

# GROUP RETIREMENT SAVINGS

## SOLUTIONS

### AFÉSAQ



## The VRSP – a quick review

### What exactly does the VRSP Act ask of you?

The *Act respecting voluntary retirement savings plans* (VRSP Act) requires employers in Quebec with five or more employees to offer their employees a VRSP or the equivalent.

If you don't already offer a group plan (such as an RRSP, SPP or TFSA) funded by **payroll deductions to all of** your employees age 18 or over, you'll have to make one of these plans available by the deadline, or adapt your existing plan to make sure it is compliant. The Act also applies to seasonal workers in their second year with the same employer.

### Good news!

A simple solution is within your reach: **The AFÉSAQ's Simplified Pension Plan (SPP)**. This group plan is considered the equivalent of a VRSP. In other words, if you set up the SPP, you'll be compliant with the VRSP Act.

### Why should you invest in your employees' retirement?

The AFÉSAQ has set up an SPP to encourage your employees to take play a more active role in their own retirement planning. It's a great attraction and retention tool. Why would you look for work elsewhere if you've already got a great plan?

### You catch more flies with honey...

Studies have shown that a strong retirement plan is one of the three key advantages employees seek in an employer. To attract qualified workers and new talent, your employee benefits have to stack up with what major players can offer. Luckily, your SPP is a match for any of their plans!

A quality retirement plan boosts employee loyalty and productivity by boosting employees' sense of security and belonging. It's not just indirect financial compensation—it shows employees that you care about their wellbeing and financial future. Employees see it as a way to growth their wealth at a company they already feel a connection with, rather than seeking their fortunes elsewhere.

# The AFÉSAQ SPP – a quick review

The SPP's claim to fame is how easy it is to administer. That's because it is the service provider, Desjardins Insurance, takes care of it for you. Desjardins provides efficient and user-friendly tools to complete transactions and monitor your plan, an administrator to guide you through your day-to-day plan management activities and a client relations advisor to make sure you hit your participation targets. It's a way for you to offer your employees a solid retirement plan while minimizing administrative fuss.

## **Benefits of the SPP for your foundation:**

- Easy to set up and administer
- Employer contributions aren't included in the calculation of your payroll taxes, like contributions to the CPP or EI
- If you do business with Desjardins Payroll and Human Resource Services, contributions will automatically be paid into the SPP
- A lighter tax burden, thanks to tax-deductible contributions
- You set the plan parameters, including employer and employee contributions
- Employer contributions are locked in immediately, so they can't be withdrawn until the participant retires
- You can choose whether to permit discretionary contributions
- Desjardins Insurance offers support and guidance to help manage your plan, so you can save big.
- It helps attract and retain top talent

## **Benefits of the SPP for your employees:**

- Employees get immediate tax savings, since contributions are deducted from their gross salary
- Employee contributions aren't locked in; they can be used for the HBP and the LLP
- Investment earnings on contributions are tax-sheltered
- Employer contributions are vested immediately
- Employees have access to a wide range of investment options
- The pension fund is protected, and savings are exempt from seizure
- The participant's spouse is protected in the event that the participant dies before retirement
- Voluntary contributions are allowed and are not locked-in

*Help your employees prepare for retirement! Employees that can trust in their financial future will be motivated and productive today!*

## **Questions?**

Call H  l  ne Graveline at 1-888-760-2325, ext. 2.



Cooperating in building the future