

# SMEs: Everybody needs a plan... for retirement!

**This autumn**, it's **last call** for companies in Quebec with 20 employees or more that don't provide a group retirement savings plan for their staff. **By the end of 2016**, these companies will have to set up a Voluntary Retirement Savings Plan (VRSP) or other type of savings plan, such as an RRSP or TFSA (as long as contributions are made by payroll deduction) within their organization

Retirement savings plans will need to be put in place at many small businesses in Quebec over the coming months and years, in response to the reality that **nearly half of all workers do not have any sort of pension plan at work.**

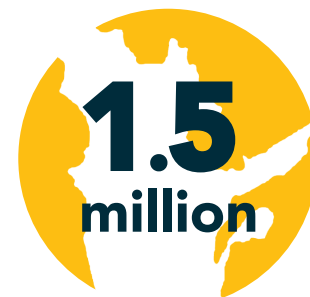


Since 2014:  
**2,200 VRSPs**  
set up in Quebec  
**16,000 workers**  
contributing  
**9.5 millions**  
saved

Source: RRO, as at June 30, 2016.



The number of Quebecers who have a supplemental pension plan



Source: RRO, as at June 30, 2016

## Choosing the right plan

The obligation to provide a retirement savings plan for your employees can also represent **an opportunity for you**, depending on your goals. Here are a few key questions to get you thinking:

- 1 Do you want to **contribute** to the plan?
- 2 Do you want **the money saved to be used exclusively for your employees' retirement**?
- 3 Do you want to be able to pay your employees' productivity or performance **bonuses** into the plan?
- 4 Do you want to **distribute a portion of your company's profits** directly into a retirement plan?
- 5 Do you want **the contributions** you make into an employee's account **to be returned to you** if the employee leaves the company before the end of the vesting period?

## Opportunities for you

The obligation to set up at minimum a VRSP is a good **opportunity** for small business owners **to think about what they really want to offer** their employees when it comes to pension coverage, explains Jean-François Pelletier, Regional Vice-President, Group Retirement Services, Sun Life Financial Quebec.

"An increasing number of small businesses are using retirement plans as a **tool for attracting and retaining staff**, because workers tend to shop around for jobs based on the benefits offered," he says.

- Jean-François Pelletier  
Regional Vice-President, Group Retirement Services,  
Sun Life Financial Quebec



"Our experience clearly shows that employee participation rates are better for plans to which the employer makes contributions."

- Jean-François Pelletier  
Regional Vice-President, Group Retirement Services, Sun Life Financial Quebec



**3 Canadians in 4** say that money is a significant source of stress for them.

Source: 2014 Sun Life Canadian Health Index.



**77% of Canadian workers** say they would consider **changing jobs** if another employer offered a retirement savings program.

Source: ADP Canada survey conducted in 2016

## Retirement plan best practices

Wondering what employers in general are doing? Let's take a look!

- **68%** of workplace plans offered by small businesses are RRSPs.
- **50%** of employers contribute to their employees' plan.
- **17%** of employers offer 100% matching or contribute with no requirement for employees to contribute.
- Employers contribute an average of **\$4,940 per year**.
- The average employee contribution is **\$5,315**.

Source: Sun Life Financial's 2014 "Designed for Savings - Small Business Report".



## Questions?

Contact the Small Business Centre at **1-855-362-3086** or e-mail **CentrePME@sunlife.com**. A representative will be happy to assist you.