

## Voluntary Retirement Savings Plan

Québec workers will soon have access to a voluntary retirement savings plan ("VRSP"). The VRSP will be a savings plan that can be offered by an employer starting July 1, 2014 where the management of the plan will be performed by an authorized administrator.

### For Businesses

All businesses with 5 or more eligible employees will be required to participate, unless they already offer to their employees the opportunity to contribute to a group Registered Retirement Savings Plan ("RRSP"), a Tax-Free Savings Account, or benefit from a Registered Pension Plan.

Employers can participate from July 1, 2014 but the implementation may be transitioned over several years depending on the size of the business. The employer must subscribe to the VRSP and automatically enroll eligible employees:

For businesses with 20 or more eligible employees	By Dec. 31, 2016
For businesses with 10 to 19 eligible employees	By Dec. 31, 2017
For businesses with 5 to 9 eligible employees	To be determined, but not prior to January 1, 2018

Employers may contribute in favor of a member of the plan according to a flexible rate. In addition, the employer may amend its contribution to the plan of an employee after providing a notice to that effect.

### For Workers

There will be an automatic enrollment for an employee who is 18 years or over if they have at least one year of uninterrupted service with the employer within the meaning under the Act respecting labour standards. However, employees will have a period of 60 days to opt out of their participation, before premiums begin to be deducted from their salary.

Employee contributions will be subject to a rate and an investment option by default. However, employees will be able to change these parameters according to their needs, subject to certain rules.

Contributions will be deductible in computing the income of the employee when they will be paid, within limits. This will allow the employee to have immediate tax savings. Moreover, the amounts accrued will not be taxed until they are withdrawn from the plan in question.

Note that a taxpayer may contribute up to the ceiling amount for tax purposes, taking into account other contributions he made for the year in question. The ceiling amount is the same as for RRSPs, which must be shared.

Please do not hesitate to contact an SLF advisor, if you have any questions in regards to this information or any other tax matters.

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