

# Comparison Chart for Capital Accumulation Plans

*(with inserts for PBSA and provincial legislation)*

January 1, 2010

# Hello.

Retirement and savings plans, broadly referred to as Capital Accumulation Plans (CAPs), are subject to different types of legislation, the terms of which can vary greatly from one jurisdiction to the next.

This chart and its related inserts enable a straightforward comparison of the different types of arrangements. The chart provides information on plans that have the same provisions nationwide – Group RRSPs, Group Structured RRSPs, Deferred Profit Sharing Plans (DPSPs) and Tax-Free Savings Accounts (TFSAs). Inserts outline the provisions for Defined Contribution pension plans for each jurisdiction in Canada, as established in provincial pension legislation and the federal *Pension Benefits Standards Act, 1985 (PBSA)*.

While they do provide an overview of how the various plans work, the chart and inserts are not meant to provide an exhaustive level of detail. Additional information can be found in Standard Life's Summary of Pension Legislation (updated annually) and on the Canada Revenue Agency (CRA) website at <http://www.cra-arc.gc.ca/tx/rgstrd/menu-eng.html>.

# Table of contents

Comparison of various  
Capital Accumulation Plans

Provisions of Federally Regulated  
Money Purchase Pension Plans

Provisions of Money Purchase  
Pension Plans in Alberta

Provisions of Money Purchase  
Pension Plans in British Columbia

Comparison of Money Purchase  
Pension Plans in Manitoba

Provisions of Money Purchase  
Pension Plans in New Brunswick

Provisions of Money Purchase Pension Plans  
in Newfoundland and Labrador

Provisions of Money Purchase  
Pension Plans in Nova Scotia

Provisions of Money Purchase  
Pension Plans in Ontario

Comparison of Money Purchase  
Pension Plans in Quebec

Provisions of Money Purchase  
Pension Plans in Saskatchewan

## Comparison of various Capital Accumulation Plans

	Group RRSP	Group Structured RRSP	Deferred Profit Sharing Plan (DPSP)	Group TFSA												
<b>Definition</b>	A tax-assisted arrangement, usually sponsored by an employer, to help employees save for retirement.	A tax-assisted arrangement, sponsored by an employer, to encourage shared (employee <i>and</i> employer) retirement savings.	A tax-assisted arrangement enabling an employer to share company profits with employees.	A savings account, usually sponsored by an employer, intended to provide an additional tax-efficient savings plan for eligible participants that could complement their existing group retirement plans.												
<b>Participation</b>	<ul style="list-style-type: none"> <li>Voluntary.</li> <li>Owner-manager/shareholder employee may join.</li> </ul>	<ul style="list-style-type: none"> <li>Voluntary or compulsory, as per plan rules.</li> <li>Owner-manager/shareholder employee may join.</li> </ul>	<ul style="list-style-type: none"> <li>As per plan rules.</li> <li>Connected employees, as defined under the <i>Income Tax Act</i> (Canada), are not eligible to participate.</li> </ul>	<ul style="list-style-type: none"> <li>Voluntary.</li> <li>Available to any individual who is resident in Canada and 18 years of age or older.</li> <li>Spouse/common-law partner of an employee may become a participant, if the plan allows.</li> </ul>												
<b>Contributions</b>	<ul style="list-style-type: none"> <li>Made by <b>employee only</b>.</li> <li>Any amount up to the unused RRSP contribution room reported on the employee's RRSP Deduction Limit Statement included in the Canada Revenue Agency's (CRA) latest Notice of Assessment.</li> <li>May be suspended or terminated.</li> </ul> <p>The RRSP contribution limit for 2010 is the lesser of \$22,000 and 18% of the <i>previous year's earned income</i>.</p> <p>Proposed increases to the dollar limit:</p> <table border="1"> <tr> <td>2011</td> <td>\$22,450</td> </tr> <tr> <td>2012</td> <td>indexed</td> </tr> </table>	2011	\$22,450	2012	indexed	<ul style="list-style-type: none"> <li>Made by <b>employee and employer</b>.</li> <li>Any amount up to the unused RRSP contribution room reported on the employee's RRSP Deduction Limit Statement included in the Canada Revenue Agency's (CRA) latest Notice of Assessment.</li> <li>May be suspended or terminated.</li> </ul> <p>The RRSP contribution limit for 2010 is the lesser of \$22,000 and 18% of the <i>previous year's earned income</i>.</p> <p>Proposed increases to the dollar limit:</p> <table border="1"> <tr> <td>2011</td> <td>\$22,450</td> </tr> <tr> <td>2012</td> <td>indexed</td> </tr> </table>	2011	\$22,450	2012	indexed	<ul style="list-style-type: none"> <li>Made by <b>employer only</b>.</li> <li>Contributions must be made, as set in plan rules, out of corporate profits (based on an established formula) or by reference to profits (percentage of the profits for the year).</li> <li>None may be made if no profits or no retained earnings.</li> </ul> <p>The DPSP contribution limit for 2010 is the lesser of \$11,225 and 18% of the employee's <i>current year remuneration</i> from the employer.</p> <p>Proposed increases to the dollar limit:</p> <table border="1"> <tr> <td>2011</td> <td>indexed</td> </tr> <tr> <td>2012</td> <td>indexed</td> </tr> </table>	2011	indexed	2012	indexed	<ul style="list-style-type: none"> <li>Made by <b>employee only</b>.</li> <li>Annual TFSA contribution room is made up of three amounts, and it will be reported by the Canada Revenue Agency (CRA) with the latest Notice of Assessment: <ul style="list-style-type: none"> <li>The annual contribution limit.</li> <li>Any unused TFSA contribution room from the previous year.</li> <li>Any amounts withdrawn from a TFSA in the previous year.</li> </ul> </li> <li>May be suspended or terminated.</li> <li>The annual contribution limit is \$5,000 starting in 2009.</li> </ul> <p><i>Note – The \$5,000 limit will be indexed to inflation and the annual additions to contribution room will be rounded to the nearest \$500 on a yearly basis.</i></p>
2011	\$22,450															
2012	indexed															
2011	\$22,450															
2012	indexed															
2011	indexed															
2012	indexed															
<b>Income splitting</b>	Employer may allow spousal RRSP accounts.	Employer may allow spousal RRSP accounts.	Not possible.	Not possible.												
<b>Tax treatment of: employee contributions, if any</b>	<ul style="list-style-type: none"> <li>Tax deductible for the employee.</li> <li>Contributions deducted from pay before income tax.</li> </ul>	<ul style="list-style-type: none"> <li>Tax deductible for the employee.</li> <li>Contributions deducted from pay before income tax.</li> </ul>		<ul style="list-style-type: none"> <li>Not tax deductible for the employee.</li> <li>Contributions deducted from pay after income tax.</li> </ul>												
<b>employer contributions, if any</b>	Employer-paid administration fees (if any) are considered a taxable benefit for the employee.	<ul style="list-style-type: none"> <li>Contributions are taxable income for the employee.</li> <li>Contributions are tax deductible for the employer.</li> <li>Increase overall payroll and related payroll taxes.</li> <li>Employer-paid administration fees (if any) are considered a taxable benefit for the employee.</li> </ul>	<ul style="list-style-type: none"> <li>Tax deductible for the employer.</li> <li>Do not constitute a taxable benefit for the employee until payout.</li> <li>Made directly into plan and do not impact payroll taxes.</li> </ul>	N/A												
<b>Vesting</b> (right to employer contributions)	N/A	Immediate	<ul style="list-style-type: none"> <li>After 2 years of membership in the plan.</li> <li>Plan rules may allow for earlier vesting.</li> </ul>	N/A												
<b>Locking-in</b> (requirement to use assets <i>solely</i> to generate an income at retirement)	None	None	None	None												
<b>Withdrawals during employment</b> (cash withdrawals are subject to tax withholding)	Allowed at any time.	<ul style="list-style-type: none"> <li>Withdrawals of employer contributions may be restricted, or controlled by: <ul style="list-style-type: none"> <li>(i)imposing a waiting period for rejoining the plan.</li> <li>(ii)suspending future employer contributions for a period of time.</li> </ul> </li> <li>Withdrawals of employee contributions may be restricted.</li> </ul>	May be permitted in plan rules.	<ul style="list-style-type: none"> <li>Allowed at any time.</li> <li>Withdrawals are not taxable and therefore, they are not subject to tax withholding.</li> </ul>												
<b>Termination benefit and options</b>	<ul style="list-style-type: none"> <li>Value of employee contributions.</li> <li>Options: cash (subject to tax withholding) or transfer to an RPP, another RRSP or a RRIF.</li> </ul>	<ul style="list-style-type: none"> <li>Value of employee and vested employer contributions.</li> <li>Options: cash (subject to tax withholding) or transfer to an RPP, another RRSP or a RRIF.</li> </ul>	<ul style="list-style-type: none"> <li>Value of vested employer contributions.</li> <li>Options: cash (subject to tax withholding) or transfer to an RPP, an RRSP, the DPSP of a new employer or a RRIF.</li> </ul>	<ul style="list-style-type: none"> <li>Value of participant's TFSA.</li> <li>Cash.</li> <li>Transfer to another TFSA (not subject to tax withholding).</li> </ul>												
<b>Retirement income options</b>	<ul style="list-style-type: none"> <li>Immediate or deferred annuity, or</li> <li>Transfer the total value of the account to an RRSP or a RRIF.</li> </ul>	<ul style="list-style-type: none"> <li>Immediate or deferred annuity, or</li> <li>Transfer the total value of the account to an RRSP or a RRIF.</li> </ul>	Transfer the total value of the account to an RPP, an RRSP, the DPSP of a new employer or a RRIF.	<ul style="list-style-type: none"> <li>Value of participant's TFSA.</li> <li>Cash.</li> <li>Immediate or deferred annuity.</li> <li>Transfer to another TFSA (not subject to tax withholding).</li> </ul>												
<b>Death benefit</b>	Value of all contributions paid out to designated beneficiary or, if none, to the estate.	Value of all contributions paid out to designated beneficiary or, if none, to the estate.	Value of vested contributions paid out to designated beneficiary or, if none, to the estate.	Value of deceased's TFSA paid out to designated beneficiary or, if none, to the estate.												
<b>Administrative matters</b>	<ul style="list-style-type: none"> <li>RRSPs are governed by the <i>Income Tax Act</i> (Canada).</li> <li>Standard Life issues tax receipts twice a year.</li> </ul>	<ul style="list-style-type: none"> <li>RRSPs are governed by the <i>Income Tax Act</i> (Canada).</li> <li>Employee and employer contributions are recorded separately.</li> <li>Standard Life issues tax receipts twice a year.</li> </ul>	<ul style="list-style-type: none"> <li>DPSPs are governed by the <i>Income Tax Act</i> (Canada).</li> <li>A trust must be established to hold the DPSP funds and the trustee(s) administer the plan.</li> <li>The trustee(s) are responsible for calculating Pension Adjustment Reversals (PAR) for terminated members and issuing T10 slips, summaries and segments.</li> <li>DPSP contributions have to be reported by the employer on T4 income tax slips, as a Pension Adjustment (PA).</li> </ul>	<ul style="list-style-type: none"> <li>TFSAs are governed by the <i>Income Tax Act</i> (Canada).</li> <li>Standard Life will not issue tax receipts concerning the plan.</li> </ul>												

