Manulife

Comparison chart for Capital Accumulation Plans

with inserts for federal and provincial pension legislation
January 1, 2025

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), limited only to post-reform membership.

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 the Summary of pension legislation and on the Canada Revenue Agency (CRA) website at **www.cra-arc.gc.ca/tx/rgstrd/menu-eng.html**

Table of contents

Comparison of various Capital Accumulation Plans

	Group RRSP	Group structured RRSP
Definition	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 and employer) retirement savings.
Participation	• Voluntary • Owner-manager/shareholder employee may join	• Voluntary or compulsory, as per plan rules • Owner-manager/shareholder employee may join
Contributions	• Made by employee only • 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 • May be suspended or terminated The RRSP contribution limit for 2025 is the lesser of $32,490and 18% of the previous year's earned income. Proposed increases to the dollar limit: 2026 $33,810	• Made by employee and employer • 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 • May be suspended or terminated The RRSP contribution limit for 2025 is the lesser of $32,490and 18% of the previous year's earned income. Proposed increases to the dollar limit: 2026 $33,810
Income splitting	Employer may allow spousal RRSP accounts.	Employer may allow spousal RRSP accounts.
Tax treatment of: employee contributions, if any	• Tax deductible for the employee • Contributions deducted from pay before income tax	• Tax deductible for the employee • Contributions deducted from pay before income tax
employer contributions, if any	Employer-paid administration fees (if any) are considered a taxable benefit for the employee.	• Contributions are taxable income for the employee • Contributions are tax deductible for the employer • Increase overall payroll and related payroll taxes • Employer-paid administration fees (if any) are considered a taxable benefit for the employee
Vesting (right to employer contributions)	N/A	Immediate
Locking-in (requirement to use assets solely to generate an income at retirement)	None	None
Withdrawals during employment (cash withdrawals are subject to tax withholding)	Allowed at any time.	• Withdrawals of employer contributions may be restricted, or controlled by: (i) imposing a waiting period for rejoining the plan (ii) suspending future employer contributions for a period of time • Withdrawals of employee contributions may be restricted
Termination benefit and options	• Value of employee contributions • Options: cash (subject to tax withholding) or transfer to an RPP, another RRSP or a RRIF	• Value of employee and vested employer contributions • Options: cash (subject to tax withholding) or transfer to an RPP, another RRSP or a RRIF
Retirement income options	• Immediate or deferred annuity, or • Transfer the total value of the account to an RRSP or a RRIF	• Immediate or deferred annuity, or • Transfer the total value of the account to an RRSP or a RRIF
Death benefit	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.
Administrative matters	• RRSPs are governed by the **Income Tax Act** (Canada) • Manulife issues tax receipts twice a year	• RRSPs are governed by the **Income Tax Act** (Canada) • Employee and employer contributions are recorded separately • Manulife issues tax receipts twice a year

	Deferred Profit Sharing Plan (DPSP)
Definition	A tax-assisted arrangement enabling an employer to share company profits with employees.
Participation	• As per plan rules • Connected employees, as defined under the **Income Tax Act** (Canada), are not eligible to join
Contributions	• Made by employer only • 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) • None may be made if no profits or no retained earnings The DPSP contribution limit for 2025 is the lesser of $16,905 and 18% of the employee's current year remuneration fromthe employer. Proposed increases to the dollar limit: 2026 indexed
Income splitting	Not possible
Tax treatment of: employee contributions, if any	
employer contributions, if any	• Tax deductible for the employer • Do not constitute a taxable benefit for the employee until payout • Made directly into plan and do not impact payroll taxes
Vesting (right to employer contributions)	• After 2 years of membership in the plan • Plan rules may allow for earlier vesting
Locking-in (requirement to use assets solely to generate an income at retirement)	None
Withdrawals during employment (cash withdrawals are subject to tax withholding)	May be permitted in plan rules.
Termination benefit and options	• Value of vested employer contributions • Options: cash (subject to tax withholding) or transfer to an RPP, an RRSP, the DPSP of a new employer or a RRIF
Retirement income options	Transfer the total value of the account to an RPP, an RRSP, the DPSP of a new employer or a RRIF.
Death benefit	Value of vested contributions paid out to designated beneficiary or, if none, to the estate.
Administrative matters	• DPSPs are governed by the **Income Tax Act** (Canada) • A trust must be established to hold the DPSP funds and the trustee(s) administer the plan • The trustee(s) are responsible for calculating Pension Adjustment Reversals (PAR) for terminated members and issuing T10 slips, summaries and segments • DPSP contributions have to be reported by the employer on T4 income tax slips, as a Pension Adjustment (PA)

