# EMPLOYER NOTICE

**<** Insert your company logo**>**

# REGARDING PARTICIPATION

# IN THE DESJARDINS VRSP

# DECEMBER DAY, YEAR

You are receiving this notice because you decided to opt out or terminate your participation in the Desjardins VRSP (contribution of 0%).

Under the ***Voluntary Retirement Savings Plans Act***, employers are required to follow up in the month of December every two years after the date the employee opted out or terminated their participation.

To find out more about this plan, please see the attached document, **Five things you should know about VRSPs**.

Please contact us if you would like to reactivate your participation in the VRSP or increase your contribution rate.

AUTHORIZED SIGNATORY

Authorized representative for

NAME OF EMPLOYER

## Five things you should know about VRSPs

### 1. What is a VRSP?

VRSP stands for voluntary retirement savings plan and is the result of the *Voluntary Retirement Savings Plans Act* that was passed into law July 1, 2014. Employers who have a business in Quebec are required to offer this plan to encourage their employees to save for retirement.

### 2. Who is affected by the Act?

Employees who meet all three of the following conditions:

1. Be at least 18 years of age
2. Be an employee as defined in the *Act respecting labour standards*
3. Have at least one year of uninterrupted service for the employer as defined in the *Act respecting labour standards*

An “employee” is defined as a person who works for an employer and is entitled to a wage. This includes:

* An employee who performs work in Quebec for an employer who has a place of business in Quebec
* An employee who performs work both in Quebec and outside Quebec for an employer whose residence, domicile, undertaking, head office or office is in Quebec
* An employee domiciled or resident in Quebec who performs work outside Quebec for an employer whose residence, domicile, undertaking, head office or office is in Quebec.

“Uninterrupted service” refers to the uninterrupted period during which the employee is bound to the employer by a contract of employment, even if the performance of work has been interrupted without cancellation of the contract, and the period during which fixed term contracts succeed one another without an interruption that would, in the circumstances, give cause to conclude that the contract was not renewed. In the case of a seasonal worker, for instance, the parties' true intention to continue the contract from year to year must be considered.

### 3. Does the Act still apply if your employer already offers a group retirement savings plan?

Employers who already offer a group RRSP, a simplified pension plan (SPP), a defined contribution pension plan (DCPP) or a group TFSA to their employees are not affected by this new legislation, provided that:

* The opportunity to contribute to the plan is offered to all eligible employees
* Employees can contribute to the plan through payroll deductions.

If the plan currently in place is not open to all employees, the employer either has to modify the rules of the plan to allow all employees to participate, or set up a VRSP for the remaining employees. In addition, all contributions must be made by payroll deduction, if this is not already the case.

### 4. What are the advantages of participating in a VRSP?

#### **Automatic payroll deductions**

Your plan contributions are automatically taken off your paycheque. It's easy and gives you the discipline you need to save.

Immediate tax savings

Contributions are taken off your paycheque before taxes, so you actually pay less tax on each pay.

Range of investment options

You can choose between a pre-established portfolio that adjusts automatically based on your age, or a portfolio that you build yourself from the funds available in your plan.

Lower management and investment fees

Take advantage of group buying power and pay lower management and investment fees than you would with an individual plan like an RRSP. That means you can put more money away for your retirement.

Tools and support

We’re here to help you get started. Check out our website or mobile app for an online calculator, videos and your account statements, or call our customer contact centre.

### 5. What is the employee contribution rate?

The VRSP contribution rate is determined by the employee. However, for employees who fail to set their contribution rate, a default rate is provided under the Act and applies as follows:

* 2% of gross salary from July 1, 2014 to December 31, 2017
* 3% of gross salary from January 1, 2018 to December 31, 2018
* 4% of gross salary after January 1, 2019

For more information,please contact us:

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