# Provisions of Federally Regulated Money Purchase Pension Plans

	Defined Contribution Registered Pension Plan (DC-RPP)				
<b>Definition</b>	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.				
<b>Participation</b>	<ul style="list-style-type: none"> <li>• Owner-manager/shareholder employee may join.</li> <li>• <b>Full-time employees:</b> may join, subject to any eligibility period, as per plan rules; maximum 2 years of continuous service.</li> <li>• <b>Part-time employees:</b> may join, subject to same period as full-time employees, as per plan rules; maximum 2 years of continuous service and annual earnings of at least 35% of the YMPE in each of the 2 consecutive calendar years immediately preceding membership.</li> </ul>				
<b>Contributions</b>	<ul style="list-style-type: none"> <li>• Made by <b>employer and possibly employee</b>.</li> <li>• Must follow a formula as specified in the plan rules.</li> <li>• Employer must contribute at least 1% of employee's remuneration.</li> <li>• Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan.</li> <li>• May not be suspended or terminated unless plan is officially terminated.</li> </ul> <p>The RPP contribution limit for 2010 is the lesser of \$22,450 and 18% of the employee's <i>current year remuneration</i> from the employer.</p> <p>Proposed increases to the dollar limit:</p> <table> <tr> <td>2011</td> <td>indexed</td> </tr> <tr> <td>2012</td> <td>indexed</td> </tr> </table>	2011	indexed	2012	indexed
2011	indexed				
2012	indexed				
<b>Income splitting</b>	Not possible				
<b>Tax treatment of: employee contributions, if any</b>	<ul style="list-style-type: none"> <li>• Tax deductible for the employee.</li> <li>• Contributions deducted from pay before income tax.</li> </ul>				
<b>employer contributions</b>	<ul style="list-style-type: none"> <li>• Tax deductible for the employer.</li> <li>• Does not constitute a taxable benefit for the employee until payout.</li> <li>• Made directly into plan and do not impact payroll taxes.</li> </ul>				
<b>Vesting</b> (right to employer contributions)	<ul style="list-style-type: none"> <li>• After 2 years of continuous membership in the plan.</li> <li>• Plan rules may allow for earlier vesting.</li> </ul>				

## Defined Contribution Registered Pension Plan (DC-RPP)

### Locking-in

(requirement to use assets *solely* to generate an income at retirement)

- Same terms as vesting.
- Applies to employee and employer contributions.
- Does not apply to voluntary contributions.

### Withdrawals during employment

(cash withdrawals are subject to tax withholding)

- Not permitted while still employed.
- May be allowed for voluntary contributions, as per plan rules.

### Termination benefit and options

- Value of employee and vested employer contributions (refer to Vesting and Locking-in above).
- Options: cash (not locked-in contributions), transfer to another pension plan, a locked-in RRSP, a LIF, an RLIF or purchase a deferred life annuity.

### Retirement income options

- Joint life annuity reverting to 60% to spouse or common-law partner, or
- Subject to a pension waiver, transfer the value of vested contributions to a LIF or RLIF.

### Death benefit

- **If there is a surviving spouse or common-law partner:** value of vested contributions payable to spouse or common-law partner (locked-in if the deceased member's right to a deferred pension was vested and locked-in).
- **If there is no surviving spouse or common-law partner:** value of employee and voluntary contributions (with interest) payable to the designated beneficiary or, if none, to the estate (not locked-in).

### Administrative matters

- Federally-regulated DC-RPPs are governed by the *Pension Benefits Standards Act, 1985* and Regulations, and the *Income Tax Act (Canada)*.
- Employee, employer and voluntary (if applicable) contributions are recorded separately.
- DC-RPP contributions have to be reported by the employer on T4 income tax slips as a Pension Adjustment (PA).