	Group TFSA
Definition	A savings account, usually sponsored by an employer, intended to provide an additional tax-efficient savings plan for eligible employees that could complement their existing group retirement plans.
Participation	• Voluntary • Available to any individual who is resident in Canada and 18 years of age or older • Spouse/common-law partner of an employee may join, if the plan allows
Contributions	• Made by employee only • 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: – The annual contribution limit – Any unused TFSA contribution room from the previous year – Any amounts withdrawn from a TFSA in the previous year • May be suspended or terminated • The annual contribution limit is $7,000 for 2025.
Income splitting	Not possible
Tax treatment of: employee contributions, if any	• Not tax deductible for the employee • Contributions deducted from pay after income tax
employer contributions, if any	N/A
Vesting (right to employer contributions)	N/A
Locking-in (requirement to use assets solely to generate an income at retirement)	None
Withdrawals during employment (cash withdrawals are subject to tax withholding)	• Allowed at any time • Withdrawals are not taxable and therefore, they are not subject to tax withholding
Termination benefit and options	• Value of employee's TFSA • Cash • Transfer to another TFSA (not subject to tax withholding)
Retirement income options	• Value of employee's TFSA • Cash • Immediate or deferred annuity • Transfer to another TFSA (not subject to tax withholding)
Death benefit	Value of deceased employee's TFSA paid out to designated beneficiary or, if none, to the estate.
Administrative matters	• TFSAs are governed by the **Income Tax Act** (Canada) • Manulife will not issue tax receipts concerning the plan

Provisions of federally regulated money purchase pension plans

	Defined Contribution Registered Pension Plan (DC-RPP)
Definition	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.
Participation	• Owner-manager/shareholder employee may join • Full-time employees: may join, subject to any eligibility period, as per plan rules; maximum 2 years of continuous service • Part-time employees: 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
Contributions	• Made by employer and possibly employee • Must follow a formula as specified in the plan rules • Employer must contribute at least 1% of employee's remuneration • Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan • Plan contributions may not be suspended or terminated unless plan is officially terminated The RPP contribution limit for 2025 is the lesser of $33,810 and 18% of the employee's current year remuneration fromthe employer.
Income splitting	Not possible
Tax treatment of: employee contributions, if any	• Tax deductible for the employee • Contributions deducted from pay before income tax
Employer contributions	• Tax deductible for the employer • Does not constitute a taxable benefit for the employee until payout • Made directly into plan and do not impact payroll taxes
Vesting (right to employer contributions)	Immediate
Locking-in (requirement to use assets solely to generate an income at retirement)	• After 2 years of continuous plan membership for benefits accrued from 01/10/67 • 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 employer contributions • Options: cash (not locked-in contributions), transfer to another pension plan a Pooled Registered Pension Plan (PRPP), a locked-in RRSP, a LIF, an RLIF or purchase a deferred or immediate 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 vested 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)

Provisions of money purchase pension plans in Alberta

	Defined Contribution Registered Pension Plan (DC-RPP)
Definition	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.
Participation	• Owner-manager/shareholder employee may join • Full-time and part-time employees: 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
Contributions	• Made by employer and possibly employee • Must follow a formula as specified in the plan rules • Employer must contribute at least 1% of employee's remuneration • Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan • Plan contributions may be suspended if plan rules allow for it The RPP contribution limit for 2025 is the lesser of $33,810 and 18% of the employee's current year remuneration fromthe employer.
Income splitting	Not possible
Tax treatment of: employee contributions, if any	• Tax deductible for the employee • Contributions deducted from pay before income tax
Employer contributions	• Tax deductible for the employer • Does not constitute a taxable benefit for the employee until payout • Made directly into plan and do not impact payroll taxes
Vesting (right to employer contributions)	Immediate
Locking-in (requirement to use assets solely to generate an income at retirement)	• All benefits are locked-in unless they are below 20% of the YMPE • 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 • Options: cash (not locked-in contributions), transfer to another pension plan, a LIRA, a LIF (if the 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)

