptions including mortality rates which impact the funding room available.

from within your pension investments. This provides an additional deduction, but also the added cost.

Pension Flexibility & Control

Flexibility is often overlooked until the moment you need it. When comparing your pension options, HOOPP provides very little flexibility or control, but in exchange, you receive lifetime income. An IPP, by contrast, offers you a high degree of flexibility. Which approach works best will depend entirely on your circumstances.

With HOOPP being a multi-employer plan, it must have strict rules to protect the interests of all members. That is why you are required to set a baseline income when you join, and why your service year is pro-rated if your earnings fall below the lower limit. These restrictions are designed to ensure fairness across the plan and to prevent any manipulation of benefits. It is important to note that multi-employer plans, particularly target benefit plans, can reduce benefits if the plan becomes underfunded, as their fixed contributions and contingent benefits make them susceptible to funding shortfalls. As the "active" to "retired" member ratio declines, this may put strain on the pension surplus and the plan as a whole.



Source: 2024 HOOP Annual Report

With an IPP, you have far more flexibility. You can decide not to fund a particular year and carry the contribution forward. This can be useful if you want to adjust your compensation mix between salary and dividends to manage your personal and corporate tax position, or simply choose to avoid the cost of the IPP pension contribution. Whereas in HOOPP, you have to make the required pension contributions annually.

The flexibility extends even further. You can maintain your IPP if you move to another province, or you can choose to wind it down and take the commuted value—the lump-sum present value of all future pension payments—if you no longer want the pension. As you approach retirement, you can weigh your IPP alongside your other sources of wealth, your TFSA, RRSP, non-registered accounts, and corporate investments, to determine how best to structure your income.

Consider a scenario where you set up an IPP, but early in retirement, you face unexpected health news that shortens your life expectancy. With an IPP, you could access the commuted value of the plan at any time, trading future pension income for immediate access to funds. This kind of flexibility can be invaluable when life takes an unexpected turn.

Pension Benefits

Both HOOPP and an IPP base retirement income on a standard pension formula, which we outlined earlier. The difference lies in the trade-offs: with HOOPP, you give up flexibility and control in exchange for a lifetime income.

Key Features of HOOPP Benefits

- **Normal retirement age:** 65
- **Early retirement age:** 55 with a reduction in the accrued pension for early commencement, unless you are at least age 60, or have 30 years of credited service.
- **Unreduced early retirement:** You can retire early with a full pension if you have attained age 60, or you are at least age 55 and have 30 years of credited service.
- **Inflation protection:** HOOPP provides annual cost-of-living adjustments (COLAs). Although COLA is discretionary based on the funding of the plan, HOOPP has a long track record of granting full inflation protection.

Joint and Survivor Options

By default, if you retire with a qualifying spouse and have not signed a waiver, your pension continues to provide for them. After you pass away, your spouse receives two-thirds of your pension for life, beginning once the first 60 monthly payments have been made.

You also have the option to increase the survivor benefit to 80% or even 100% of your pension. The trade-off is that your own monthly pension will be reduced during your lifetime to fund the potential increase in pension to your spouse after your death. Choosing the right option means balancing your income needs with the level of security you want to leave your spouse.

Death Benefits

- **Before retirement:** If you pass away while you are still working or if you have terminated and have a deferred pension, your qualifying spouse receives a lump sum equal to the commuted value of your pension entitlement. If you have no spouse, this amount goes to your named beneficiaries or your estate. Your spouse will have the option to receive a lifetime pension instead of the commuted value, with the pension amount determined to have the same value as the commuted value.
- **After retirement:** For the single life pension benefit, if you die before receiving 180 pension payments (15 years of income), your beneficiaries can choose between continuing the monthly payments until the 180 are reached or taking the present value of the remaining payments as a lump sum. For the joint life option, this guarantee is 5 years, which equates to 60 months of pension payments, and thereafter receive the percentage of continuing pension selected in the retirement form (66.67%, 80% or 100%).
- **Spousal pre-death:** If both you and your spouse pass away before 60 monthly payments have been made, your beneficiaries receive the same choice—continue monthly payments or receive the lump sum equivalent until a total of 60 monthly payments have been made from the time of your retirement.
- **Estate or charities as beneficiaries:** In these cases, the benefit is always paid as a lump sum.