Please bear in mind that the legislation and the regulations of each jurisdiction prevail over this summary. While every effort has been made to ensure the accuracy of the information, no warranty is expressed or implied as to the accuracy, adequacy or completeness of the information, and The Standard Life Assurance Company of Canada and Standard Life Assurance Limited are not responsible for any errors and omissions, or for the results obtained from the use of such information.

	Defined Contribution Registered Pension Plan (DC-RPP)				
<b>Definition</b>	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.				
<b>Participation</b>	<ul style="list-style-type: none"> <li>• Owner-manager/shareholder employee may join.</li> <li>• <b>Full-time and part-time employees:</b> may join after 2 years of continuous service and annual earnings of at least 35% of the YMPE in each of the 2 consecutive calendar years immediately preceding membership.</li> </ul>				
<b>Contributions</b>	<ul style="list-style-type: none"> <li>• Made by <b>employer and possibly employee.</b></li> <li>• Must follow a formula as specified in the plan rules.</li> <li>• Employer must contribute at least 1% of employee's remuneration.</li> <li>• Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan.</li> <li>• May not be suspended or terminated unless plan is officially terminated.</li> </ul> <p>The RPP contribution limit for 2010 is the lesser of \$22,450 and 18% of the employee's <i>current year remuneration</i> from the employer.</p> <p>Proposed increases to the dollar limit:</p> <table> <tr> <td>2011</td> <td>indexed</td> </tr> <tr> <td>2012</td> <td>indexed</td> </tr> </table>	2011	indexed	2012	indexed
2011	indexed				
2012	indexed				
<b>Income splitting</b>	Not possible				
<b>Tax treatment of: employee contributions, if any</b>	<ul style="list-style-type: none"> <li>• Tax deductible for the employee.</li> <li>• Contributions deducted from pay before income tax.</li> </ul>				
<b>employer contributions</b>	<ul style="list-style-type: none"> <li>• Tax deductible for the employer.</li> <li>• Does not constitute a taxable benefit for the employee until payout.</li> <li>• Made directly into plan and do not impact payroll taxes.</li> </ul>				
<b>Vesting</b> (right to employer contributions)	<ul style="list-style-type: none"> <li>• After 2 years of continuous membership in the plan.</li> <li>• Plan rules may allow for earlier vesting.</li> </ul>				

## Defined Contribution Registered Pension Plan (DC-RPP)

### Locking-in

(requirement to use assets *solely* to generate an income at retirement)

- Same terms as vesting.
- Applies to employee and employer contributions.
- Does not apply to voluntary contributions.

### Withdrawals during employment

(cash withdrawals are subject to tax withholding)

- Not permitted while still employed.
- May be allowed for voluntary contributions, as per plan rules.

### Termination benefit and options

- Value of employee and vested employer contributions (refer to Vesting and Locking-in above).
- Options: cash (not locked-in contributions), transfer to another pension plan, a LIRA, a LIF/LRIF (if plan allows and if the employee is at least 50 years of age) or purchase a deferred life annuity.

### Retirement income options

- Joint life annuity reverting to 60% to spouse or common-law partner, or
- Subject to a pension waiver, transfer the value of vested contributions to a LIF or a LRIF.

### Death benefit

- **If there is a surviving spouse or common-law partner:** value of vested contributions payable to spouse or common-law partner (locked-in if the deceased member's right to a deferred pension was vested and locked-in).
- **If there is no surviving spouse or common-law partner:** value of vested contributions payable to the designated beneficiary or, if none, to the estate (not locked-in).

### Administrative matters

- DC-RPPs in Alberta are governed by the *Alberta Employment Pension Plans Act* and Regulation, and the *Income Tax Act* (Canada).
- Employee, employer and voluntary (if applicable) contributions are recorded separately.
- DC-RPP contributions have to be reported by the employer on T4 income tax slips as a Pension Adjustment (PA).

Please bear in mind that the legislation and the regulations of each jurisdiction prevail over this summary. While every effort has been made to ensure the accuracy of the information, no warranty is expressed or implied as to the accuracy, adequacy or completeness of the information, and The Standard Life Assurance Company of Canada and Standard Life Assurance Limited are not responsible for any errors and omissions, or for the results obtained from the use of such information.

	Defined Contribution Registered Pension Plan (DC-RPP)				
<b>Definition</b>	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.				
<b>Participation</b>	<ul style="list-style-type: none"> <li>• Owner-manager/shareholder employee may join.</li> <li>• <b>Full-time and part-time employees:</b> may join after 2 years of continuous service and annual earnings of at least 35% of the YMPE in each of the 2 consecutive calendar years immediately preceding membership.</li> </ul>				
<b>Contributions</b>	<ul style="list-style-type: none"> <li>• Made by <b>employer and possibly employee.</b></li> <li>• Must follow a formula as specified in the plan rules.</li> <li>• Employer must contribute at least 1% of employee's remuneration.</li> <li>• Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan.</li> <li>• May not be suspended or terminated unless plan is officially terminated.</li> </ul> <p>The RPP contribution limit for 2010 is the lesser of \$22,450 and 18% of the employee's <i>current year remuneration</i> from the employer.</p> <p>Proposed increases to the dollar limit:</p> <table border="0"> <tr> <td>2011</td> <td>indexed</td> </tr> <tr> <td>2012</td> <td>indexed</td> </tr> </table>	2011	indexed	2012	indexed
2011	indexed				
2012	indexed				
<b>Income splitting</b>	Not possible				
<b>Tax treatment of: employee contributions, if any</b>	<ul style="list-style-type: none"> <li>• Tax deductible for the employee.</li> <li>• Contributions deducted from pay before income tax.</li> </ul>				
<b>employer contributions</b>	<ul style="list-style-type: none"> <li>• Tax deductible for the employer.</li> <li>• Does not constitute a taxable benefit for the employee until payout.</li> <li>• Made directly into plan and do not impact payroll taxes.</li> </ul>				
<b>Vesting</b> (right to employer contributions)	<ul style="list-style-type: none"> <li>• After 2 years continuous of membership in the plan.</li> <li>• Plan rules may allow for earlier vesting.</li> </ul>				

## Defined Contribution Registered Pension Plan (DC-RPP)

### Locking-in

(requirement to use assets *solely* to generate an income at retirement)

- Same terms as vesting.
- Applies to employee and employer contributions.
- Does not apply to voluntary contributions.
- Locking-in applies to post-1992 benefits only.

### Withdrawals during employment

(cash withdrawals are subject to tax withholding)

- Not permitted while still employed.
- May be allowed for voluntary contributions, as per plan rules.

### Termination benefit and options

- Value of employee and vested employer contributions (refer to Vesting and Locking-in above).
- Options: cash (not locked-in contributions), transfer to another pension plan, a locked-in RRSP, a LIF (if the employee is at least 55 years of age) or purchase a deferred life annuity.

### Retirement income options

- Joint life annuity reverting to 60% to spouse or common-law partner, or
- Subject to a pension waiver, transfer the value of vested contributions to a LIF.

### Death benefit

- **If there is a surviving spouse or common-law partner:** the sum of 60% of the value of post-1992 vested employer's contributions with interest and value of employee's contributions with interest (locked-in if the deceased member's right to a deferred pension was vested and locked-in).
- **If there is no surviving spouse or common-law partner:** the sum of 60% of the value of post-1992 vested employer's contributions with interest and value of employee's contributions with interest payable to the designated beneficiary or, if none, to the estate (not locked-in).

