



VRSP LAW: ARE YOU COMPLIANT?

Companies affected by the VRSP law must implement a **group savings plan allowing payroll deductions** that will be accessible to all employees according to the following schedule:

Number of eligible employees	Deadline
20+	December 31, 2016
10-19	December 31, 2017
5-9	To be determined
1-4	None

Thereafter, an employer will have to comply **at the latest on December 31 of a given year** if he has:

- at least 10 eligible employees on June 30 of the given year **and**
- at least 5 eligible employees on December 31 of the previous year.

The law states that an employer who contravenes this obligation is guilty of an offense and is liable to a **fine** ranging from **\$500 to \$10,000**, which may be doubled in the event of a second offense. Note that a **business whose activities fall under federal jurisdiction** is not affected by this law.

What is an eligible employee?

- salaried as defined in the *Act Respecting Labour Standards* of age 18 or over;
- has completed at least 1 year of service, as defined in the *Act Respecting Labour Standards*;

How to comply?

The government created the VRSP in order to facilitate compliance with the law. However, it is perhaps not as flexible and customizable as other group retirement plans. Group Censeo, in collaboration with your advisor, can help you implement an appropriate group retirement plan according to your needs:

- Group Registered Retirement Savings Plan (group RRSP);
- Deferred Profit Sharing Plan (DPSP)¹;
- Group Tax-Free Savings Account (group TFSA);
- Simplified Pension Plan (SPP);
- Voluntary Retirement Savings Plan (VRSP);
- Registered Pension Plan (RPP).

¹ The DPSP must be combined with another plan such as an RRSP to comply with the law.