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## Group Retirement Savings Plan can include a Tax-Free Savings Account (TFSA)

As the newest savings vehicle in the Canadian financial market, the Tax-Free Savings Account (TFSA) offers Canadians the opportunity to save money tax-free for their retirement.

Manulife's Group TFSA will provide plan sponsors with another viable savings plan, to consider for their retirement savings program, and gives plan members the opportunity to save for their retirement and capitalize on tax-free investment earnings and growth.

### What is a Group TFSA?

- A Group Tax-Free Savings Account provides an alternative savings vehicle for group plan members 18 years of age or older.
- Plan members can contribute \$5,000 to the TFSA each year. Contributions are not eligible for tax deductions.
- Investment growth accumulates without tax implications and there are no tax consequences when a withdrawal is made. The amount withdrawn in a given year is added back to the member's unused contribution room in the following year. For example, John Smith contributes \$5,000 and withdraws \$2,000 in 2009. In 2010, John can contribute \$7,000 to his TFSA.

- Contributions made to this plan will not impact income-tested benefits and credits such as Old-Age Security, Guaranteed Income Supplement, Employment Insurance benefits, Goods and Services Tax credit or Canada Child Tax Benefit.



If your company currently has a group retirement plan setup with Manulife Financial, beginning April 1, 2009, you can offer your employees the opportunity to include a Tax-Free Savings Account (TFSA) within their group retirement savings program.

Offering a TFSA through a group retirement savings program can have a number of advantages, provided it aligns with the program's goals and objectives.

## Features of a group TFSA

Manulife's Group TFSA offers many of the same features and services as other plan types offer (ex. RPP or GRRSP). For example, plan members can contribute either through payroll deduction or lump-sum deposits. Members who are retiring or terminating their employment can transfer their holdings to the Manulife Personal Plan TFSA.

Members' contributions to the Group TFSA are included in their estimated retirement income when establishing or updating their goals with the Steps Retirement Program®.

To help encourage members to remain invested in the

Group TFSA and continue to build their retirement savings, a transaction fee of \$50 will apply to each withdrawal a member makes. This is designed to discourage frequent withdrawal activity.

The Group TFSA provides sponsors with the option of using Manulife's Online Plan Governance Centre to update CAP documents and integrate the new plan into their governance structure.

All of Group Savings and Retirement Solutions standard investment funds available to registered plans are also available to the TFSA, with the

exception of Group IncomePlus, and directly-held com-

## Pension Plan Reminders



In all jurisdictions except New Brunswick, pension legislation requires employee contributions to a registered pension plan be remitted to the pension fund within 30 days after the month in which the contribution was deducted from an employee's pay. New Brunswick requires employee contributions be remitted within 15 days. Most jurisdictions require employer contributions be remitted to the pension fund within the same time frames. When remittances to the pension fund are not made within the legislated time frame, the pension custodian is required to contact the provincial regulator.

We encourage you to be aware of the contribution deadlines applicable to your pension plan and ensure contributions are remitted on a timely basis to avoid being reported to the provincial regulator.

## Annual Form 7 Reminders

Pension custodians monitor contributions remitted each month and investigate when actual contributions submitted deviate by more than 10% of the estimated amount report on Form 7. Plan administrators are required to provide the pension custodian a revised Form 7 immediately following any permanent change to the Summary of Contributions (Ontario).

Ontario plan administrators are required to submit a Form 7 Summary of Contributions to the custodian within 60 days after the beginning of the plan year. If a form is not submitted, the custodian is required to contact the Superintendent of Financial Services, FSCO. The Form 7 Summary of Contributions can be printed from the

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