Provisions of money purchase pension plans in British Columbia

	Defined Contribution Registered Pension Plan (DC-RPP)
Definition	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.
Participation	• Owner-manager/shareholder employee may join • Full-time and part-time employees: 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
Contributions	• Made by employer and possibly employee • Must follow a formula as specified in the plan rules • Employer must contribute at least 1% of employee's remuneration • Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan • Plan contributions may not be suspended or terminated unless plan is officially terminated The RPP contribution limit for 2025 is the lesser of $33,810 and 18% of the employee's current year remuneration fromthe employer.
Income splitting	Not possible
Tax treatment of: employee contributions, if any	• Tax deductible for the employee • Contributions deducted from pay before income tax
Employer contributions	• Tax deductible for the employer • Does not constitute a taxable benefit for the employee until payout • Made directly into plan and do not impact payroll taxes
Vesting (right to employer contributions)	• Immediate
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 • 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, LIRA, a LIF (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
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 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)

Comparison of money purchase pension plans in Manitoba

	Defined Contribution Registered Pension Plan (DC-RPP)
Definition	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.
Participation	• Owner-manager/shareholder employee may join • Full-time and non-full-time employees must join within the period provided for in the plan text (not exceeding 30 days) after expiration of waiting period (not exceeding 2 years of continuous employment) also provided for in plan text • Non-full-time employees must join once, in each of 2 consecutive calendar years, the annual earnings have reached 35% of YMPE or the number of hours worked has reached 700
Contributions	• Made by employer and possibly employee • Must follow a formula as specified in the plan rules • Employer must contribute at least 1% of employee's remuneration • Employer contributions in any year will not be less than 1% of the total annual earnings of all members in the plan • Plan contributions may not be suspended or terminated unless plan is officially terminated The RPP contribution limit for 2025 is the lesser of $33,810 and 18% of the employee's current year remuneration fromthe employer.
Income splitting	Not possible
Tax treatment of: employee contributions, if any	• Tax deductible for the employee • Contributions deducted from pay before income tax
Employer contributions	• Tax deductible for the employer • Does not constitute a taxable benefit for the employee until payout • Made directly into plan and do not impact payroll taxes
Vesting (right to employer contributions)	Immediate for all accrued benefits since July 1, 1976.
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 employer contributions • 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 (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 Manitoba are governed by the **Manitoba 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)

	Simplified Pension Plan (SPP in Manitoba)
Definition	A tax-assisted arrangement, sponsored by an employer, who has 250 Manitoba employees or less, to provide retirement income to employees within a formal retirement program, administered by a financial institution.
Participation	• Voluntary or compulsory, as per plan rules • Only Manitoba employees • Owner-manager/shareholder employee may join • All employees of eligible class (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.
Contributions	• Made by employer and possibly employee • Must be specified in the plan rules and may vary by class of eligible employees • Employer must contribute at least 1% of employee's remuneration • Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan • Plan contributions may not be suspended or terminated unless plan is officially terminated The SPP contribution limit for 2025 is the lesser of $33,810 and 18% of the employee's current yearremuneration from the employer.
Income splitting	Not possible
Tax treatment of: **employee contributions, if any**	• Tax deductible for the employee • Contributions deducted from pay before income tax
Employer contributions	• Tax deductible for the employer • Does not constitute a taxable benefit for the employee until payout • Made directly into plan and do not impact payroll taxes
Vesting (right to employer contributions)	Immediate
Locking-in (requirement to use assets solely to generate an income at retirement)	• Immediate • 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 employer contributions • 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 (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	• SPPs in Manitoba are governed by the **Manitoba Pension Benefits Act** and Regulation, and the **Income Tax Act** (Canada) • Employee, employer and voluntary (if applicable) contributions are recorded separately • SPP contributions have to be reported by the employer on T4 income tax slips as a Pension Adjustment (PA)

