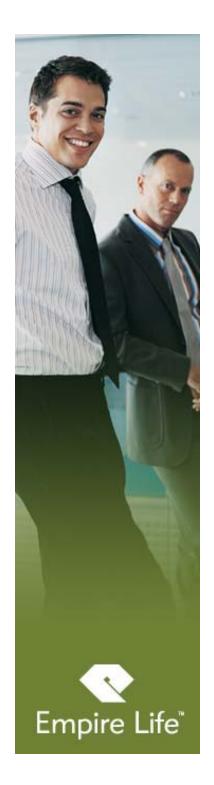




# **Group Retirement Savings Plans**

- Group Retirement Plan Options
- Why These Plans Are So Popular
- Empire Life Option Plus Group RSP



# **Group Retirement Plan Options**

- 1) Defined Contribution Pension Plans
- 2) Deferred Profit Sharing Plans
- 3) Group RSPs



## **Defined Contribution Pension Plans**

#### **Contributions**

- Can be vested
- Employer and employee contributions are specified within a formal arrangement
- Employer is required to contribute

## Relatively high degree of

- Complexity
- Administrative costs
- Employer responsibility



# **Deferred Profit Sharing Plans**

### **Contributions**

- Can be vested
- Based on profits
- Contribution maximums

## Relatively Moderate degree of

- Complexity
- Administrative costs
- Employer responsibility

Note: "Connected persons" are <u>not</u> eligible to participate in DPSPs.





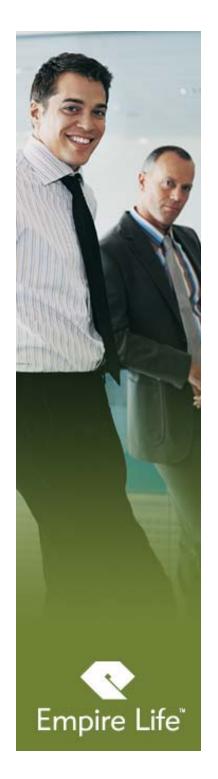
## A Collection of Individual RRSPs

### **Contributions**

- Immediate vesting
- Employer & employee contribution are optional

### Relatively <u>low</u> degree of

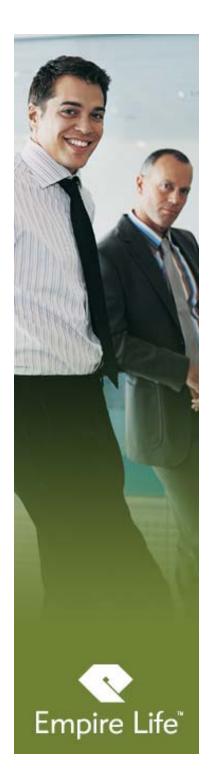
- Complexity
- Administrative costs
- Employer responsibility



# **Employee's Perspective**

### The Solution: A Group RSP

- Convenient payroll deduction (Forced Savings)
- Building for retirement
- Reduced income tax withheld at source
- Access to a financial advisor
- Contributions are optional
- Investment portfolios can be customized to meet the needs of each plan member



# The GRSP Advantage

|                              | Individual<br>RRSP | Group<br>RSP |
|------------------------------|--------------------|--------------|
| Monthly Salary               | \$2,500            | \$2,500      |
| GRSP Contribution            | \$0                | \$300        |
| Taxable Income               | \$2,500            | \$2,200      |
| Tax Deducted at Source       | \$443              | \$369        |
| Take-Home Pay                | \$2,057            | \$1,831      |
| Individual RRSP Contribution | n \$226            | \$0          |
| Available Income             | \$1,831            | \$1,831      |

<sup>\*</sup>Assumed at-source deduction rate is: 17.72% on taxable monthly income of \$2,500 16.77% on taxable monthly income of \$2,200

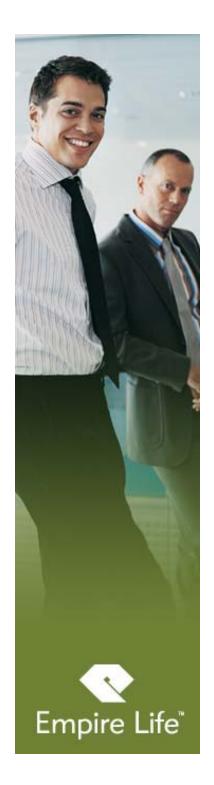


## **GRSP Key Employee Benefits**

### **Assumptions:**

- \$226 Reduction in take-home pay:
  - \$226 Individual RRSP vs. \$300 GRSP
- Tax refund from Individual RRSP is not reinvested
- 7.5% Growth rate

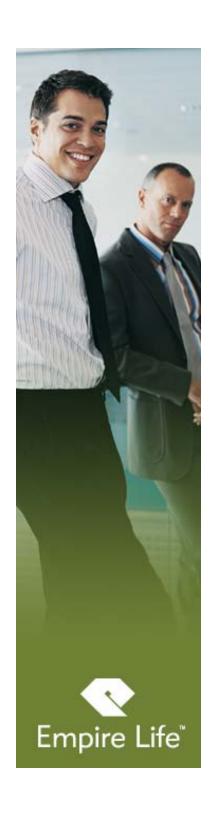
| Year | Individual<br>RRSP | GRSP      | GRSP<br>Advantage |
|------|--------------------|-----------|-------------------|
| 5    | \$16,385           | \$21,750  | \$ 5,365          |
| 10   | \$39,908           | \$52,976  | \$13,068          |
| 20   | \$122,161          | \$162,160 | \$39,999          |
| 30   | \$291,685          | \$387,193 | \$95,508          |



# **Employer's Perspective**

### The Solution: A Group RSP

- Customized and flexible
- A variety of investment choices
- Minimal administration & reporting
- Minimal costs



Introducing Empire Life

"Option Plus Group RSP"



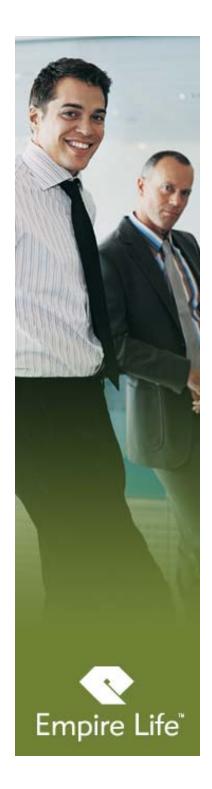
- Competitive Investment Options
- Flexible Plan Design
- Easy Administration
- Low Cost Plan



- Competitive Investment Options
  - Variety of Funds
    - No-load Funds
    - Strong Performance History
  - Competitive GIO Rates
    - Enhanced Rates (+0.125%)
    - Banded Rates
    - 45 day Rate Guarantee on transfers to the plan



- Flexible Plan Design
  - Customized Plans: (Regular Vs. Structured)
    - Various degrees of employer control
    - Withdrawal Provisions
    - Ability to track employer contributions
  - Membership Optional (Min: 2 members)
  - Contributions Optional (\$10K/plan/yr; \$30/member/mo)
  - Potential Creditor Protection
  - Segregated Fund Guarantees
  - Resets
  - Ease of Administration



- Low Cost Plan
  - No set-up fee
  - No annual fees
  - No-load segregated funds with guarantees



### **Option Plus, the perfect solution!**

- Adequate Retirement Funding for Employees
- Helps Employers Recruit & Retain Key Employees