### Administrative matters

- DC-RPPs in British Columbia are governed by the *British Columbia Pension Benefits Standards Act* and Regulation, and the *Income Tax Act* (Canada).
- Employee, employer and voluntary (if applicable) contributions are recorded separately.
- DC-RPP contributions have to be reported by the employer on T4 income tax slips as a Pension Adjustment (PA).

Please bear in mind that the legislation and the regulations of each jurisdiction prevail over this summary. While every effort has been made to ensure the accuracy of the information, no warranty is expressed or implied as to the accuracy, adequacy or completeness of the information, and The Standard Life Assurance Company of Canada and Standard Life Assurance Limited are not responsible for any errors and omissions, or for the results obtained from the use of such information.

# Comparison of Money Purchase Pension Plans in Manitoba

	Defined Contribution Registered Pension Plan (DC-RPP)	Simplified Pension Plan (SPP in Manitoba)								
<b>Definition</b>	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.	A tax-assisted arrangement, sponsored by an employer, who has 250 employees or less, to provide retirement income to employees within a formal retirement program, administered by a financial institution.								
<b>Participation</b>	<ul style="list-style-type: none"> <li>Owner-manager/shareholder employee may join.</li> <li><b>Full-time employees:</b> <i>must</i> join, subject to any eligibility period, as per plan rules (maximum 2 years).</li> <li><b>Part-time employees:</b> may join, subject to same period as full-time employees, as per plan rules. <i>Must</i> join after 2 consecutive years of employment if earned at least 25% of the YMPE in 2 consecutive calendar years.</li> </ul>	<ul style="list-style-type: none"> <li>Voluntary or compulsory, as per plan rules.</li> <li><b>Only Manitoba employees.</b></li> <li>Owner-manager/shareholder employee may join.</li> <li><b>All employees of eligible class</b> (i.e., full-time, part-time, casual, temporary or seasonal) will be eligible to join the plan no later than 2 years after start of employment. A shorter waiting period may apply, at the discretion of the employer.</li> </ul>								
<b>Contributions</b>	<ul style="list-style-type: none"> <li>Made by <b>employer and possibly employee.</b></li> <li>Must follow a formula as specified in the plan rules.</li> <li>Employer must contribute at least 1% of employee's remuneration.</li> <li>Employer contributions in any year will not be less than 1% of the total annual earnings of all members in the plan.</li> <li>May not be suspended or terminated unless plan is officially terminated.</li> </ul> <p>The RPP contribution limit for 2010 is the lesser of \$22,450 and 18% of the employee's <b>current year remuneration</b> from the employer.</p> <p>Proposed increases to the dollar limit:</p> <table> <tr> <td>2011</td> <td>indexed</td> </tr> <tr> <td>2012</td> <td>indexed</td> </tr> </table>	2011	indexed	2012	indexed	<ul style="list-style-type: none"> <li>Made by <b>employer and possibly employee.</b></li> <li>Must be specified in the plan rules and may vary by class of eligible employees.</li> <li>Employer must contribute at least 1% of employee's remuneration.</li> <li>Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan.</li> <li>May not be suspended or terminated unless plan is officially terminated.</li> </ul> <p>The SPP contribution limit for 2010 is the lesser of \$22,450 and 18% of the employee's <b>current year remuneration</b> from the employer.</p> <p>Proposed increases to the dollar limit:</p> <table> <tr> <td>2011</td> <td>indexed</td> </tr> <tr> <td>2012</td> <td>indexed</td> </tr> </table>	2011	indexed	2012	indexed
2011	indexed									
2012	indexed									
2011	indexed									
2012	indexed									
<b>Income splitting</b>	Not possible	Not possible								
<b>Tax treatment of: employee contributions, if any</b>	<ul style="list-style-type: none"> <li>Tax deductible for the employee.</li> <li>Contributions deducted from pay before income tax.</li> </ul>	<ul style="list-style-type: none"> <li>Tax deductible for the employee.</li> <li>Contributions deducted from pay before income tax.</li> </ul>								
<b>employer contributions</b>	<ul style="list-style-type: none"> <li>Tax deductible for the employer.</li> <li>Does not constitute a taxable benefit for the employee until payout.</li> <li>Made directly into plan and do not impact payroll taxes.</li> </ul>	<ul style="list-style-type: none"> <li>Tax deductible for the employer.</li> <li>Does not constitute a taxable benefit for the employee until payout.</li> <li>Made directly into plan and do not impact payroll taxes.</li> </ul>								
<b>Vesting</b> (right to employer contributions)	<ul style="list-style-type: none"> <li>After 2 years of continuous membership in the plan or continuous service.</li> <li>Plan rules may allow for earlier vesting.</li> </ul>	Immediate								

	Defined Contribution Registered Pension Plan (DC-RPP)	Simplified Pension Plan (SPP in Manitoba)
<b>Locking-in</b> (requirement to use assets <i>solely</i> to generate an income at retirement)	<ul style="list-style-type: none"> <li>• Same terms as vesting.</li> <li>• Applies to employee and employer contributions.</li> <li>• Does not apply to voluntary contributions.</li> </ul>	<ul style="list-style-type: none"> <li>• Immediate</li> <li>• Does not apply to voluntary contributions.</li> </ul>
<b>Withdrawals during employment</b> (cash withdrawals are subject to tax withholding)	<ul style="list-style-type: none"> <li>• Not permitted while still employed.</li> <li>• May be allowed for voluntary contributions, as per plan rules.</li> </ul>	<ul style="list-style-type: none"> <li>• Not permitted while still employed.</li> <li>• May be allowed for voluntary contributions, as per plan rules.</li> </ul>
<b>Termination benefit and options</b>	<ul style="list-style-type: none"> <li>• Value of employee and vested employer contributions (refer to Vesting and Locking-in above).</li> <li>• Options: cash (not locked-in contributions), transfer to another pension plan, a LIRA, a LIF, a LRIF or purchase a deferred life annuity.</li> </ul>	<ul style="list-style-type: none"> <li>• Value of employee and vested employer contributions (refer to Vesting and Locking-in above).</li> <li>• Options: cash (not locked-in contributions), transfer to another pension plan, a LIRA, a LIF, a LRIF or purchase a deferred life annuity.</li> </ul>
<b>Retirement income options</b>	<ul style="list-style-type: none"> <li>• Joint life annuity reverting to 66 2/3% to spouse or common-law partner, or</li> <li>• Subject to a pension waiver, transfer the value of vested contributions to a LIF or a LRIF.</li> </ul>	<ul style="list-style-type: none"> <li>• Joint life annuity reverting to 66 2/3% to spouse or common-law partner, or</li> <li>• Subject to a pension waiver, transfer the value of vested contributions to a LIF or a LRIF.</li> </ul>
<b>Death benefit</b>	<ul style="list-style-type: none"> <li>• <b>If there is a surviving spouse or common-law partner:</b> value of vested contributions payable to spouse or common-law partner (locked-in if the deceased member's right to a deferred pension was vested and locked-in).</li> <li>• <b>If there is no surviving spouse or common-law partner:</b> value of vested contributions payable to the designated beneficiary or, if none, to the estate (not locked-in).</li> </ul>	<ul style="list-style-type: none"> <li>• <b>If there is a surviving spouse or common-law partner:</b> value of vested contributions payable to spouse or common-law partner (locked-in if the deceased member's right to a deferred pension was vested and locked-in).</li> <li>• <b>If there is no surviving spouse or common-law partner:</b> value of vested contributions payable to the designated beneficiary or, if none, to the estate (not locked-in).</li> </ul>
<b>Administrative matters</b>	<ul style="list-style-type: none"> <li>• DC-RPPs in Manitoba are governed by the <i>Manitoba Pension Benefits Act</i> and Regulation, and the <i>Income Tax Act</i> (Canada).</li> <li>• Employee, employer and voluntary (if applicable) contributions are recorded separately.</li> <li>• DC-RPP contributions have to be reported by the employer on T4 income tax slips as a Pension Adjustment (PA).</li> </ul>	<ul style="list-style-type: none"> <li>• SPPs in Manitoba are governed by the <i>Manitoba Pension Benefits Act</i> and Regulation, and the <i>Income Tax Act</i> (Canada).</li> <li>• Employee, employer and voluntary (if applicable) contributions are recorded separately.</li> <li>• SPP contributions have to be reported by the employer on T4 income tax slips as a Pension Adjustment (PA).</li> </ul>

