



# THE JOURNAL

## solid group plans made simple

### GROUP RETIREMENT & SAVINGS PLANS

Attracting and retaining great employees takes careful design of your organization's total compensation package. How can you achieve well-aligned retirement and savings options?

There are a number of opportunities in the group market. Johnstone's Benefits can guide your organization in determining what best meets your business objectives and manage the administrative details as well!

#### Group RRSPs

A group RRSP is an employer- sponsored retirement savings plan, similar to an individual RRSP. Group RRSPs are often a big part of an employee's total compensation arrangement.

Typical advantages of group RRSPs include:

**Lower management expense ratios (MERS)** – due to group purchasing power the result is a higher net rate of return.

**No additional fees** – employers absorb the set up fees, and typically no fees for employees to change investment options or close their account.

**Flexible contributions** – no minimum, lump sum (a great option to reduce tax upon receipt of a bonus or overtime pay), and employees can change their contribution amount at any time.

**Employer matching contributions** – part of total compensation strategy typically to a percentage of salary.

**Professional services** – regardless of the investment amount, group providers offer consistent quality services to all investors.

**Regular contributions through payroll** – a simple and powerful way to maximum investments while reducing market risk. Also reduces the employee's tax taken when factoring in the RRSP contribution.

**Portability** – employees retain ownership, often length of employment rules in place for employer contributions.

### THE JOHNSTONE'S ADVANTAGE

Our mission is simple:  
**Treat each client as if they were our only client.**

Our value is clear:  
**We are completely independent.** We work for you and offer total flexibility on insurers and plans.

We offer all your group insurance services including administration, brokerage, consulting, and communications.

We provide dedicated client support, customization and flexibility to meet all of your company's benefits needs. And we make solid group plans simple.



## Group TFSAs

Employers can now offer a group Tax Free Savings Account (TFSA) for their employees to provide additional opportunities for savings and retirement savings.

By setting up a group TFSA, employers can achieve many of the same benefits for their employees as outlined for group RRSPs - group purchasing power, maximizing investment returns with lower MERs and a broad range of financial products for employees to invest in. And it's simple for employees to save through regular payroll contributions.

The annual TFSA contribution maximum for 2017 is \$5,500. Employees can keep unused contribution room for future years.

Unlike a group RRSP, employees don't pay taxes on money they withdraw. A group TFSA is geared for retirement savings but can be withdrawn at any time without loss of contribution room in future years. And because funds in a TFSA are not considered income, it doesn't affect retirement benefits like Old Age Security.

## Individual Pension Plans

An Individual Pension Plan (IPP) can be a powerful and inexpensive retirement savings tool for owners or senior managers.

The IPP allows the use of pre-tax corporate income and transfers of personal RRSP funds to help catch up with retirement savings. It is particularly useful to those who are close to retirement and have little retirement savings.

## Introducing another member of the Johnstone's Benefits team

Rick Jackson joined Johnstone's Benefits as a Client Accounts Manager in August 2016. Prior to becoming



**RICK JACKSON**

part of our team, Rick worked for various forest and oil industry companies in the BC Interior, most recently transferring from Kamloops to North Vancouver in 2014 with the Investors Group Financial Services.

Rick is a Certified Financial Planner, is certified by the Mutual Funds Dealers Association, and graduated with his BA in Sociology from UBC in 1998.

In his spare time, Rick likes to cheer for the local sports teams as well as explore local areas with his wife Maricel and six year old son Benjamin.

Contact Rick Jackson at 604-982-1674 or by email [rick.jackson@jbenefits.com](mailto:rick.jackson@jbenefits.com) to discuss how these retirement or savings plans may benefit you.

## CONTACT US

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