Note: HOOPP does not disclose the specific valuation assumptions used to calculate commuted values. In general, the higher the assumed rate of return, the lower the commuted value payout will be.

IPP Pension Benefits

With an IPP, you use a defined benefit pension formula to build retirement assets. In practice, your pension will feel more like a defined contribution plan because outcomes depend on contributions, investment performance, and how you choose to structure benefits.

Key Features of IPP Benefits

- **Normal retirement age:** 65
- **Early retirement start:** 50 (with a reduction)
- **Unreduced pension:** 55 (may have a reduction)
- **Inflation protection:** Indexing is not automatic. It depends on how your plan assets have grown and what level of indexing you want to provide. This can often be

achieved through **terminal funding**—an additional top-up to ensure future pension liabilities, such as inflation adjustments, are covered. This allows you to have the flexibility to elect indexing on retirement based on your financial situation at that time.

Death and Survivor Benefits

- **No spouse:** If you pass away without a spouse, the remaining assets in your plan are paid to your estate or to your named beneficiaries. If you haven't yet received 180 monthly payments (15 years of income), your beneficiaries may choose to continue receiving those payments instead of taking a lump sum right away. In this case, once the 180 payments have been made, the remaining assets in the plan would be paid to your beneficiaries.
- **With a spouse:** If you pass away before 60 monthly payments have been made, your spouse will continue to receive the full pension until the 60-month mark. After that, your spouse receives two-thirds of the original amount for the rest of their lifetime.
- **After spouse's death:** After you retire and commence your pension, if your spouse passes away before you, or if they pass away after they've received their survivor benefits, any remaining plan assets are paid to your estate or named beneficiaries.

Survivor Benefit Options

You have the ability to structure your pension so that your spouse continues to receive income after your death. The standard option is two-thirds of your pension, but you can choose a higher percentage if you prefer. The trade-off is clear: similar to HOOPP the higher the survivor benefit, the lower your own monthly pension during your lifetime.

This flexibility allows you to balance your own retirement income needs with the peace of mind of knowing your spouse will be financially secure in the future.

Intergenerational Wealth & Estate Planning

For many physicians, once you begin planning for retirement, the next question is often: *what happens after I am gone?* You may wonder if your spouse will be financially secure or whether you will be able to leave a legacy for your children.

HOOPP Wealth & Estate Planning

The **HOOPP** plan is designed to prioritize income and security during your lifetime. If you pass away before you begin receiving pension income, your estate can access the commuted value of your pension. Once your pension payments have started, the plan's guarantees take effect:

- A **single-life pension** includes a 15-year guarantee.
- If you have a spouse, the plan includes a 5-year guarantee, along with survivor benefits.

For a sense of how these guarantees may play out depending on your lifespan, you can refer to the illustrative tables included at the end of this document.

IPP Wealth & Estate Planning

With an **IPP**, any remaining assets in your plan will flow to your beneficiaries or your estate, depending on how you choose to structure it. This creates more flexibility for you to determine how your pension assets are distributed after your lifetime.

Tax Efficiency & Corporate Planning

One of the questions we hear most often from physicians considering a pension is about tax efficiency.

With **HOOPP**, you make tax-deductible employee contributions from your income and your medical professional corporation (MPC) makes the employer contributions on your behalf as the employer. Your MPC then receives the tax deduction for its contributions.

With an **IPP**, your MPC funds 100% of the contributions and also receives the tax deduction. Once invested, your contributions grow tax-free inside the plan. This tax-sheltered compounding is one of the greatest advantages of an IPP. Over time, the ability to compound without tax drag can create significantly larger retirement savings, and as previously noted, larger than for contributions to a DC pension plan.

For physicians who pay themselves just enough salary to reach the maximum income required to maximize an RPP benefit, the contribution room under an IPP will typically be larger than under HOOPP.

It's important to note that while HOOPP covers the costs of investment management and plan administration, an IPP is self-funded. However, you have a unique advantage with an IPP if you work with an advisor; your corporation can pay the investment management fees directly. This creates an additional deduction at the corporate level, something not available in RRSPs.