Please bear in mind that the legislation and the regulations of each jurisdiction prevail over this summary. While every effort has been made to ensure the accuracy of the information, no warranty is expressed or implied as to the accuracy, adequacy or completeness of the information, and The Standard Life Assurance Company of Canada and Standard Life Assurance Limited are not responsible for any errors and omissions, or for the results obtained from the use of such information.

# Provisions of Money Purchase Pension Plans in New Brunswick

	Defined Contribution Registered Pension Plan (DC-RPP)				
<b>Definition</b>	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.				
<b>Participation</b>	<ul style="list-style-type: none"> <li>• Owner-manager/shareholder employee may join.</li> <li>• <b>Full-time employees:</b> may join, subject to any eligibility period, as per plan rules; maximum 2 years of continuous service.</li> <li>• <b>Part-time employees:</b> may join, subject to any eligibility period, as per plan rules; maximum 2 years of continuous service and annual earnings of at least 35% of the YMPE in each of the 2 consecutive calendar years immediately preceding membership.</li> </ul>				
<b>Contributions</b>	<ul style="list-style-type: none"> <li>• Made by <b>employer and possibly employee</b>.</li> <li>• Must follow a formula as specified in the plan rules.</li> <li>• Employer must contribute at least 1% of employee's remuneration.</li> <li>• Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan.</li> <li>• May not be suspended or terminated unless plan is officially terminated.</li> </ul> <p>The RPP contribution limit for 2010 is the lesser of \$22,450 and 18% of the employee's <i>current year remuneration</i> from the employer.</p> <p>Proposed increases to the dollar limit:</p> <table> <tr> <td>2011</td> <td>indexed</td> </tr> <tr> <td>2012</td> <td>indexed</td> </tr> </table>	2011	indexed	2012	indexed
2011	indexed				
2012	indexed				
<b>Income splitting</b>	Not possible				
<b>Tax treatment of: employee contributions, if any</b>	<ul style="list-style-type: none"> <li>• Tax deductible for the employee.</li> <li>• Contributions deducted from pay before income tax.</li> </ul>				
<b>employer contributions</b>	<ul style="list-style-type: none"> <li>• Tax deductible for the employer.</li> <li>• Does not constitute a taxable benefit for the employee until payout.</li> <li>• Made directly into plan and do not impact payroll taxes.</li> </ul>				
<b>Vesting</b> (right to employer contributions)	<ul style="list-style-type: none"> <li>• After 2 years of continuous membership in the plan or 5 years of continuous service.</li> <li>• Plan rules may allow for earlier vesting.</li> </ul>				

## Defined Contribution Registered Pension Plan (DC-RPP)

### Locking-in

(requirement to use assets *solely* to generate an income at retirement)

- Same terms as vesting.
- Applies to employee and employer contributions.
- Does not apply to voluntary contributions.

### Withdrawals during employment

(cash withdrawals are subject to tax withholding)

- Not permitted while still employed.
- May be allowed for voluntary contributions, as per plan rules.

### Termination benefit and options

- Value of employee and vested employer contributions (refer to Vesting and Locking-in above).
- Options: cash (not locked-in contributions), transfer to another pension plan, a LIRA, a LIF or purchase a deferred life annuity.

### Retirement income options

- Joint life annuity reverting to 60% to spouse or common-law partner, or
- Subject to a pension waiver, transfer the value of vested contributions to a LIF.

### Death benefit

- **If there is a surviving spouse or common-law partner:** value of vested contributions payable to spouse or common-law partner (not locked-in).
- **If there is no surviving spouse or common-law partner:** value of vested contributions payable to the designated beneficiary or, if none, to the estate (not locked-in).

### Administrative matters

- DC-RPPs in New Brunswick are governed by the *New Brunswick Pension Benefits Act* and General Regulation, and the *Income Tax Act* (Canada).
- Employee, employer and voluntary (if applicable) contributions are recorded separately.
- DC-RPP contributions have to be reported by the employer on T4 income tax slips as a Pension Adjustment (PA).

Please bear in mind that the legislation and the regulations of each jurisdiction prevail over this summary. While every effort has been made to ensure the accuracy of the information, no warranty is expressed or implied as to the accuracy, adequacy or completeness of the information, and The Standard Life Assurance Company of Canada and Standard Life Assurance Limited are not responsible for any errors and omissions, or for the results obtained from the use of such information.

# Provisions of Money Purchase Pension Plans in Newfoundland and Labrador

	Defined Contribution Registered Pension Plan (DC-RPP)				
<b>Definition</b>	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.				
<b>Participation</b>	<ul style="list-style-type: none"> <li>• Owner-manager/shareholder employee may join.</li> <li>• <b>Full-time employees:</b> may join, subject to any eligibility period, as per plan rules; maximum 2 years of continuous service.</li> <li>• <b>Part-time employees:</b> may join, subject to any eligibility period, as per plan rules; maximum 2 years of continuous service and annual earnings of at least 35% of the YMPE in each of the 2 consecutive calendar years immediately preceding membership.</li> </ul>				
<b>Contributions</b>	<ul style="list-style-type: none"> <li>• Made by <b>employer and possibly employee.</b></li> <li>• Must follow a formula as specified in the plan rules.</li> <li>• Employer must contribute at least 1% of employee's remuneration.</li> <li>• Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan.</li> <li>• May not be suspended or terminated unless plan is officially terminated.</li> </ul> <p>The RPP contribution limit for 2010 is the lesser of \$22,450 and 18% of the employee's <i>current year remuneration</i> from the employer.</p> <p>Proposed increases to the dollar limit:</p> <table> <tr> <td>2011</td> <td>indexed</td> </tr> <tr> <td>2012</td> <td>indexed</td> </tr> </table>	2011	indexed	2012	indexed
2011	indexed				
2012	indexed				
<b>Income splitting</b>	Not possible				
<b>Tax treatment of: employee contributions, if any</b>	<ul style="list-style-type: none"> <li>• Tax deductible for the employee.</li> <li>• Contributions deducted from pay before income tax.</li> </ul>				
<b>employer contributions</b>	<ul style="list-style-type: none"> <li>• Tax deductible for the employer.</li> <li>• Does not constitute a taxable benefit for the employee until payout.</li> <li>• Made directly into plan and do not impact payroll taxes.</li> </ul>				
<b>Vesting</b> (right to employer contributions)	<ul style="list-style-type: none"> <li>• After 2 years of continuous membership in the plan.</li> <li>• Plan rules may allow for earlier vesting.</li> </ul>				

## Defined Contribution Registered Pension Plan (DC-RPP)

### Locking-in

(requirement to use assets *solely* to generate an income at retirement)

- Same terms as vesting.
- Applies to employee and employer contributions.
- Does not apply to voluntary contributions.