Provisions of money purchase pension plans in New Brunswick

	Defined Contribution Registered Pension Plan (DC-RPP)
Definition	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.
Participation	• Owner-manager/shareholder employee may join • Full-time employees: may join, subject to any eligibility period, as per plan rules; maximum 2 years of continuous service • Part-time employees: 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
Contributions	• Made by employer and possibly employee • Must follow a formula as specified in the plan rules • Employer must contribute at least 1% of employee's remuneration • Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan • Plan contributions may not be suspended or terminated unless plan is officially terminated The RPP contribution limit for 2025 is the lesser of $33,810 and 18% of the employee's current year remuneration fromthe employer.
Income splitting	Not possible
Tax treatment of: employee contributions, if any	• Tax deductible for the employee • Contributions deducted from pay before income tax
Employer contributions	• Tax deductible for the employer • Does not constitute a taxable benefit for the employee until payout • Made directly into plan and do not impact payroll taxes
Vesting (right to employer contributions)	• After 2 years of continuous membership in the plan beginning on or after January 1, 2001 or after 5 years of continuous service • Plan rules may allow for earlier vesting
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)

Provisions of money purchase pension plans in Newfoundland and Labrador

	Defined Contribution Registered Pension Plan (DC-RPP)
Definition	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.
Participation	• Owner-manager/shareholder employee may join • Full-time employees: may join, subject to any eligibility period, as per plan rules; maximum 2 years of continuous service • Part-time employees: 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
Contributions	• Made by employer and possibly employee • Must follow a formula as specified in the plan rules • Employer must contribute at least 1% of employee's remuneration • Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan • Plan contributions may not be suspended or terminated unless plan is officially terminated The RPP contribution limit for 2025 is the lesser of $33,810 and 18% of the employee's current year remuneration fromthe employer.
Income splitting	Not possible
Tax treatment of: employee contributions, if any	• Tax deductible for the employee • Contributions deducted from pay before income tax
Employer contributions	• Tax deductible for the employer • Does not constitute a taxable benefit for the employee until payout • Made directly into plan and do not impact payroll taxes
Vesting (right to employer contributions)	• After 2 years of continuous membership in the plan for benefits accrued after 1996 • Plan rules may allow for earlier vesting
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)

Provisions of money purchase pension plans in Nova Scotia

	Defined Contribution Registered Pension Plan (DC-RPP)
Definition	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.
Participation	• Owner-manager/shareholder employee may join • Full-time employees: 2 years of continuous service • Part-time employees: 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
Contributions	• Made by employer and possibly employee • Must follow a formula as specified in the plan rules • Employer must contribute at least 1% of employee's remuneration • Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan • Plan contributions may not be suspended or terminated unless plan is officially terminated The RPP contribution limit for 2025 is the lesser of $33,810 and 18% of the employee's current year remuneration fromthe employer.
Income splitting	Not possible
Tax treatment of: employee contributions, if any	• Tax deductible for the employee • Contributions deducted from pay before income tax
Employer contributions	• Tax deductible for the employer • Does not constitute a taxable benefit for the employee until payout • Made directly into plan and do not impact payroll taxes
Vesting (right to employer contributions)	• Immediate
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 • 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 • Subject to a pension waiver, transfer the value of vested contributions to a LIF
Death benefit	• If there is a surviving spouse: 100% of the value of vested contributions payable to spouse or common-law partner (not locked-in) • If there is no surviving spouse: 100% of the value of vested contributions 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)

Provisions of money purchase pension plans in Ontario

	Defined Contribution Registered Pension Plan (DC-RPP)
Definition	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.
Participation	• Owner-manager/shareholder employee may join • Full-time employees: may join, subject to any eligibility period, as per plan rules; maximum 2 years of continuous service • Part-time employees: 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
Contributions	• Made by employer and possibly employee • Must follow a formula as specified in the plan rules • Employer must contribute at least 1% of employee's remuneration • Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan • Plan contributions may not be suspended or terminated unless plan is officially terminated The RPP contribution limit for 2025 is the lesser of $33,810 and 18% of the employee's current year remuneration fromthe employer.
Income splitting	Not possible
Tax treatment of: employee contributions, if any	• Tax deductible for the employee • Contributions deducted from pay before income tax
Employer contributions	• Tax deductible for the employer • Does not constitute a taxable benefit for the employee until payout • Made directly into plan and do not impact payroll taxes
Vesting (right to employer contributions)	Immediate
Locking-in (requirement to use assets solely to generate an income at retirement)	• Immediate • 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 employer contributions • 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 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 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)

