

Reflection on taxes

December 5, 2013

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For more information, please contact a member of our Tax Group

Will your business be subject to the VRSP Act ?

The Bill on voluntary retirement savings plans ("VRSP") filed by the Marois government in May was sanctioned on December 4, 2013 by the National Assembly of Québec. The measures contained in Bill 39 are designed to allow Quebecers without pension plans to have access to a savings vehicle offering the benefits of a group plan.

Headlines

- Required employers will have to subscribe to a plan.
- The plan must be registered with the Régie des rentes du Québec and administered by a corporation that holds a license from the Autorité des marchés financiers.
- Employers must automatically enroll employees in the plan, but they may opt out.
- An employer has no obligation to contribute to the plan.
- The VRSP Act enters into force on July 1, 2014.

Requirement and date of compliance

Every employer with an establishment in Québec will be subject or not to the obligation to subscribe to a VRSP depending on the number of "eligible employees" of the company. An "eligible employee" is an employee:

- aged 18 years or more;
- having at least one year of uninterrupted service;
- who has no registered pension plan ("RPP"), registered retirement savings plan ("RRSP") or a tax-free savings account ("TFSA") offered by the employer.

Number of employees	Deadline for implementing a VRSP
20 employees or more as at June 30, 2016	December 31, 2016
10 to 19 employees as at June 30, 2017	December 31, 2017
5 to 9 employees	No date determined yet but not prior to January 1, 2018