

A winning proposition And it's never been easier or more affordable!

A group retirement plan is a great way to attract and retain employees while helping them save for their retirement. Employees are looking for that help and are less likely to leave if you offer it.

The benefits to them are obvious but is a group retirement savings plan good for your company too? The answer is YES.

- ✓ Less employee turnover means less hiring and training
- ✓ Contributions to a deferred profit sharing plan can minimize salary expenses
- ✓ Greater employee satisfaction leads to greater productivity
- ✓ Employee retention speaks volumes about your company in the job market

COMPARISON OF EMPLOYER SPONSORED RETIREMENT PLANS

	Registered Pension Plan (DC) * (RPP)	Group Retirement Savings Plan (GRSP)	Deferred Profit Sharing Plan (DPSP)
Goal	Provide retirement income	Deferred compensation and/or retirement savings	Deferred compensation
Eligibility	All Employees are eligible if: the employer has established a plan for their class, they have completed 2 years of continuous employment, and they have earned at least 35% of the YMPE ** in each of those 2 consecutive years.	All Employees or only specific groups of employees.	All Employees or only specific groups of employees. Significant shareholders and their families are not eligible.
Contributions	Defined contribution is usually a % of salary. Plan provisions can specify required and voluntary contribution amounts. Minimum employer contribution is 1%.	Both plan members and employer can contribute. Plan provisions can specify required & voluntary contribution amounts. Contributions can continue to member's age 71.	Member contributions are not allowed. Employer contributions can be made based on a reference to, or out of profits.
Withdrawals	Withdrawals are not permitted while the member is employed.	Provided the plan provisions allow, withdrawals can be made at any time. Withdrawals are taxed as regular income.	Withdrawals are not permitted while the member is employed.
Locking-in	2 years plan membership	No	No

Registered Pension Plan (DC) *
(RPP)

Group Retirement Savings Plan
(GRSP)

Deferred Profit Sharing Plan
(DPSP)

Vesting Rules	The revised Pension Benefits Standards Act (PBSA) introduced immediate vesting effective September 30, 2015. This means an employee is entitled to receive any benefit earned from the time he/she joined the plan to the date membership terminates.	Immediate	2 years plan membership
Spousal Contribution	No	Yes	No
Legislative Impact	Subject to Income Tax Act and Provincial or Federal Pension Benefits Act	Subject to Income Tax Act	Subject to Income Tax Act
Filings	Government filings required	No government filings required	Government filings required
Payroll Taxes	Employer contributions are not subject to payroll tax and are tax deductible for the Employer.	Employer contributions increase employees' gross earnings and may increase payroll taxes (dependent on salary level). Employee claims a tax deduction for employer contributions.	Employer contributions are not subject to payroll tax and are tax deductible for the Employer.
Beneficiary	Spouse has priority entitlement	No restriction on beneficiary designation.	No restriction on beneficiary designation.

* DC refers to a Defined Contribution

** YMPE is the yearly maximum pensionable earnings, as determined by Canada Revenue Agency annually.

Every attempt has been made to ensure an accurate and impartial comparison of the above group retirement plans but in the event of a dispute, the policy document will prevail.