Comparison of money purchase pension plans in Quebec

	Defined Contribution Registered Pension Plan (DC-RPP)
Definition	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.
Participation	• Owner-manager/shareholder employee may join • Full-time and part-time employees: 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.
Contributions	• Made by employer and possibly employee • Must follow a formula as specified in the plan rules • Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan • Plan contributions may not be suspended or terminated unless plan is officially terminated The RPP contribution limit for 2025 is the lesser of $33,810 and 18% of the employee's current year remuneration fromthe employer.
Income splitting	Not possible
Tax treatment of: employee contributions, if any	• Tax deductible for the employee • Contributions deducted from pay before income tax
Employer contributions	• Tax deductible for the employer • Does not constitute a taxable benefit for the employee until payout • Made directly into plan and do not impact payroll taxes
Vesting (right to employer contributions)	Immediate
Locking-in (requirement to use assets solely to generate an income at retirement)	• Immediate • 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 employer contributions • Options: cash (not locked-in contributions), transfer to another pension plan, a LIRA, a LIF or purchase an immediate or deferred life annuity
Retirement income options	• Joint life annuity reverting to 60% (including bridging benefit) 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 contributions payable to spouse or common-law partner • If there is no surviving spouse or common-law partner: value of contributions payable to the designated beneficiary or, if none, to the estate (not locked-in)
Administrative matters	• DC-RPPs in Quebec are governed by the **Quebec Supplemental 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). • 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 50 members. • Approval is required from Retraite Québec before liquidating the plan.

	Simplified Pension Plan (SPP in Quebec)
Definition	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program, administered by a financial institution.
Participation	• Voluntary or compulsory, as per plan rules • Only Quebec employees • Owner-manager/shareholder employee may join • All employees of eligible class (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.
Contributions	• Made by employer and possibly employee • Must be specified in the plan rules and may vary by class of eligible employees • Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan • Plan contributions may not be suspended or terminated unless plan is officially terminated The SPP contribution limit for 2025 is the lesser of $33,810 and 18% of the employee's current year remuneration fromthe employer.
Income splitting	Not possible
Tax treatment of: employee contributions, if any	• Tax deductible for the employee • Contributions deducted from pay before income tax
Employer contributions	• Tax deductible for the employer • Does not constitute a taxable benefit for the employee until payout • Made directly into plan and do not impact payroll taxes
Vesting (right to employer contributions)	Immediate
Locking-in (requirement to use assets solely to generate an income at retirement)	• Immediate • Applies to employer contributions, may or may not apply to employee contributions at the discretion of the employer • Does not apply to voluntary contributions
Withdrawals during employment (cash withdrawals are subject to tax withholding)	• Allowed if member is age 55 and above • May be allowed for not locked-in contributions, as per plan rules
Termination benefit and options	• Value of employee and employer contributions • Options: cash (not locked-in contributions), transfer to another pension plan, a LIRA, a LIF or purchase an immediate or deferred life annuity
Retirement income options	• Joint life annuity reverting to 60% (including bridging benefit) 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 contributions payable to spouse or common-law partner • If there is no surviving spouse or common-law partner: value of contributions payable to the designated beneficiary or, if none, to the estate (not locked-in)
Administrative matters	• SPPs in Quebec are governed by the **Quebec Supplemental Pension Plans Act** and Regulation, and the **Income Tax Act** (Canada) • Employee, employer and voluntary (if applicable) contributions are recorded separately • SPP contributions have to be reported by the employer on T4 income tax slips as a Pension Adjustment (PA) • The service provider handles administration of the plan

Provisions of money purchase pension plans in Saskatchewan

	Defined Contribution Registered Pension Plan (DC-RPP)
Definition	A tax-assisted arrangement, sponsored by an employer, to provide retirement income to employees within a formal retirement program.
Participation	• Owner-manager/shareholder employee may join • Full-time employees: may join, subject to any eligibility period, as per plan rules; maximum 2 years of continuous service • Part-time employees: 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
Contributions	• Made by employer and possibly employee • Must follow a formula as specified in the plan rules • Employer must contribute at least 1% of employee's remuneration • Employer contributions in any year will not be less than 1% of the total annual earnings of all members of the plan • Plan contributions may not be suspended or terminated unless plan is officially terminated The RPP contribution limit for 2025 is the lesser of $33,810 and 18% of the employee's current year remuneration fromthe employer.
Income splitting	Not possible
Tax treatment of: employee contributions, if any	• Tax deductible for the employee • Contributions deducted from pay before income tax
Employer contributions	• Tax deductible for the employer • Does not constitute a taxable benefit for the employee until payout • Made directly into plan and do not impact payroll taxes
Vesting (right to employer contributions)	• After 2 years of continuous service for post-1993 benefits • Plan rules may allow for earlier vesting
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)

