FONDS de solidarité FTQ

INVESTING IN A BETTER SOCIETY.

January 2022

Employer

RRSP+ by payroll deduction

Payroll deduction

So simple
and beneficial

A great way to help your employees save for retirement

In Quebec, it is estimated that more than half of workers do not have access to a registered pension plan.* Between juggling multiple personal and family obligations, it's often challenging to invest in an RRSP for retirement. Moreover, many people believe that the income they will receive from public plans will be enough to live on, which is unfortunately not the case in general.

Did you know that there's a very simple way to encourage your employees to save for retirement? All you need to do is implement the Fonds de solidarité FTQ payroll deduction. By doing so, you can offer your employees the opportunity to contribute to the RRSP+ directly on their pay. And since they will immediately benefit from the tax savings it offers, the salary deduction will be minimal compared to the amount of savings generated annually. All this, free of charge and without any complicated procedures. Everyone benefits.

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* Retraite Québec: *Portrait du marché de la retraite au Québec* as at December 31, 2018 (3rd edition)

A true turnkey solution

Offering Fonds de solidarité FTQ payroll deduction as a retirement savings option to your employees allows you to take advantage of a turnkey solution that is both quick to implement and easy to manage. Moreover, you'll also be exempt from the obligation to set up a VRSP. The advantages are many.

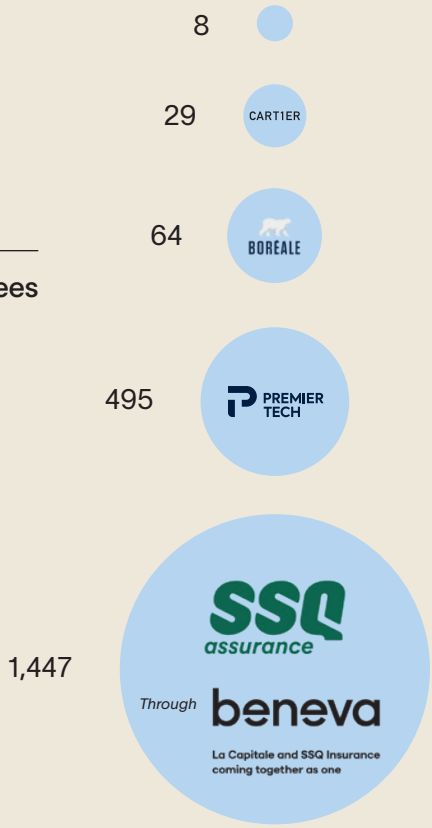
- → Quick to set up
- → Simple and adapted to your payroll process
- → Easy to administer, thanks to a wide range of online tools
- → Accessible, thanks to personalized support that includes on-request visits from a Fonds subscription coordinator to explain payroll deduction to your employees
- → Flexible solution that allows you to register only employees who wish to contribute
- → When an employer contributes to the acquisition of Fonds de solidarité FTQ shares on behalf of an employee, the taxable benefit arising from the employer's contribution is no longer considered in the calculation of insurable earnings

A reliable, credible and responsible business partner

Enrolling with the Fonds de solidarité FTQ means working with a partner whose primary mission is to contribute to Québec's economic growth. We invest the majority of our assets in the local economy to create and maintain jobs close to home. Also, the Fonds finances companies and projects that promote sustainable development and have a positive impact on our communities.

For more than 35 years, we've been a privileged partner of many Québec companies of all sizes, more than 12,000 of which offer payroll deduction to their employees. By offering your employees the option to contribute to an RRSP+ with the Fonds through payroll deduction, you're making a positive contribution to Québec's economy and helping to build a better society.

Number of employees enrolled



A solution to the VRSP

All companies with 10 or more employees are subject to the requirements of the Voluntary Retirement Savings Plans Act (VRSP). Therefore, they must offer their employees a way to save for retirement. By proposing the Fonds de solidarité FTQ payroll deduction, you won't need to set up a VRSP.

Does your company have 5 to 9 employees?
Get a head start and offer your employees the chance to save for retirement.

