



# Generations

Insurance and Wealth Management Inc.

## It is RRSP Season

Many people have an individual RRSP that they contribute to in order to help plan for retirement. However, did you know that there are several advantages to a Group RRSP that can make saving for retirement a whole lot easier.

### Advantages...

- May be purely voluntary plan/and or include employer contribution
- No provincial legislation – employer has considerable flexibility.
- No restrictions on eligibility or timing of employer contributions.  
(Member contributions should be submitted on a monthly basis as a minimum)
- Employer contributions can be random or scheduled
- Members can make additional lump-sum contributions at any time
- Contributions are not locked in
- Spousal plans are allowed, which enhances income splitting in retirement
- If permitted by the plan, assets can be used for Home Buyers' Plan (HBP) and Lifelong Learning Plan (LLP) as outlined under the Income Tax Act.
- No plan-level government reporting by the employer (service provider issues contribution receipts and tax slips)
- Taxes minimized with contributions made through payroll deductions

### How Much Does My Group RRSP Really Cost?

With		Without	
\$1000	Gross Pay	\$1000	Gross Pay
- \$50	RRSP	- \$360	36% Marginal Tax Rate
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\$950		\$640	Take home pay
- \$342	36% Marginal Tax Rate		
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\$608	Take home pay		

  

\$640 - \$608 = \$32
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Therefore, it actually only will cost you **\$32** to save **\$50** when contributing through a Group RRSP

\*Plus there is the additional savings from the employer contribution

**This is valuable information that many people are unaware of. If you or anyone you know would like more information on how to better insure you and your family, call Generations Insurance 780-532-2846 to set up an appointment**

## The Pillars of Your Financial Security

- Life Insurance
- Estate & Retirement Planning
- Employee Health and Dental Plans
- Disability and Critical Illness Insurance
- Financial Consulting
- Employee Assistance Programs
- Partnership and Creditor Insurance
- Succession Planning
- Self Insured Programs

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