### Withdrawals during employment

(cash withdrawals are subject to tax withholding)

- Not permitted while still employed.
- May be allowed for voluntary contributions, as per plan rules.

### Termination benefit and options

- Value of employee and vested employer contributions (refer to Vesting and Locking-in above).
- Options: cash (not locked-in contributions), transfer to another pension plan, a LIRA, a LIF/LRIF (if member has reached early retirement age provided under the plan text) or purchase a deferred life annuity.

### Retirement income options

- Joint life annuity reverting to 60% to spouse or common-law partner, or
- Subject to a pension waiver, transfer the value of vested contributions to a LIF or a LRIF.

### Death benefit

- **If there is a surviving spouse or common-law partner:** value of vested contributions payable to spouse or common-law partner (not locked-in).
- **If there is no surviving spouse or common-law partner:** value of vested contributions payable to the designated beneficiary or, if none, to the estate (not locked-in).

### Administrative matters

- DC-RPPs in Newfoundland and Labrador are governed by the *Newfoundland and Labrador Pension Benefits Act, 1997* and Regulations, and the *Income Tax Act* (Canada).
- Employee, employer and voluntary (if applicable) contributions are recorded separately.
- DC-RPP contributions have to be reported by the employer on T4 income tax slips as a Pension Adjustment (PA).

Please bear in mind that the legislation and the regulations of each jurisdiction prevail over this summary. While every effort has been made to ensure the accuracy of the information, no warranty is expressed or implied as to the accuracy, adequacy or completeness of the information, and The Standard Life Assurance Company of Canada and Standard Life Assurance Limited are not responsible for any errors and omissions, or for the results obtained from the use of such information.

# Provisions of Money Purchase Pension Plans in Nova Scotia

	Defined Contribution Registered Pension Plan (DC-RPP)				
<b>Definition</b>	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.				
<b>Participation</b>	<ul style="list-style-type: none"> <li>• Owner-manager/shareholder employee may join.</li> <li>• <b>Full-time employees:</b> 2 years of continuous service.</li> <li>• <b>Part-time employees:</b> 2 years of continuous service and the lesser of annual earnings of at least 35% of the YMPE, or 700 hours worked, in each of the 2 consecutive calendar years immediately preceding membership.</li> </ul>				
<b>Contributions</b>	<ul style="list-style-type: none"> <li>• Made by <b>employer and possibly employee.</b></li> <li>• Must follow a formula as specified in the plan rules.</li> <li>• Employer must contribute at least 1% of employee's remuneration.</li> <li>• Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan.</li> <li>• May not be suspended or terminated unless plan is officially terminated.</li> </ul> <p>The RPP contribution limit for 2010 is the lesser of \$22,450 and 18% of the employee's <i>current year remuneration</i> from the employer.</p> <p>Proposed increases to the dollar limit:</p> <table> <tr> <td>2011</td> <td>indexed</td> </tr> <tr> <td>2012</td> <td>indexed</td> </tr> </table>	2011	indexed	2012	indexed
2011	indexed				
2012	indexed				
<b>Income splitting</b>	Not possible				
<b>Tax treatment of: employee contributions, if any</b>	<ul style="list-style-type: none"> <li>• Tax deductible for the employee.</li> <li>• Contributions deducted from pay before income tax.</li> </ul>				
<b>employer contributions</b>	<ul style="list-style-type: none"> <li>• Tax deductible for the employer.</li> <li>• Does not constitute a taxable benefit for the employee until payout.</li> <li>• Made directly into plan and do not impact payroll taxes.</li> </ul>				
<b>Vesting</b> (right to employer contributions)	<ul style="list-style-type: none"> <li>• After 2 years of continuous membership in the plan.</li> <li>• Plan rules may allow for earlier vesting.</li> </ul>				

## Defined Contribution Registered Pension Plan (DC-RPP)

### Locking-in

(requirement to use assets *solely* to generate an income at retirement)

- Same terms as vesting.
- Applies to employee and employer contributions.
- Does not apply to voluntary contributions.

### Withdrawals during employment

(cash withdrawals are subject to tax withholding)

- Not permitted while still employed.
- May be allowed for voluntary contributions, as per plan rules.

### Termination benefit and options

- Value of employee and vested employer contributions (refer to Vesting and Locking-in above).
- Options: cash (not locked-in contributions), transfer to another pension plan, a LIRA, a LIF (if within 10 years of normal retirement age provided under the plan text) or purchase a deferred life annuity.

### Retirement income options

- Joint life annuity reverting to 60% to spouse or common-law partner, or
- Subject to a pension waiver, transfer the value of vested contributions to a LIF.

### Death benefit

- **If there is a surviving spouse or common-law partner:** not less than 60% of the value of vested contributions payable to spouse or common-law partner (not locked-in).
- **If there is no surviving spouse or common-law partner:** value of employee contributions with interest payable to the designated beneficiary or, if none, to the estate (not locked-in).

### Administrative matters

- DC-RPPs in Nova Scotia are governed by the *Nova Scotia Pension Benefits Act* and Regulations, and the *Income Tax Act* (Canada).
- Employee, employer and voluntary (if applicable) contributions are recorded separately.
- DC-RPP contributions have to be reported by the employer on T4 income tax slips as a Pension Adjustment (PA).

Please bear in mind that the legislation and the regulations of each jurisdiction prevail over this summary. While every effort has been made to ensure the accuracy of the information, no warranty is expressed or implied as to the accuracy, adequacy or completeness of the information, and The Standard Life Assurance Company of Canada and Standard Life Assurance Limited are not responsible for any errors and omissions, or for the results obtained from the use of such information.

	Defined Contribution Registered Pension Plan (DC-RPP)				
<b>Definition</b>	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.				
<b>Participation</b>	<ul style="list-style-type: none"> <li>• Owner-manager/shareholder employee may join.</li> <li>• <b>Full-time employees:</b> may join, subject to any eligibility period, as per plan rules; maximum 2 years of continuous service.</li> <li>• <b>Part-time employees:</b> may join, subject to same period as full-time employees, as per plan rules; maximum 2 years of continuous service and the lesser of annual earnings of at least 35% of the YMPE, or 700 hours worked, in each of the 2 consecutive calendar years immediately preceding membership.</li> </ul>				
<b>Contributions</b>	<ul style="list-style-type: none"> <li>• Made by <b>employer and possibly employee</b>.</li> <li>• Must follow a formula as specified in the plan rules.</li> <li>• Employer must contribute at least 1% of employee's remuneration.</li> <li>• Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan.</li> <li>• May not be suspended or terminated unless plan is officially terminated.</li> </ul> <p>The RPP contribution limit for 2010 is the lesser of \$22,450 and 18% of the employee's <i>current year remuneration</i> from the employer.</p> <p>Proposed increases to the dollar limit:</p> <table> <tr> <td>2011</td> <td>indexed</td> </tr> <tr> <td>2012</td> <td>indexed</td> </tr> </table>	2011	indexed	2012	indexed
2011	indexed				
2012	indexed				
<b>Income splitting</b>	Not possible				
<b>Tax treatment of: employee contributions, if any</b>	<ul style="list-style-type: none"> <li>• Tax deductible for the employee.</li> <li>• Contributions deducted from pay before income tax.</li> </ul>				
<b>employer contributions</b>	<ul style="list-style-type: none"> <li>• Tax deductible for the employer.</li> <li>• Does not constitute a taxable benefit for the employee until payout.</li> <li>• Made directly into plan and do not impact payroll taxes.</li> </ul>				
<b>Vesting</b> (right to employer contributions)	<ul style="list-style-type: none"> <li>• After 2 years of continuous membership in the plan.</li> <li>• Plan rules may allow for earlier vesting.</li> </ul>				

## Defined Contribution Registered Pension Plan (DC-RPP)

### Locking-in

(requirement to use assets *solely* to generate an income at retirement)

- Same terms as vesting.
- Applies to employee and employer contributions.
- Does not apply to voluntary contributions.