HOOPP VS. IPP Contributions

The following projection is for a physician to indicate what the member and employer contributions made to HOOPP would otherwise have grown to had they been separately invested in a tax-sheltered account at various investment returns. The total HOOPP contributions are compared to the maximum IPP contributions for the same individual during the period.

Details:

Physician Age	Retirement Age	Initial Earnings	Salary Growth Per Year	Growth in YMPE Per Year
40	65	$200,000	3.00%	3.00%

Age	Earnings	YMPE	HOOPP Employee Contrib.	HOOPP Employer Contrib.	Total HOOPP Contrib.	Total IPP Contirb.
40	$200,000	$71,300	$16,760	$21,112	$37,872	$35,380
41	$206,000	$73,400	$17,264	$21,747	$39,011	$37,128
42	$212,180	$75,600	$17,782	$22,399	$40,181	$38,962
43	$218,545	$77,900	$18,314	$23,070	$41,384	$40,896
44	$225,101	$80,200	$18,865	$23,763	$42,628	$42,924
45	$231,854	$82,600	$19,431	$24,476	$43,907	$45,048
46	$238,810	$85,100	$20,013	$25,210	$45,223	$47,284
47	$245,974	$87,700	$20,612	$25,965	$46,577	$49,624
48	$253,353	$90,300	$21,232	$26,745	$47,977	$52,073
49	$260,954	$93,000	$21,869	$27,548	$49,417	$54,659
50	$268,783	$95,800	$22,525	$28,374	$50,899	$57,361
51	$276,846	$98,700	$23,200	$29,224	$52,424	$60,212
52	$285,151	$101,700	$23,895	$30,100	$53,995	$63,188
53	$293,706	$104,800	$24,611	$31,001	$55,612	$66,323
54	$302,517	$107,900	$25,350	$31,933	$57,283	$69,609
55	$311,593	$111,100	$26,111	$32,892	$59,003	$73,050
56	$320,941	$114,400	$26,895	$33,879	$60,774	$76,668
57	$330,569	$117,800	$27,703	$34,897	$62,600	$80,469
58	$340,486	$121,300	$28,535	$35,945	$64,480	$84,444
59	$350,701	$124,900	$29,392	$37,024	$66,416	$88,632
60	$361,222	$128,600	$30,275	$38,136	$68,411	$93,024
61	$372,059	$132,500	$31,182	$39,279	$70,461	$97,628
62	$383,221	$136,500	$32,117	$40,457	$72,574	$102,469
63	$394,718	$140,600	$33,080	$41,670	$74,750	$107,538
64	$406,560	$144,800	$34,073	$42,921	$76,994	$112,861
Total			**$611,086**	**$769,767**	**$1,380,853**	**$1,677,454**

Accumulated Value of HOOPP Contribution by Investment Return

Had the contributions made to HOOPP were instead invested in a tax-sheltered savings account, the contributions would have accumulated, depending on the investment return, as follows:

	Investment Return				
Age	5.00%	5.50%	6.00%	6.50%	7.00%
40	$0	$0	$0	$0	$0
41	$38,808	$38,900	$38,992	$39,084	$39,176
42	$80,722	$81,108	$81,495	$81,883	$82,271
43	$125,931	$126,841	$127,754	$128,672	$129,593
44	$174,635	$176,324	$178,027	$179,744	$181,473
45	$227,047	$229,807	$232,597	$235,419	$238,271
46	$283,391	$287,545	$291,759	$296,033	$300,368
47	$343,901	$349,810	$355,824	$361,945	$368,174
48	$408,824	$416,891	$425,128	$433,539	$442,126
49	$478,426	$489,098	$500,031	$511,230	$522,702
50	$552,984	$566,756	$580,910	$595,457	$610,408
51	$632,788	$650,206	$668,167	$686,688	$705,786
52	$718,146	$739,814	$762,231	$785,423	$809,418
53	$809,381	$835,963	$863,556	$892,198	$921,930
54	$906,836	$939,062	$972,625	$1,007,581	$1,043,990
55	$1,010,874	$1,049,547	$1,089,958	$1,132,189	$1,176,323
56	$1,121,878	$1,167,876	$1,216,103	$1,266,671	$1,319,699
57	$1,240,247	$1,294,532	$1,351,640	$1,411,724	$1,474,943
58	$1,366,405	$1,430,029	$1,497,189	$1,568,088	$1,642,943
59	$1,500,797	$1,574,910	$1,653,406	$1,736,555	$1,824,647
60	$1,643,893	$1,729,748	$1,820,989	$1,917,972	$2,021,073
61	$1,796,187	$1,895,150	$2,000,681	$2,113,239	$2,233,313
62	$1,958,197	$2,071,756	$2,193,266	$2,323,314	$2,462,530
63	$2,130,473	$2,260,245	$2,399,581	$2,549,224	$2,709,977
64	$2,313,593	$2,461,337	$2,620,516	$2,792,065	$2,976,998
65	$2,508,167	$2,675,793	$2,857,016	$3,053,006	$3,265,030