An additional tool to build employee loyalty

At a time when the best talents are in high demand, retention has never been so important. Knowing that few SMEs can offer a retirement savings plan, you can stand out as an employer thanks to the Fonds de solidarité FTQ payroll deduction program. This unique solution could be seen as a competitive advantage, especially if you choose to offer the employer's voluntary contribution. Give yourself one more way to retain your employees, and provide them with a savings tool that provides multiple benefits:

- → Immediate tax savings, on each pay, including the additional 30% tax credits of the RRSP+*
- → Freedom to determine the deduction amounts themselves
- → Possibility to modify or stop deductions at any time
- → 30% in immediate tax savings* on the employer's voluntary contribution

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* The Fonds de solidarité FTQ's shareholders will receive 15% in tax credits from the Québec government and 15% from the federal government. They are capped at $1,500 per fiscal year, which represents a $5,000 purchase of shares of the Fonds de solidarité FTQ.

Enroll today:

fondsftq.com/employers

1-888-385-3723
Monday to Friday, 8:30 a.m. to 4:30 p.m.

As simple as can be

Our program is simple: no contracts to sign or management fees. You can set up payroll deduction yourself using your regular software, or have it done by your payroll provider.

TO SUBMIT AN ACCOUNT OPENING REQUEST:

→ Online: **fondsftq.com/employers**

→ By telephone: **1-888-385-3723**

It only takes a few minutes, and you will only need to provide the following information:

→ The company's contact details

→ Information about the person responsible for payroll management

Then, you'll receive a confirmation email, and an Employer Services agent will contact the person responsible for payroll management to finalize the process.

A secure extranet that's convenient and user-friendly

Our secure extranet will make your life easier. In addition to providing you with easy access to the documents produced for you, the site offers practical features that will make you more efficient:

- → **Online banking payment:** Make your payments online and save time and money. Making your payments has never been easier!
- → **Online deposit of remittance files:** Upload your files or use our online payment table, making your payments much easier to manage!
- → **Order promotional material:** Choose from all our promotional material to be better equipped to meet the needs of your employees. Technical support is also available if you have any questions.

The RRSP+ is more than an RRSP

The RRSP+ allows to benefit from 30%* tax credits. For a $1,000 investment, an additional $300 goes directly into your employees' pockets. And the most interesting thing is that, with payroll deduction, they benefit from all the tax savings immediately.

If you decide to add an employer contribution to their RRSP+, which is optional, they will also benefit from the resulting 30% tax credits.*

Example of the actual cost for the employee

The following example is based on an annual taxable income of **$40,000** paid out over 52 pays:

- → With a **$10** contribution per pay, the employee would save **$520** a year.
- → Since tax credits are applied immediately, the actual amount deducted from each pay is **$4.25**.
- → For an actual deduction of **$4.25** on each pay, **$10** is added to the employee's RRSP+.
- → In total, it only costs the employee **$221** to save **$520** a year.

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Taxable income from $20,000 to $46,295

Marginal tax rate 27.5%

Actual cost for the employee

Contribution per pay period (52)	Tax savings (approx.)			Approx. net pay reduction of	Total disbursed per year	Total invested per year
	Credits* 30%	RRSP 27.5%	Total 57.5%			
5.00	1.50	1.38	2.88	2.12	110	260
→ **10.00**	3.00	2.75	5.75	**4.25**	221	**520**
15.00	4.50	4.13	8.63	6.37	331	780
20.00	6.00	5.50	11.50	8.50	442	1,040
30.00	9.00	8.25	17.25	12.75	663	1,560
40.00	12.00	11.00	23.00	17.00	884	2,080
50.00	15.00	13.75	28.75	21.25	1,105	2,600
60.00	18.00	16.50	34.50	25.50	1,326	3,120
80.00	24.00	22.00	46.00	34.00	1,768	4,160
96.16	28.85	26.44	55.29	40.87	2,125	5,000

Example for the 2022 taxation year, based on a person with a $40,000 taxable annual income with a marginal tax rate of 27.5% who receives 52 paychecks per year and benefits from a tax refund on each paycheck. These amounts are estimates that could vary depending on your taxation status.

