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ASSOCIATION OF CANADIAN PENSION MANAGEMENT (ACPM) APPLAUDS FEDERAL GOVERNMENT ACTION ON RETIREMENT SAVINGS

(Toronto, Canada, February 23, 2005) -- The Association of Canadian Pension Management (ACPM), applauds the federal government's proposal to eliminate the current 30% ceiling on foreign investments by Canadian pension funds and to increase the annual contribution limits for RRSPs and registered pension plans.

The federal budget tabled today by Finance Minister Ralph Goodale proposes that the 30% foreign property limit on pension investments be eliminated effective immediately, and that RRSP annual contribution limits be gradually increased to \$22,000 with corresponding increases for registered pension plans.

Since last November, the ACPM appeared before the Commons Finance Committee, and met separately with the political parties, to push for elimination of the 30% limit for the following reasons.

- The limit was costing Canadians an estimated \$1.5 to \$3.0 billion annually in foregone income and increased administrative fees.
- The limit was restricting the ability of Canadians to diversify the investment of their retirement savings in order to reduce risk and seek better returns.

The ACPM also argued for increased RRSP and pension contribution limits to allow Canadians to adequately save for retirement and to bring Canada closer to tax-assisted retirement savings levels available in the U.S. and the U.K.

These budget proposals will promote greater self-reliance in retirement by encouraging savings and by assisting Canadians investing for a secure retirement.

About the ACPM

The Association of Canadian Pension Management (ACPM) represents private and public pension plan sponsors, administrators and related stakeholders. The ACPM currently has 700 members across Canada, representing 400 pension plans covering approximately 3 million plan members.

ACPM's mission is to promote the growth and health of Canada's retirement income system by championing the following principles:

- Clarity in pension legislation, regulation and arrangements;
- Good governance and administration
- Balanced consideration of stakeholder interests

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