Accumulated Value of IPP Contributions by Investment Return

The accumulation of the IPP assets is as follows:

	Investment Return				
Age	5.00%	5.50%	6.00%	6.50%	7.00%
40	$0	$0	$0	$0	$0
41	$36,254	$36,340	$36,426	$36,512	$36,598
42	$76,112	$76,474	$76,837	$77,201	$77,565
43	$119,842	$120,699	$121,561	$122,427	$123,297
44	$167,740	$169,343	$170,960	$172,589	$174,231
45	$220,111	$222,745	$225,410	$228,104	$230,828
46	$277,277	$281,266	$285,314	$289,420	$293,584
47	$339,592	$345,302	$351,114	$357,029	$363,046
48	$407,421	$415,264	$423,272	$431,448	$439,791
49	$481,151	$491,589	$502,281	$513,231	$524,441
50	$561,217	$574,768	$588,692	$602,998	$617,691
51	$648,056	$665,298	$683,071	$701,389	$720,265
52	$742,157	$763,735	$786,047	$809,117	$832,967
53	$844,014	$870,643	$898,266	$926,919	$956,637
54	$954,176	$986,651	$1,020,446	$1,055,613	$1,092,207
55	$1,073,212	$1,112,414	$1,153,339	$1,196,063	$1,240,665
56	$1,201,727	$1,248,629	$1,297,749	$1,349,194	$1,403,075
57	$1,340,375	$1,396,052	$1,454,548	$1,516,012	$1,580,596
58	$1,489,849	$1,555,487	$1,624,668	$1,697,595	$1,774,475
59	$1,650,871	$1,727,774	$1,809,089	$1,895,084	$1,986,038
60	$1,824,235	$1,913,838	$2,008,886	$2,109,732	$2,216,742
61	$2,010,768	$2,114,647	$2,225,193	$2,342,864	$2,468,139
62	$2,211,346	$2,331,230	$2,459,219	$2,595,901	$2,741,896
63	$2,426,912	$2,564,696	$2,712,270	$2,870,381	$3,039,823
64	$2,658,451	$2,816,210	$2,985,723	$3,167,934	$3,363,849
65	$2,907,022	$3,087,025	$3,281,064	$3,490,321	$3,716,063

Accumulated Contributions and Returns of HOOPP vs. IPP

The preceding tables indicate the accumulation of contributions that would be made to HOOPP or an IPP, respectively. The IPP has a materially larger accumulated balance and a larger accrued pension due to its ability to contribute substantially more to the IPP.

The projected annual pension at age 65 for HOOPP for this member is: $174,702.

The projected annual pension at age 65 for an IPP for this member is: $196,621.

The reason for this difference is that an IPP uses indexed earnings and provides a flat 2% accrual formula. HOOPP uses a 5-year average earnings formula, providing a rate of 1.5% up to the average YMPE and 2.0% on the portion of average earnings above the YMPE.

Total contributions projected to be made to HOOPP from age 40 through to attaining age 65 is $1,380,853. The total contributions projected to be made to IPP from age 40 through to reaching age 65 is $1,677,454, an increase of $296,601 or 21.5% higher.

