



Mackenzie group plans

EMPLOYER GUIDE





Employers see retirement benefits as top attraction, retention tool

Three reasons why every organization should have a group retirement plan



Increased productivity

Plan sponsors (employers) can anticipate reduced absenteeism, as members (employees) spend less company time attending to their personal financial matters.

Source: Benefits & Pensions Monitor



Reduced turnover

Having a group plan in place helps attract and retain qualified individuals – 45% of respondents say their company’s retirement plan is an important reason for them to stay with their current employer.

Source: Towers Watson 2013/2014 Global Benefits Attitudes Survey



Increased morale, work satisfaction and loyalty

According to a recent study, 77% of working Canadians would consider changing jobs if, all other things being equal, another employer offered better retirement support.

Source: Benefits Canada, Nov. 2021

Financial advisor

Qualified, independent advice,
communication, education

THE PROVEN PARTNERSHIP PROCESS

Employer/plan sponsor

Mackenzie Group Plans

Record keeping & support services,
respected investment management



Group retirement plans

Group Registered Retirement Savings Plan (RRSP)

Features of a group RRSP:

Plan sponsor contributions to a group RRSP are a taxable benefit to members. Taxable income is increased, but offset by a tax receipt. However, payroll taxes are also increased and can impact both plan sponsor and member.

Additional features of a group RRSP:

- Vests immediately.
- Partial/full withdrawals allowed.

Combination group RRSP/DPSP

With a group RRSP for member contributions and a DPSP for plan sponsor contributions, everyone wins. Members contribute to a group RRSP, affording them the flexibility they need to manage their retirement plan. Plan sponsor contributes to a DPSP, reducing their payroll taxes and enhancing restrictive features if desired.

Positive impact of group RRSP/DPSP:

Plan sponsor

- Up to two-year vesting period.
- No partial/full withdrawals unless authorized.

Member

- No negative tax impact.
- Not locked in.

Supplemental plans

- Group TFSA
- Group non-registered
- DCRPPs
- IPPs
- Group RESP

Deferred Profit Sharing Plan (DPSP)

Features of a DPSP:

Unlike a group RRSP, a plan sponsor contribution to a DPSP is not a taxable benefit to members. Therefore, it does not increase payroll taxes. Payroll taxes include: CPP; Employer Health Tax; EI; Worker's Compensation. Contributions must be made from profits and/or retained earnings.

Additional features of a DPSP:

- Up to two-year vesting period.
- Withdrawals can be restricted.

2023 PAYROLL TAXES

In 2023, payroll taxes include:

CPP 5.95%
(up to \$66,600 max. \$3,754.45)

QPP 6.4%
(up to \$66,600 max. \$4,038.40)

EI 2.282%
(up to \$61,500 max. \$1,403.43)

WSIB 1% – 10%
(depends on industry and province)

EHT 1.95%
in Ontario (varies per province)

*A company with 25 employees may incur additional payroll costs of between \$1,500 to \$3,000. A DPSP may eliminate the additional payroll costs. Actual costs will vary.



Why a financial advisor should handle your group retirement plan?



Advice

Financial advisors are qualified professionals

A qualified financial advisor ensures that all participating members — especially those with little or no investment experience — receive suitable and prudent guidance when investing their savings. A financial advisor will also conduct a periodic review of the investment mix and co-ordinate other registered and non-registered long-term savings at your request. By law, investment advice is to be dispensed only by individuals licensed by the provincial securities commissions.



Communication

Keeping members informed

More than simply providing investment advice, your financial advisor is available to answer questions about your members' personal investments, account statements and any financial matter that concerns them. Because the financial advisor is familiar with the members' personal situations, they can present a variety of options to help meet their individual objectives. Your advisor will keep you up to date on important changes to the group plan's investments, various regulatory changes that could impact the plan and much more.



Education

Educated investors make satisfied staff

In addition to counselling individual investors, a financial advisor is a valuable resource to help educate plan sponsors on the various group plan options available and the benefits associated with each. For investors, financial advisors provide education on a wide range of investment topics for both the novice and more sophisticated investors. Many financial advisors will tell you that the more educated an investor is about their investment selection, the more comfortable they are over the long term.



Why Mackenzie Investments should be your investment management and recordkeeping service provider?



Respected investment management

Mackenzie Investments is one of Canada's largest investment managers and mutual fund organizations with global operating offices in Boston, Dublin, London, Hong Kong and Beijing. Mackenzie Investments currently offers more than 16 distinct investment boutiques and manages in excess of \$180 billion AUM for over 1,000,000 investors.



Quality record-keeping and competitively-priced plans

Mackenzie Investments provides comprehensive account services for all Group Retirement Plans at a competitive price. These include providing:

- Plan sponsors with contribution reporting
- Members with regular statements detailing contributions, account positions and more
- Assistance in preparation and submission of certain provincial or federal government filings that may be applicable to a particular Group Plan

B2B Trustco, a federally regulated trust company is the trustee of Mackenzie Group Plans. The Trustee appoints Mackenzie Investments as its agent to provide services to group plans many of which are the same services described above. These include applying to Canada Revenue Agency for registration of certain types of Group Plans, custody of Mackenzie Mutual Fund securities and client reporting, including account statements and tax reporting.



