

# GROUP RETIREMENT SAVINGS SOLUTIONS

Simply let our experts guide you



## WHICH GROUP RETIREMENT SAVINGS PLAN IS RIGHT FOR YOUR BUSINESS?

Choosing the right retirement plan for your organization is an important decision. And because of that, you want to make sure you've made the right choice. The best way to do this is to clearly identify your goals. We're here to help. Here is a list of some of the plans you might be considering:

1. **RRSP** Group Registered Retirement Savings Plan
2. **DPSP** Deferred Profit Sharing Plan
3. **VRSP** Voluntary Retirement Savings Plan
4. **SPP** Simplified Pension Plan
5. **DCPP** Defined Contribution Pension Plan
6. **TFSA** Group Tax Free Savings Account

YOU WANT TO	PENSION PLAN CHOICES					
	RRSP	DPSP	VRSP <sup>1</sup>	SPP <sup>1</sup>	DCPP	TFSA
Contribute to your employees' retirement plan	Possible	Yes	Possible	Yes	Yes	Possible
Give your employees a way to save specifically for retirement	No	No	Yes <sup>2</sup>	Yes	Yes	No
Increase your contributions when your employees increase theirs	Possible	No	Possible	Possible	Possible	Possible
Contribute occasionally, such as when your company makes a profit	Possible	Yes	Possible	Possible	No	No
Adjust your contributions based on employee productivity or performance	Possible	Yes	Possible	No	No	Possible
Give your employees immediate access to your contributions (vesting)	Yes	Possible	Yes	Yes	Possible	Yes

## THINGS TO THINK ABOUT

- Your contributions to an RRSP or a TFSA are considered salary paid to your employees, so payroll taxes (e.g., Employment Insurance) will apply.
- The DPSP is almost always offered in tandem with an RRSP because employees can't contribute to a DPSP. A company that only offers a DPSP will not be compliant with the *VRSP Act*.
- Employer contributions to an RRSP, VRSP or TFSA are immediately vested. The same applies to the SPP,<sup>1</sup> to the DCPP in Quebec, Ontario, Alberta, B.C., Manitoba and Nova Scotia, and to federal plans. In the other provinces, employer contributions made into a DCPP are generally vested after two years of participation in the plan.

<sup>1</sup> The VRSP is available in Quebec only. Desjardins offers the SPP in Quebec only.

<sup>2</sup> Employer contributions only.



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## PLAN COMPARISON TABLE

FEATURE	GROUP RRSP	DPSP	VRSP <sup>1</sup>	SPP <sup>1</sup>	DCPP	GROUP TFSA
<b>Pension Plan Administrator</b>	N/A	Trust	Authorized administrator	Authorized administrator	Employer, pension committee (in Quebec) <sup>3</sup> or board of trustees (other jurisdictions)	N/A
<b>Annual meeting</b>	Not required	Not required	Not required	Not required	Required in Quebec only	Not required
<b>Employer contributions</b>	Optional	Required	Optional	Required (additional contributions possible)	Required	Optional
<b>Vesting<sup>4</sup></b>	N/A	After no more than 2 years of participation	Immediate	Immediate	Immediate in QC, ON, AB, BC, MB and NS and for plans under federal jurisdiction	N/A
<b>Locking-in<sup>5</sup></b>	N/A	N/A	Yes	Yes	Yes	N/A
<b>Payroll taxes</b>	Yes (considered a salary increase)	No	No	No	No	Yes (considered a salary increase)
<b>Employee contributions</b>	Optional	Not allowed	Allowed	Allowed	Allowed	Optional
<b>Spousal contributions</b>	Possible	No	No	No	No	No
<b>Locking-in</b>	N/A	N/A	No	The employer's choice	Yes	N/A
<b>Eligible employees</b>	All	All (except connected persons) <sup>6</sup>	All	All	All	Residents of Canada age 18 and up
<b>Registration/Jurisdiction</b>	CRA <sup>7</sup>	CRA	AMF <sup>7</sup> , CRA and provincial	CRA and provincial	CRA, federal and provincial	CRA
<b>Fees payable to regulators</b>	No	No	Yes (payable by Desjardins)	Yes (payable by Desjardins)	Yes	No
<b>Investments</b>						
<b>Instructions (choice)</b>	By the employee	By the employee or the plan administrator	By the employee	By the employee	By the employee or the plan administrator	By the employee
<b>Statement of investment policies and procedures (SIPP)</b>	Not required	Not required	Not required	Not required	Required (except in Quebec if individual instructions are required)	Not required

<sup>3</sup> For more than 25 members.

<sup>4</sup> Employees can access employer contributions if they meet plan requirements.

<sup>5</sup> Ensuring that funds in a retirement plan cannot be accessed before retirement.

<sup>6</sup> As defined in the *Income Tax Act*, "connected persons" are individuals who own at least 10% of the shares of the company establishing the DPSP.

<sup>7</sup> CRA: Canada Revenue Agency. AMF: Autorité des marchés financiers.