Example of the actual cost for the employee WITH an employer contribution

Here's an example based on an annual taxable income of **$40,000** paid out over 52 pays at a company who has decided to make an employer contribution of **$250** a year to its employees' RRSP+:

- With a **$10** contribution per pay, the employee would save **$520** a year.
- By adding the **$250** annual employer contribution, this amount becomes **$770**.
- Since tax credits are applied immediately on both the employee and employer contribution, the actual amount deducted from each pay is only **$2.81**.
- For a **$2.81** amount deducted on each pay, **$10** is added to the employee's RRSP+.
- In total, it only costs the employee **$146** to save **$770** a year, including the **$250** annual employer contribution.

Eligible for the HBP

Like any other RRSP, the RRSP+ allows you to benefit from the Home Buyers' Plan (HBP). By offering payroll deduction to your employees, you're giving them the opportunity to easily save the money they need to buy their first home, thereby making it possible to become homeowners at a lower cost.

Taxable income from $20,000 to $46,295

Marginal tax rate 27.5%

Actual cost for the employee

Contribution per pay period (52)	Tax savings (approx.)	Approx. net pay reduction of	Total disbursed per year	Total invested per year		
				Employee	Employer	Total
4.81	4.21	0.60	31	250	250	500
→ **10.00**	7.19	**2.81**	**146**	**520**	**250**	**770**
15.00	10.07	4.93	256	780	250	1,030
20.00	12.94	7.06	367	1,040	250	1,290
30.00	18.69	11.31	588	1,560	250	1,810
40.00	24.44	15.56	809	2,080	250	2,330
50.00	30.19	19.81	1,030	2,600	250	2,850
60.00	35.94	24.06	1,251	3,120	250	3,370
80.00	47.44	32.56	1,693	4,160	250	4,410
91.34	53.97	37.37	1,943	4,750	250	5,000

Example for the 2022 taxation year, based on a person with a $40,000 taxable annual income with a marginal tax rate of 27.5% who receives 52 paychecks per year and benefits from a tax refund on each paycheck. These amounts are estimates that could vary depending on your taxation status.

Returns for the future

In addition to the additional and immediate tax savings the RRSP+ offers, you also benefit from the potential return on the share. For the financial year ending November 30, 2021, the 12-month return is 13.6%, regardless of the tax credits you get when you contribute to the RRSP+.

ANNUAL COMPOUNDED RETURNS TO THE SHAREHOLDER*

As at November 30, 2021

10 years	5 years	3 years	1 year
7.9%	9.1%	10.3%	13.6%

This means that if you had contributed $1,000 to the Fonds 10 years ago, for example, it would be worth $2,139 today.

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* Please read the prospectus before buying shares of the Fonds de solidarité FTQ. Copies of the prospectus may be obtained on the fondsftq.com website, from a local representative or at the offices of the Fonds de solidarité FTQ. The indicated rates of return are the historical annual compounded total returns including changes in share value and reinvestment of all dividends and do not take into account income taxes payable by any security holder that would have reduced returns. The shares of the Fonds de solidarité FTQ are not guaranteed, their value changes and past performance may not be repeated.

Share value

As at November 30, 2021

$55.77

Track the performance and share value of the Fonds:

fondsftq.com/return

Customized financing possibilities

Building a business relationship with the Fonds de solidarité FTQ can also lead to financing. Our team of financing experts has been helping Québec companies carry out their most ambitious projects for more than 35 years. We offer customized financing, no-collateral loans and a long-term partnership. Are you working on a growth project, a new product or any other project that requires capital? Contact us. We'd be happy to discuss these options with you.

fondsftq.com/en/entreprise

Business financing
1-800-267-3446

Contact us

Want to learn more about payroll deduction or sign up for our program? Visit our website or contact one of our agents.

Visit our website
fondsftq.com/employers

Call **1-888-385-3723**
Monday to Friday, 8:30 a.m. to 4:30 p.m.

Contact your subscription coordinator

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