The Pooled Registered Pension Plan (PRPP)

	Pooled Registered Pension Plan (PRPP)
Definition	• A new type of defined contribution multi-employer pension plan in which unrelated employers and self-employed persons will be eligible to participate • Applicable to employees whose employment is federally regulated, self-employed workers or employees in the Yukon, Northwest Territories and Nunavut and to employees in jurisdictions that have passed PRPP legislation, namely British Columbia, Saskatchewan, Ontario, New Brunswick and Nova Scotia.
Participation	• Voluntary for employers • Automatic enrolment – Full-time employees automatically become members of the PRPP immediately and part-time employees (i.e., after having completed 24 months of continuous service with the employer) automatically become members of the PRPP, but they have 60 days to opt out • Employee may object to becoming a member because of his religious beliefs
Contributions	• Can be made by the employer (voluntary) • Can be made by the employee at the rate of his choice. If not, the default employee contribution rate is set by the administrator. • Any increases to the default employee contribution rate are set by the administrator • Employees may set their contribution rate at 0% once they have been contributing to the plan for at least 12 months • Both employer and employee contributions are subject to the employee's available RRSP contribution limit for the year The RRSP contribution limit for 2025 is the lesser of $32,490 and 18% of the previous year's earned income
Income splitting	Not possible
Tax treatment of employee contributions, if any	• Tax deductible for the employee • Contributions are deducted from pay before income tax
Tax treatment of employer contributions, if any	• Tax deductible for the employer • Do not constitute a taxable benefit for the employee until payout • Are made directly into plan and do not impact payroll taxes
Vesting (right to employer contributions)	Immediate
Locking-in (requirement to use assets solely to generate an income at retirement)	• disability – i.e., a mental or physical condition that a physician has certified as being likely to shorten considerably the member's life expectancy, or • small amounts (i.e., if the amount of assets in the member's account is less than 20% of the YMPE) • members who have ceased to be residents of Canada for at least 2 years and are no longer employed by a participating employer in the PRPP
Withdrawals during employment (cash withdrawals are subject to tax withholding)	Not allowed
Termination benefit and options	• Transfer to another PRPP or RPP, if the plan permits, or to LIRAs and LIFs, or RRSP or RRIF for unlocked benefits • Purchase of a deferred or immediate life annuity • RRIF-like payments if the plan permits
Retirement income options	• Transfer to another PRPP or RPP, if the plan permits, or to LIRAs, RLIFs and LIFs • Purchase of a deferred or immediate life annuity • RRIF-like payments if the plan permits
Death benefit	• The surviving spouse or common-law partner will have priority entitlement to the assets in the member's account • If the member has no spouse or common-law partner, the funds will be paid to the designated beneficiary, or if there is none, to the member's estate
Administrative matters	• PRPPs are governed by the **Pooled Registered Pension Plans Act**, the respective Pooled Registered Pension Plans Act of the applicable jurisdiction and the **Income Tax Act** (Canada) • There is no Pension Adjustment (PA) reporting • Eligible administrators – A corporation residing in Canada that is licensed to administer a PRPP under applicable Canadian legislation or similar provincial legislation will be eligible to administer a PRPP. License to be issued by the Superintendent of Financial Institutions (OSFI). • Each PRPP will have to be registered by the Superintendent of Financial Institutions (OSFI)

The Quebec Voluntary Retirement Savings Plan (VRSP)

