



Planning for Retirement:
Not just RRSPs



Legislative Changes for 2008



Seven Steps to a Healthy Workplace



NEWSLETTER

JSL BenefitKnews

A note from the editor: **Getting ready for 2008**

With the holiday decorations packed away for yet another year, at JSL, we're excited by the opportunities of the coming year. We've been working hard to develop our services even further—creating new products and tailoring our existing services to our client needs.

With the RRSP season right around the corner, you may wonder if you are offering your employees the best, most efficient and most cost-effective retirement or pension plans. In addition to a full suite of group plans, we also offer alternate plans such as retirement compensation arrangements and individual pension plans, often used by businesses as a way of attracting or retaining high-calibre employees, these plans offer tax shelters and other benefits for business owners.

In this newsletter we have also listed a few of the relevant legislative changes that are taking place in 2008, as well as a few tips for starting a workplace health and wellness program.

Wishing you all the best for 2008!

The jsl team





Planning for retirement: Not just RRSPs... Group Plans

Establishing a group retirement or pension plan can be an excellent way of increasing workforce retention while assisting employees with valuable retirement planning opportunities.

At JSL, we offer a full suite of group RRSP, defined contribution (DC) and defined benefit (DB) pension plans, deferred profit sharing plans (DPSP) and individual pension plans (IPP). Our services, which are tailored to the needs of our clients and your employees, include:

- Overall assessment of current investments
- Thorough pricing review
- Individual investment review for employees
- Plans administration including completion of government forms and communication of service procedures

2008 Retirement Plan Contribution Limits

RPP - The lesser of 18% of current year's earnings or \$21,000

DPSP - The lesser of 18% of current year's earnings or \$10,500

RRSP - The lesser of 18% of previous year's earnings or \$20,000

Retirement Compensation Arrangement

Establishing a Retirement Compensation Arrangement (RCA) is an ideal way to attract and retain high-calibre employees. RCAs provide a worthwhile retirement plan for business owners, corporate executives and other professionals.

These plans allow companies to make tax deductible retirement contributions on behalf of key employees. At JSL, we can help you develop an effective RCA that can supplement existing pensions or RRSPs while increasing financial and retirement security for your most valued employees.

A highly attractive benefit for key executives, an RCA can save income taxes, provide retirement funding and help protect assets by ending RRSP and pension-maximum discrimination.

2008 CPP/QPP Contribution Levels

2008 Yearly Maximum Pensionable Earnings (YMPE): \$44,900.00

C/QPP Basic Exemption: \$3,500.00

C/QPP Employee/Employer contribution rate: 4.95% / 4.95%

C/QPP Maximum Contribution for employees and employers: \$2,049.30

Individual Pension Plan

A single-person defined benefit plan, the Individual Pension Plan (IPP) allows the plan member to accrue retirement income on a tax-deferred basis.

An attractive alternative to RRSPs for companies seeking added benefits for valued executives, IPPs are worth considering for those who have historically maximized their RRSP and have the income to support a more aggressive tax deferral arrangement.



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Changes to Ontario's LRIF/LIF

Under the new legislation, owners of existing Ontario Life Income Funds (LIFs) may continue their variable LIF payments past the age of 80. Other changes effective January 1, 2008 include:

- Flexible payments—the maximum will be calculated based on the greater of a percentage of the market value or the amount of investment earnings of the LIF in the previous year.
- Owners of a LIF will have a one-time opportunity to withdraw up to 25% of the amount in their LIF.
- Owners of Ontario locked-in accounts who have not been residents of Canada for at least two years now have the ability to withdraw the funds in their account.
- After December 31, 2008, Ontario Locked-in Retirement Income Funds (LRIFs) will no longer be available for purchase.

Changes to Employment Insurance

Effective January 1, 2008, the Employment Insurance (EI) maximum insurable earnings will be increasing from \$40,000.00 to \$41,100.00, while the maximum weekly EI benefit will increase to \$435.00 from \$423.00 and the QPP's annual maximum pensionable earnings will increase from \$43,700.00 to \$44,900.00.

It has also been announced that the EI premium rates will be reduced for 2008. For employees, the rate will fall to \$1.73 from \$1.80 per \$100 of insurable earnings. The rate for employers will fall to \$2.42 from \$2.52. In Quebec, where premiums are lower because the province finances its own parental benefits, the rates for 2008 will be \$1.39 for employees and \$1.95 for employers.

Seven steps to a healthy workplace

No doubt all employees can benefit from the promotion of a workplace health program. We have outlined a few simple steps to help you develop and implement a successful workplace-based health promotion program that will increase productivity, positivity and morale.

Step 1: Lead by example

Surround yourself with people who are prepared, willing and interested in the program.

Step 2: Get support

Maximize the assistance of your HR team, EAP provider, executive management, union and occupational health workers.

Step 3: Acknowledge current activities and collect baseline data

Acknowledge current or informal activities (e.g. weight management classes, group walks) and encourage participation. Collecting data such as absentee and turnover rates, accident rates, and participation rates before the program starts will help to track changes/trends and determine program benefits.

Step 4: Key needs and expectations

Grasp the needs and expectations of your employees. Gather information through interviews, roundtables, surveys and even suggestion boxes.

Step 5: Develop a detailed plan

What needs to be done? What are the barriers? Set timelines, targets, plan execution. Have an idea of the resources required and you'll be on your way.

Step 6: Put your plan into action

Communication is key. Make sure everyone knows about the plan by varying your communication and promotion methods.

Step 7: Monitor, evaluate and maintain

Track both successes and failures and periodically check participant satisfaction. These results will help decide what steps need to be taken to ensure continued success.



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