The projected account balances for the accumulation of HOOPP contributions compared to the accumulation of IPP contributions at age 65 are as follows:

	Investment Return				
Age 65	5.00%	5.50%	6.00%	6.50%	7.00%
HOOPP	$2,508,167	$2,675,793	$2,857,016	$3,053,006	$3,265,030
IPP	$2,907,022	$3,087,025	$3,281,064	$3,490,321	$3,716,063

Runoff of Account Balance

A major difference between HOOPP and an IPP is the estate value at the death of the member.

For HOOPP, the estate value at the member's death in retirement, assuming the member elected the normal form of pension payment, would be:

- If the member retired without a spouse, the remainder of the 15 years of guaranteed payments.
- If the member retired with a spouse, and the spouse is still alive at the member's death, the present value of the continuing survivor payments to the spouse.
- If the member retired without a spouse, and the spouse had already died at the member's death, the present value of the remainder of the 5-year guarantee period.

For an IPP, the estate value at the member's death in retirement is the asset value that remains in the IPP at the member's death.

In order to make a reasonable comparison of values under the HOOPP approach and the IPP approach, we have assumed that the HOOPP projected pension would be withdrawn from the account balance, with the initial account balance set as the accumulation of the HOOPP contribution amounts.

For determining the present value of any remaining payments under the HOOPP plan on the member's death, we reflected the assumed investment return. We also assumed that the member's spouse is 3 years younger than the member and that cost-of-living increases are 2.0%.

Present Value of HOOPP Estate Value for selected ages at Member's death

Present Value of Remaining Payments if Member retired without a spouse (pension form is lifetime with a 15-year guarantee)

	Investment Return				
Age of Member's Death	5.00%	5.50%	6.00%	6.50%	7.00%
65	$2,104,127	$2,036,111	$1,971,415	$1,909,842	$1,851,211
66	$2,030,317	$1,968,656	$1,909,833	$1,853,691	$1,800,083
67	$1,949,236	$1,893,901	$1,840,959	$1,790,285	$1,741,762
68	$1,860,449	$1,811,374	$1,764,283	$1,719,079	$1,675,671
69	$1,763,498	$1,720,574	$1,679,264	$1,639,494	$1,601,194
70	$1,657,900	$1,620,972	$1,585,327	$1,550,909	$1,517,668
71	$1,543,147	$1,512,007	$1,481,859	$1,452,663	$1,424,383
72	$1,418,703	$1,393,087	$1,368,211	$1,344,050	$1,320,577
73	$1,284,004	$1,263,584	$1,243,693	$1,224,316	$1,205,434
74	$1,138,457	$1,122,835	$1,107,572	$1,092,656	$1,078,080
75	$981,438	$970,140	$959,067	$948,214	$937,575
76	$812,289	$804,758	$797,354	$790,074	$782,916
77	$630,318	$625,905	$621,552	$617,259	$613,025
78	$434,798	$432,753	$430,730	$428,729	$426,748
79	$224,961	$224,427	$223,897	$223,371	$222,848
80+	$0	$0	$0	$0	$0

Present Value of Remaining Payments if Member retired with a spouse and spouse has died before the death of the Member (pension form is the remainder of a 5-year guarantee of payments)

	Investment Return				
Age of Member's Death	5.00%	5.50%	6.00%	6.50%	7.00%
65	$805,118	$795,850	$786,767	$777,863	$769,135
66	$666,358	$660,180	$654,106	$648,134	$642,262
67	$517,079	$513,459	$509,888	$506,366	$502,893
68	$356,685	$355,008	$353,348	$351,706	$350,081
69	$184,546	$184,108	$183,673	$183,241	$182,813
70+	$0	$0	$0	$0	$0

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Present Value of Remaining Payments

Present Value of Remaining Payments if Member retired with a spouse and spouse is still alive at Member's death (pension form is lifetime with a 5-year guarantee and a 66.67% pension to spouse)