### Withdrawals during employment

(cash withdrawals are subject to tax withholding)

- Not permitted while still employed.
- May be allowed for voluntary contributions, as per plan rules.

### Termination benefit and options

- Value of employee and vested employer contributions (refer to Vesting and Locking-in above).
- Options: cash (not locked-in contributions), transfer to another pension plan, a LIRA, a LIF (if member has reached early retirement age, or earlier if the plan so provides) or purchase a deferred life annuity.

### Retirement income options

- Joint life annuity reverting to 60% to spouse, or
- Subject to a pension waiver, transfer the value of vested contributions to a LIF.

### Death benefit

- **If there is a surviving spouse or common-law partner:** value of vested contributions payable to spouse or common-law partner (not locked-in). Pre-retirement death benefits may be waived by spouse.
- **If there is no surviving spouse or common-law partner:** value of vested contributions payable to the designated beneficiary or, if none, to the estate (not locked-in).

### Administrative matters

- DC-RPPs in Ontario are governed by the *Ontario Pension Benefits Act* and Regulation, and the *Income Tax Act* (Canada).
- Employee, employer and voluntary (if applicable) contributions are recorded separately.
- DC-RPP contributions have to be reported by the employer on T4 income tax slips as a Pension Adjustment (PA).

Please bear in mind that the legislation and the regulations of each jurisdiction prevail over this summary. While every effort has been made to ensure the accuracy of the information, no warranty is expressed or implied as to the accuracy, adequacy or completeness of the information, and The Standard Life Assurance Company of Canada and Standard Life Assurance Limited are not responsible for any errors and omissions, or for the results obtained from the use of such information.

# Comparison of Money Purchase Pension Plans in Quebec

	Defined Contribution Registered Pension Plan (DC-RPP)	Simplified Pension Plan (SPP in Quebec)								
<b>Definition</b>	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program, administered by a financial institution.								
<b>Participation</b>	<ul style="list-style-type: none"> <li>Owner-manager/shareholder employee may join.</li> <li><b>Full-time and part-time employees:</b> may join if, in the calendar year immediately preceding membership, their annual earnings were at least 35% of the YMPE, or they worked at least 700 hours. Plan participation for part-time workers may be optional.</li> </ul>	<ul style="list-style-type: none"> <li>Voluntary or compulsory, as per plan rules.</li> <li><b>Only Quebec employees.</b></li> <li>Owner-manager/shareholder employee may join.</li> <li><b>All employees of eligible class</b> (i.e., full-time, part-time, casual, temporary or seasonal) will be eligible to join the plan if, in the calendar year immediately preceding membership, their annual earnings were at least 35% of the YMPE, or they worked at least 700 hours. Plan participation for part-time workers may be optional. Less strict eligibility requirements may apply, at the discretion of the employer.</li> </ul>								
<b>Contributions</b>	<ul style="list-style-type: none"> <li>Made by <b>employer and possibly employee.</b></li> <li>Must follow a formula as specified in the plan rules.</li> <li>Employer must contribute at least 1% of employee's remuneration; may be conditional on an employee's participation in the plan (may require a contribution by the employee), if participation is voluntary.</li> <li>Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan.</li> <li>May not be suspended or terminated unless plan is officially terminated.</li> </ul> <p>The RPP contribution limit for 2010 is the lesser of \$22,450 and 18% of the employee's <b>current year remuneration</b> from the employer.</p> <p>Proposed increases to the dollar limit:</p> <table> <tr> <td>2011</td> <td>indexed</td> </tr> <tr> <td>2012</td> <td>indexed</td> </tr> </table>	2011	indexed	2012	indexed	<ul style="list-style-type: none"> <li>Made by <b>employer and possibly employee.</b></li> <li>Must be specified in the plan rules and may vary by class of eligible employees.</li> <li>Employer must contribute at least 1% of employee's remuneration; may be conditional on an employee's participation in the plan (may require a contribution by the employee), if participation is voluntary.</li> <li>May not be suspended or terminated unless plan is officially terminated.</li> </ul> <p>The SPP contribution limit for 2010 is the lesser of \$22,450 and 18% of the employee's <b>current year remuneration</b> from the employer.</p> <p>Proposed increases to the dollar limit:</p> <table> <tr> <td>2011</td> <td>indexed</td> </tr> <tr> <td>2012</td> <td>indexed</td> </tr> </table>	2011	indexed	2012	indexed
2011	indexed									
2012	indexed									
2011	indexed									
2012	indexed									
<b>Income splitting</b>	Not possible	Not possible								
<b>Tax treatment of: employee contributions, if any</b>	<ul style="list-style-type: none"> <li>Tax deductible for the employee.</li> <li>Contributions deducted from pay before income tax.</li> </ul>	<ul style="list-style-type: none"> <li>Tax deductible for the employee.</li> <li>Contributions deducted from pay before income tax.</li> </ul>								
<b>employer contributions</b>	<ul style="list-style-type: none"> <li>Tax deductible for the employer.</li> <li>Does not constitute a taxable benefit for the employee until payout.</li> <li>Made directly into plan and do not impact payroll taxes.</li> </ul>	<ul style="list-style-type: none"> <li>Tax deductible for the employer.</li> <li>Does not constitute a taxable benefit for the employee until payout.</li> <li>Made directly into plan and do not impact payroll taxes.</li> </ul>								