	Voluntary Registered Savings Plan (VRSP) - Quebec
Definition	• A new type of defined contribution multi-employer pension plan in which unrelated employers and self-employed persons will be eligible to participate • Applicable to employees and self-employed workers who work in Quebec
Participation	• Mandatory for employers with 5 employees or more working in Quebec and who do not offer an RRSP, TFSA or RPP to their employees. An employer has to subscribe by the following dates: – December 31, 2016 if they have at least 20 eligible employees on June 30, 2016 – December 31, 2017 if they have 10 to 19 eligible employees on June 30, 2017 – By a date to be determined, but not before January 1, 2018, if they have 5 to 9 eligible employees • Automatic enrolment – Full-time and part-time employees (i.e., Quebec employees 18 years old and over who have at least one year of uninterrupted service) automatically become members of the VRSP, but they have 60 days to opt out • Voluntary enrolment - Individuals who are not automatically enrolled, such as self-employed workers or individual savers, may enrol on a voluntary basis • Periodic re-enrolment or resumption of contributions - Employers will have to offer to re-enrol their employees who have opted out or resume the payment of contributions for employees who have set their contribution rate to 0%. Employers will have to proceed accordingly during the month of December, every two years following the date the employee opted out of the plan or set his/her contribution rate to 0%.
Contributions	• Can be made by the employer (voluntary) • Can be made by the employee at the rate of his choice. If no choice is made, the default employee contribution rate is 2% of gross salary from July 1, 2014 to December 31, 2017; 3% of gross salary from January 1, 2018 to December 31, 2018; and 4% of gross salary starting January 1, 2019. • Employees may set their contribution rate at 0% to avoid contributions • Both employer and employee contributions are subject to the employee's available RRSP contribution limit for the year The RRSP contribution limit for 2025 is the lesser of $32,490 and 18% of the previous year's earned income
Income splitting	Not possible
Tax treatment of employee contributions, if any	• Tax deductible for the employee • Contributions are deducted from pay before income tax
Tax treatment of employer contributions, if any	• Tax deductible for the employer • Do not constitute a taxable benefit for the employee until payout • Are made directly into plan and do not impact payroll taxes
Vesting (right to employer contributions)	Immediate
Locking-in (requirement to use assets solely to generate an income at retirement)	• Employer contributions are locked-in (locked-in account) • Member contributions will not be locked-in (not locked-in account) • Funds in the locked-in account may be transferred to a pension plan upon termination of employment or once a member reaches age 55 and may also be withdrawn if: – a physician certifies that the member's physical or mental disability reduces his/her life expectancy – a physician certifies that the member is physically or mentally disabled without giving an opinion on his/her life expectancy – the balance of the locked-in account is less that 20% of the YMPE in the year of termination of employment with the participating employer – the member has not been a resident of Canada for at least 2 years • Transfer of member assets between the locked-in and not locked-in account will not be allowed
Withdrawals during employment (cash withdrawals are subject to tax withholding)	Member contributions: allowed at least once per 12-month period and at any time in the case of termination of employment and in the cases of reduced life expectancy, physical or mental disability or residency abroad. • Cash of not locked-in amounts

	Voluntary Registered Savings Plan (VRSP) - Quebec
Termination benefit and options	• Transfer to another VRSP, a PRPP, or RPP, if the plan permits, or to RRSPs or RRIFs for not locked-in funds and LIRAs and LIFs for locked-in funds • Purchase of a deferred or immediate life annuity • RRIF-like payments for members who have reached age 55 if permitted by the plan
Retirement income options	• Transfer to another VRSP or RPP, if the plan permits, or to RRSPs or RRIFs for not locked-in funds and to LIRAs and LIFs for locked-in funds • Purchase of a deferred or immediate life annuity • RRIF-like payments for members who have reached age 55 if permitted by the plan
Death benefit	• The surviving spouse or common-law partner will have priority entitlement to the assets in the member's account • If the member has no spouse, the funds will be paid to the member's successor
Administrative matters	• VRSPs are governed by the **Voluntary Retirement Savings Plan Act** and the **Income Tax Act** (Canada) • There is no Pension Adjustment (PA) reporting • Eligible administrators – Insurers, trust companies or investment fund managers, will have to hold a permit issued by the Autorité des marchés financiers (AMF) • Each VRSP will have to be registered with Retraite Québec • Employers - The Commission des normes du travail (i.e. the employment standards regulator) will be responsible for overseeing employers

This document is intended for the purposes of providing general information and should not be construed as advice. The Manufacturers Life Insurance Company disclaims any and all responsibility or liability that may be asserted or claimed arising from, or claimed to have arisen from, reliance upon the use of this information by any person.

This document is intended for the purposes of providing general information and should not be construed as advice. The Manufacturers Life Insurance Company disclaims any and all responsibility or liability that may be asserted or claimed arising from, or claimed to have arisen from, reliance upon the use of this information by any person.

Manulife

For more information please
visit **Manulife.ca**

GE11389K GS 01/25 AODA