Employer Contributions Based on Members’ RRSP Contributions

Pension plans and plan amendments which contain provisions that are structured to provide pension benefits based on plan members’ RRSP contributions must satisfy the following conditions in order to be acceptable for registration or continued registration:

1) the plan must state that all employees of the same class are eligible for membership in the plan;

2) plan membership cannot be restricted only to those employees who elect to participate in the RRSP arrangement;

3) the plan must provide a minimum benefit for all members of the plan regardless of whether a member elects to contribute to the RRSP arrangement and in addition, must identify the method for determining the minimum base employer contribution; and

4) the plan must identify the method for determining additional employer contributions with respect to members who elect to contribute to the RRSP arrangement.