**Note to employers:**

Below is a sample letter that you may wish to use to inform your employees of your intention of offering them the possibility to contribute to an RRSP with the Fonds de solidarité FTQ with contributions through payroll deduction instead of the Voluntary Retirement Savings Plan (VRSP).

You must inform your employees in writing by the following time limits stipulated in the *Voluntary Retirement Savings Plan Act*:

|  |  |
| --- | --- |
| **Number of Employees** | **Deadline** |
| 20 or more | December 31, 2016 |
| 10 to 19 | December 31, 2017 |
| 5 to 9 | By a date set by the government that may not be prior to January 1, 2018) |
| Less than 5 | On a voluntary basis |

This letter must be sent to all employees 18 years of age or over with a minimum of one year of uninterrupted service within the meaning of the *Act respecting labour standards.* The notice must be on a company letterhead

You can distribute this letter during employee meetings, send it by e-mail or attach it to other employee communications. You may also wish to print and hand out a copy of the Frequently Asked Questions (FAQ) available at fondsftq.com/vrsp.

You must keep a record of the written notice, the date it was sent and the name of the recipient. You must also keep the opt-out notices of employees who choose not to contribute to an RRSP at the Fonds through payroll deduction.

**Would you like one of our representatives to visit your workplace to explain the benefits of contributing to an RRSP with the Fonds de solidarité FTQ to your employees? Contact us at 1 888-385-3723.**

Date

**The Fonds de solidarité FTQ payroll deduction program : our choice!**

Dear Employee:

Pursuant to the new *Voluntary Retirement Savings Plan Act*, we have chosen to offer our employees the option of contributing to an RRSP with the Fonds de solidarité FTQ through payroll deduction.

**Advantages of an RRSP with the Fonds**

Because of the Fonds de solidarité FTQ’s unique mission – to create and keep jobs in Québec – individuals who contribute to an RRSP with the Fonds are entitled to additional tax credits.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Contribution Per Pay Period  (26) | Tax Savings (approx.) | | | Annual Outlay | Annual Investment |
| Credits[[1]](#footnote-1)  30% | RRSP2  37.1% | Total  67.1% |
| 20.00 | 6.00 | 7.42 | 13.42 | 171 | 520 |
| 40.00 | 12.00 | 14.84 | 26.84 | 342 | 1 040 |
| 100.00 | 30.00 | 37.10 | 67.10 | 855 | 2 600 |
| 192.31 | 57.69 | 71.35 | 129.04 | 1 645 | 5 000 |

Example for the 2016 tax year for a person receiving 26 pays per year and whose annual income is between $45.283 and $84.780 with a marginal tax rate of 37.1%.

**You decide how much to contribute**

* You decide how much you want to contribute, making sure not to exceed your contribution limit.
* You can change or stop payroll deduction at any time.
* **(OPTIONAL TEXT IF THE EMPLOYER CONTRIBUTES ON BEHALF OF THE EMPLOYEE) : Your employer will contribute $xx to your RRSP and you benefit from the tax credits on this amount as well.**

**It’s easy to enrol**

Any employee over age 18 can enrol in the Fonds. You can sign up online at [fondsftq.com](http://www.fondsftq.com) or call Shareholder Services at 1 800 567-3663 for an enrolment form. There are no administration charges at the Fonds except for a one-time $25 fee to open the account.

We hope you will take advantage of this excellent alternative to the VRSP. If you have any questions, please communicate with (name of person in charge).

Sincerely,

Employer’s signature

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the undersigned, wish to contribute through payroll deduction to a Registered Retirement Savings Plan of the Fonds de solidarité des travailleurs du Québec (F.T.Q.).

OR

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the undersigned, do not wish to contribute to a Registered Retirement Savings Plan of the Fonds de solidarité des travailleurs du Québec (F.T.Q.).

|  |  |  |
| --- | --- | --- |
|  |  |  |

Employee Employer

1. The tax credits granted to the Fonds for the 2016 tax year are 15% at the federal level and 15% at the provincial level for contributions of up to $5,000 per year.

   2  The income tax brackets and marginal tax rates used are estimated as of January 1, 2016. [↑](#footnote-ref-1)