	Defined Contribution Registered Pension Plan (DC-RPP)	Simplified Pension Plan (SPP in Quebec)
<b>Vesting</b> (right to employer contributions)	Immediate	Immediate
<b>Locking-in</b> (requirement to use assets <i>solely</i> to generate an income at retirement)	<ul style="list-style-type: none"> <li>• Immediate</li> <li>• Applies to employee and employer contributions.</li> <li>• Does not apply to voluntary contributions.</li> </ul>	<ul style="list-style-type: none"> <li>• Immediate</li> <li>• Applies to employer contributions, may or may not apply to employee contributions at the discretion of the employer.</li> <li>• Does not apply to voluntary contributions.</li> </ul>
<b>Withdrawals during employment</b> (cash withdrawals are subject to tax withholding)	<ul style="list-style-type: none"> <li>• Not permitted while still employed.</li> <li>• May be allowed for voluntary contributions, as per plan rules.</li> </ul>	<ul style="list-style-type: none"> <li>• Not permitted while still employed.</li> <li>• May be allowed for voluntary contributions, as per plan rules.</li> </ul>
<b>Termination benefit and options</b>	<ul style="list-style-type: none"> <li>• Value of employee and vested employer contributions (refer to Vesting and Locking-in above).</li> <li>• Options: cash (not locked-in contributions), transfer to another pension plan, a LIRA, a LIF or purchase an immediate or deferred life annuity.</li> </ul>	<ul style="list-style-type: none"> <li>• Value of employee and vested employer contributions (refer to Vesting and Locking-in above).</li> <li>• Options: cash (not locked-in contributions), transfer to another pension plan, a LIRA, a LIF or purchase an immediate or deferred life annuity.</li> </ul>
<b>Retirement income options</b>	<ul style="list-style-type: none"> <li>• Joint life annuity reverting to 60% (including bridging benefit) to spouse or common-law partner, or</li> <li>• Subject to a pension waiver, transfer the value of vested contributions to a LIF.</li> </ul>	<ul style="list-style-type: none"> <li>• Joint life annuity reverting to 60% (including bridging benefit) to spouse or common-law partner, or</li> <li>• Subject to a pension waiver, transfer the value of vested contributions to a LIF.</li> </ul>
<b>Death benefit</b>	<ul style="list-style-type: none"> <li>• <b>If there is a surviving spouse or common-law partner:</b> value of vested contributions payable to spouse or common-law partner.</li> <li>• <b>If there is no surviving spouse or common-law partner:</b> value of vested contributions payable to the designated beneficiary or, if none, to the estate (not locked-in).</li> </ul>	<ul style="list-style-type: none"> <li>• <b>If there is a surviving spouse or common-law partner:</b> value of vested contributions payable to spouse or common-law partner.</li> <li>• <b>If there is no surviving spouse or common-law partner:</b> value of vested contributions payable to the designated beneficiary or, if none, to the estate (not locked-in).</li> </ul>
<b>Administrative matters</b>	<ul style="list-style-type: none"> <li>• DC-RPPs in Quebec are governed by the <i>Quebec Supplemental Pension Plans Act</i> and Regulation, and the <i>Income Tax Act</i> (Canada).</li> <li>• Employee, employer and voluntary (if applicable) contributions are recorded separately.</li> <li>• DC-RPP contributions have to be reported by the employer on T4 income tax slips as a Pension Adjustment (PA).</li> <li>• Annual member meetings must be held, an annual information return must be prepared, and a pension committee must be formed if the plan has more than 25 members.</li> <li>• Approval is required from the Régie des rentes before liquidating the plan.</li> </ul>	<ul style="list-style-type: none"> <li>• SPPs in Quebec are governed by the <i>Quebec Supplemental Pension Plans Act</i> and Regulation, and the <i>Income Tax Act</i> (Canada).</li> <li>• Employee, employer and voluntary (if applicable) contributions are recorded separately.</li> <li>• SPP contributions have to be reported by the employer on T4 income tax slips as a Pension Adjustment (PA).</li> <li>• The service provider handles administration of the plan.</li> </ul>

Please bear in mind that the legislation and the regulations of each jurisdiction prevail over this summary. While every effort has been made to ensure the accuracy of the information, no warranty is expressed or implied as to the accuracy, adequacy or completeness of the information, and The Standard Life Assurance Company of Canada and Standard Life Assurance Limited are not responsible for any errors and omissions, or for the results obtained from the use of such information.

	Defined Contribution Registered Pension Plan (DC-RPP)				
<b>Definition</b>	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.				
<b>Participation</b>	<ul style="list-style-type: none"> <li>• Owner-manager/shareholder employee may join.</li> <li>• <b>Full-time employees:</b> may join, subject to any eligibility period, as per plan rules; maximum 2 years of continuous service.</li> <li>• <b>Part-time employees:</b> may join, subject to same period as full-time employees, as per plan rules; maximum 2 years of continuous service and annual earnings of at least 35% of the YMPE, or 700 hours worked, in each of the 2 consecutive calendar years immediately preceding membership.</li> </ul>				
<b>Contributions</b>	<ul style="list-style-type: none"> <li>• Made by <b>employer and possibly employee</b>.</li> <li>• Must follow a formula as specified in the plan rules.</li> <li>• Employer must contribute at least 1% of employee's remuneration.</li> <li>• Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan.</li> <li>• May not be suspended or terminated unless plan is officially terminated.</li> </ul> <p>The RPP contribution limit for 2010 is the lesser of \$22,450 and 18% of the employee's <i>current year remuneration</i> from the employer.</p> <p>Proposed increases to the dollar limit:</p> <table> <tr> <td>2011</td> <td>indexed</td> </tr> <tr> <td>2012</td> <td>indexed</td> </tr> </table>	2011	indexed	2012	indexed
2011	indexed				
2012	indexed				
<b>Income splitting</b>	Not possible				
<b>Tax treatment of: employee contributions, if any</b>	<ul style="list-style-type: none"> <li>• Tax deductible for the employee.</li> <li>• Contributions deducted from pay before income tax.</li> </ul>				
<b>employer contributions</b>	<ul style="list-style-type: none"> <li>• Tax deductible for the employer.</li> <li>• Does not constitute a taxable benefit for the employee until payout.</li> <li>• Made directly into plan and do not impact payroll taxes.</li> </ul>				
<b>Vesting</b> (right to employer contributions)	<ul style="list-style-type: none"> <li>• After 2 years of continuous service.</li> <li>• Plan rules may allow for earlier vesting.</li> </ul>				

## Defined Contribution Registered Pension Plan (DC-RPP)

### Locking-in

(requirement to use assets *solely* to generate an income at retirement)

- Same terms as vesting.
- Applies to employee and employer contributions.
- Does not apply to voluntary contributions.

### Withdrawals during employment

(cash withdrawals are subject to tax withholding)

- Not permitted while still employed.
- May be allowed for voluntary contributions, as per plan rules.

### Termination benefit and options

- Value of employee and vested employer contributions (refer to Vesting and Locking-in above).
- Options: cash (not locked-in contributions), transfer to another pension plan, a LIRA or purchase a deferred life annuity.
- If member has reached early retirement age, and is permitted under the plan text, transfer to a prescribed RRIF.

### Retirement income options

- Joint life annuity reverting to 60% to spouse, or
- Subject to a pension waiver, transfer the value of vested contributions to a LIF.

### Death benefit

- **If there is a surviving spouse or common-law partner:** value of vested contributions payable to spouse or common-law partner (not locked-in).
- **If there is no surviving spouse or common-law partner:** value of vested contributions payable to the designated beneficiary or, if none, to the estate (not locked-in).

### Administrative matters

- DC-RPPs in Saskatchewan are governed by the *Saskatchewan Pension Benefits Act, 1992* and Regulations, and the *Income Tax Act (Canada)*.
- Employee, employer and voluntary (if applicable) contributions are recorded separately.
- DC-RPP contributions have to be reported by the employer on T4 income tax slips as a Pension Adjustment (PA).

Please bear in mind that the legislation and the regulations of each jurisdiction prevail over this summary. While every effort has been made to ensure the accuracy of the information, no warranty is expressed or implied as to the accuracy, adequacy or completeness of the information, and The Standard Life Assurance Company of Canada and Standard Life Assurance Limited are not responsible for any errors and omissions, or for the results obtained from the use of such information.

Please bear in mind that the legislation and the regulations of each jurisdiction prevail over this summary. While every effort has been made to ensure the accuracy of the information, no warranty is expressed or implied as to the accuracy, adequacy or completeness of the information, and The Standard Life Assurance Company of Canada and Standard Life Assurance Limited are not responsible for any errors and omissions, or for the results obtained from the use of such information.

**Retirement  
Investments  
Insurance**

**Talk soon.**

<b>Halifax</b>	<b>1-800-563-1833</b>
<b>Québec</b>	<b>1-800-503-2358</b>
<b>Montréal</b>	<b>1-877-499-9555, Ext. 6699</b>
<b>Toronto</b>	<b>1-800-827-5747</b>
<b>London</b>	<b>1-800-268-9714</b>
<b>Calgary</b>	<b>1-800-805-1631</b>
<b>Edmonton</b>	<b>1-888-944-0600</b>
<b>Vancouver</b>	<b>1-800-663-1784</b>

**[www.standardlife.ca](http://www.standardlife.ca)**

The Standard Life Assurance Company of Canada  
Standard Life Assurance Limited

GE11389C-07-2010 GS