Commitment to the independent financial advisor network

Mackenzie Investments maintains a strong working relationship with skilled, independent financial advisors — professionals who work directly with investors like your employees to establish and execute successful long-term financial plans



Comparison of group plans

Criteria for comparison	Group Registered Retirement Savings Plan	Deferred profit sharing plan	Defined contribution registered pension plan
TAXATION	<ul style="list-style-type: none"> • Contributions are deductible and earnings are tax-sheltered. • Plan sponsor contributions are a taxable benefit. • Benefits are taxable upon distribution. 	<ul style="list-style-type: none"> • Plan sponsor contributions are deductible and earnings are tax-sheltered. • Benefits are taxable upon distribution. • PA calculations are required. • PA is the sum of contributions to the plan. • PA will reduce the member's RRSP contribution room the following year. 	<ul style="list-style-type: none"> • Contributions are deductible and earnings are tax-sheltered. • Benefits are taxable upon distribution. • PA calculations are required. • PA is the sum of contributions to the plan. • PA will reduce the member's RRSP contribution room the following year.
REGISTRATION REQUIREMENTS	<ul style="list-style-type: none"> • Plan is registered with CRA. 	<ul style="list-style-type: none"> • Plan is registered with CRA. • CRA may revoke registration if plan sponsor contributes more than allowable limits or if the terms of the plan are broken. 	<ul style="list-style-type: none"> • Plan is registered with CRA and the applicable pension authority. • CRA may revoke registration if plan sponsor contributes in excess of allowable limits or if a minimum of 1% is not met.
ELIGIBILITY FOR PLAN MEMBERSHIP	<ul style="list-style-type: none"> • No restrictions. 	<ul style="list-style-type: none"> • Connected persons (anyone who owns at least 10% of any class of the company's shares or does not deal at arm's length with the plan sponsor) are not permitted to participate in the plan. 	<p>Depending on the jurisdiction of the plan:</p> <ul style="list-style-type: none"> • Full-time members (employees) must be eligible after two years of service. • Part-time members (employees) must be eligible after two years of service in which certain earning levels are achieved or a minimum number of hours are worked



COMPARISON OF GROUP PLANS

Criteria for comparison	Group Registered Retirement Savings Plan	Deferred profit sharing plan	Defined contribution registered pension plan
CONTRIBUTION LIMITS	<ul style="list-style-type: none"> Contributions are limited to lesser of 18% of earned income for the prior year to a maximum of \$30,780 in 2023. For each year after 2023, the limits are indexed for inflation. Beginning in 1991, unused RRSP contribution room may be carried forward from the prior year to future taxation years. 	<ul style="list-style-type: none"> Contributions are limited to lesser of 18% of earned income or half of defined contribution pension plan limit (see defined contribution pension plan column). 	<ul style="list-style-type: none"> Total contributions are limited the lesser of 18% of earned income or \$31,560 in 2023. For each year after 2023, the limits are indexed for inflation.
VESTING/LOCKING-IN	<ul style="list-style-type: none"> Contributions are vested immediately. Contributions can normally be withdrawn at any time, but the plan may be designed to provide for restrictions during employment.* 	<ul style="list-style-type: none"> Maximum vesting period is two years of plan membership. Plan sponsor may restrict withdrawals of vested money until the member retires, dies, terminates employment or the plan winds up.* 	<ul style="list-style-type: none"> Immediate vesting in Alberta, British Columbia, Ontario, Manitoba, Nova Scotia, Quebec, and federal jurisdictions. Benefits are locked in as soon as benefit has vested.*
INVESTMENT OPPORTUNITIES/ RESTRICTIONS	<ul style="list-style-type: none"> Must invest in qualified investments prescribed by CRA. 	<ul style="list-style-type: none"> Must invest in qualified investments prescribed by CRA. 	<ul style="list-style-type: none"> Must invest in qualified investments prescribed by CRA. Investment restrictions may be imposed by some provincial authorities (e.g., 10% limit on securities of any one company).
PAYMENT OPTIONS AVAILABLE	<ul style="list-style-type: none"> Transfer to an individual RRSP. Transfer to a RRIF. Transfer to registered pension plan (RPP), if it allows for transfers in. Cash payment.* Purchase of life or term annuity. 	<ul style="list-style-type: none"> Transfer to an individual RRSP, RRIF, DPSP or registered pension plan (if permitted by the receiving plan). Cash payment.* Purchase annuity. 	<ul style="list-style-type: none"> Transfer to locked-in RRSP/LIRA/LRIF. Life income fund (most jurisdictions). Transfer to another RPP if permitted by the receiving plan. Cash payment or transfer to non-locked in RRSP or RRIF in limited circumstances.* Purchase annuity.



MACKENZIE
Investments

General inquiries

For all of your general inquiries and account information please call:

English: 1-800-387-0614

Bilingual: 1-800-387-0615

Montreal: 1-800-363-4357

Fax: 1-866-766-6623

E-mail: service@mawinvestments.com

Web: mackenzieinvestments.com

Group plan support

Telephone: 1-800-665-0513 (Option 1: English)

Hours: Monday to Friday 8:30 am to 6 pm (ET)

Email: groupadmin@mackenzieinvestments.com

Fax: 1-866-766-6623

**Find fund and account information on-line through Mackenzie Investments' secure InvestorAccess.
Visit mackenzieinvestments.com for more information.**

This should not be construed to be legal or tax advice, as each client's situation is different. Please consult your own legal and tax advisor.

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