	Investment Return				
Age of Member's Death	5.00%	5.50%	6.00%	6.50%	7.00%
65	$2,475,844	$2,342,074	$2,220,405	$2,109,481	$2,008,121
66	$2,425,849	$2,296,308	$2,178,291	$2,070,534	$1,971,928
67	$2,370,550	$2,245,184	$2,130,776	$2,026,145	$1,930,260
68	$2,309,717	$2,188,445	$2,077,570	$1,976,000	$1,882,769
69	$2,243,130	$2,125,836	$2,018,390	$1,919,778	$1,829,108
70	$2,170,584	$2,057,119	$1,952,960	$1,857,173	$1,768,927
71	$2,157,119	$2,047,426	$1,946,504	$1,853,491	$1,767,624
72	$2,141,130	$2,035,319	$1,937,749	$1,847,631	$1,764,262
73	$2,122,490	$2,020,664	$1,926,557	$1,839,449	$1,758,695
74	$2,101,059	$2,003,314	$1,912,776	$1,828,788	$1,750,763
75	$2,076,735	$1,983,156	$1,896,281	$1,815,518	$1,740,330
76	$2,049,410	$1,960,072	$1,876,949	$1,799,504	$1,727,255
77	$2,018,995	$1,933,960	$1,854,663	$1,780,624	$1,711,406
78	$1,985,426	$1,904,742	$1,829,335	$1,758,775	$1,692,672
79	$1,948,665	$1,872,363	$1,800,894	$1,733,874	$1,670,956
80	$1,908,692	$1,836,788	$1,769,289	$1,705,856	$1,646,182
85	$1,661,051	$1,610,707	$1,562,937	$1,517,573	$1,474,460
90	$1,346,861	$1,315,434	$1,285,318	$1,256,440	$1,228,734
95	$1,021,308	$1,003,646	$986,576	$970,073	$954,111
100	$760,096	$750,347	$740,865	$731,641	$722,665
105	$625,081	$618,814	$612,691	$606,708	$600,859
110	$534,162	$530,102	$526,116	$522,204	$518,362

Present Value of Runoff of Assets to provide Pension Payments

It is important to note that the amount of starting assets before preparing the runoff is different based on the investment scenario, because the accumulating contributions would have grown to a larger amount. The amount of pension being drawn down each year is the same in all scenarios.

	Investment Return				
	5.00%	5.50%	6.00%	6.50%	7.00%
Account at 65	$2,508,167	$2,675,793	$2,857,016	$3,053,006	$3,265,030
Pension*	$174,702	$174,702	$174,702	$174,702	$174,702

** This is the initial pension, and is increased annually at 2% per annum.*

Assets Remaining in Account at Member's Death

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Age of Member's Death	Investment Return 5.00%	5.50%	6.00%	6.50%	7.00%
65	$2,508,167	$2,675,793	$2,857,016	$3,053,006	$3,265,030
66	$2,454,559	$2,643,520	$2,848,570	$3,071,161	$3,312,869
67	$2,394,690	$2,605,883	$2,836,020	$3,086,890	$3,360,442
68	$2,328,176	$2,562,515	$2,819,048	$3,099,964	$3,407,659
69	$2,254,611	$2,513,028	$2,797,315	$3,110,136	$3,454,421
70	$2,173,569	$2,457,011	$2,770,460	$3,117,143	$3,500,621
71	$2,084,599	$2,394,028	$2,738,100	$3,120,702	$3,546,143
72	$1,987,227	$2,323,619	$2,699,827	$3,120,511	$3,590,860
73	$1,880,955	$2,245,295	$2,655,206	$3,116,247	$3,634,637
74	$1,765,256	$2,158,541	$2,603,775	$3,107,563	$3,677,327
75	$1,639,577	$2,062,810	$2,545,043	$3,094,090	$3,718,770
76	$1,503,335	$1,957,524	$2,478,488	$3,075,432	$3,758,794
77	$1,355,916	$1,842,073	$2,403,555	$3,051,166	$3,797,214
78	$1,196,675	$1,715,811	$2,319,653	$3,020,839	$3,833,830
79	$1,024,932	$1,578,053	$2,226,155	$2,983,968	$3,868,426
80	$839,970	$1,428,076	$2,122,394	$2,940,036	$3,900,768
85	$0	$466,537	$1,423,211	$2,593,753	$4,019,166
90	$0	$0	$340,058	$1,970,025	$4,034,111
95	$0	$0	$0	$950,636	$3,888,232
100	$0	$0	$0	$0	$3,499,425
105	$0	$0	$0	$0	$2,750,723
110	$0	$0	$0	$0	$1,476,087

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