Guide

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This Member Guide has been prepared for employees and self-employed persons in Saskatchewan who are members of a federally registered pooled registered pension plan (PRPP) and whose employment falls under Saskatchewan's jurisdiction.

1. Introduction

A pooled registered pension plan (PRPP) is a type of pension plan in which your contributions and your employer's contributions are deposited into an account in your name. Employer contributions, however, are not mandatory. A PRPP pools contributions together for investment and cost efficiency purposes. Investment earnings are credited to your PRPP account and accumulate on a tax deferred basis, meaning you do not pay income tax until your funds are withdrawn from the PRPP. The amount of money that accumulates in your PRPP account depends on how much you contribute, how much your employer contributes, and the investment income generated by your investments.

Your PRPP account is transferable, meaning that you have the flexibility, should you leave your job, to transfer the funds in your PRPP account to another PRPP, to a pension plan, or to a permitted retirement savings plan. You also have the option to leave the funds in your PRPP account.

This Member Guide has been prepared for employees and self-employed persons in Saskatchewan who are members of a federally registered PRPP and whose employment falls under Saskatchewan's jurisdiction.

2. Application of Pooled Registered Pension Plans Legislation

Responsibility for regulating workplace pension plans in Canada is shared by the federal and provincial governments. For pension plans linked to most types of employment, the government of the province in which the members of the pension plan are employed is responsible for establishing the rules under which the pension plan operates and for its supervision. However, certain areas of employment, such as work in connection with navigation and shipping, banking, inter-provincial transportation, and communications, fall under federal jurisdiction, and so too do the regulation and supervision of pension plans linked to that employment. As discussed in the next section, the government of Saskatchewan has entered into an agreement with the federal government and a number of provincial governments to streamline the rules that apply to PRPPs and give the federal Office of the Superintendent of Financial Institutions responsibility for supervising PRPPs.

3. Multilateral Agreement for Pooled Registered Pension Plans

The government of Saskatchewan has entered into an agreement with the federal government and a number of provincial governments to streamline the regulation and supervision of PRPPs across Canada called the Multilateral Agreement Respecting Pooled Registered Pension Plans and Voluntary Retirement Saving Plans (PRPP MLA). Pursuant to the PRPP MLA, the Office of the Superintendent of Financial Institutions is responsible for supervising federally registered PRPPs, including those that have members subject to Saskatchewan's jurisdiction.

Under the PRPP MLA, federally registered PRPPs that include Saskatchewan members are subject to provisions of federal PRPP legislation[1] for most aspects of their operation and to Saskatchewan's PRPP legislation[2] for certain matters related specifically to Saskatchewan members' participation in the PRPP. For example, federal PRPP legislation applies to such things as how contributions are invested, the requirement to provide a PRPP to members at a low cost, and communications with members. The matters for which the Saskatchewan PRPP legislation applies in respect of Saskatchewan members are set out in Schedule C of the PRPP MLA. The matters included in Schedule C of the PRPP MLA generally cover such matters as

- provisions relating to the definition of spouse;[3]
- the locking-in, withdrawal and surrender of funds from a PRPP account;
- rules respecting the transfer of funds from a PRPP account;
- rules respecting variable payments from a PRPP account; and
- rules regarding agreements or arrangements to transfer, charge, anticipate, assign, give as security or surrender any rights or interests in
    - funds in a PRPP account; and
    - funds transferred from a PRPP account.

Federally registered PRPPs that include members subject to Saskatchewan's jurisdiction are therefore subject to the provisions of both federal and Saskatchewan PRPP legislation. This Member Guide refers to this combination of federal and provincial PRPP laws as the "PRPP Framework" and describes how the PRPP Framework applies to members of a federally registered PRPP who fall under Saskatchewan's jurisdiction.

4. Your Employer's Role

An employer is not required to provide a PRPP to its employees. However, if it does, the employer must choose a PRPP from a licensed administrator (Administrator) and enter into a contract with that Administrator to provide the PRPP to its employees. The contract will outline the terms of how the employer will participate in the PRPP, including whether they will contribute to the PRPP, and if so, how much. The Administrator is responsible for the overall design and operation of the PRPP. See Section 5 - The Administrator's Role.

Generally, employers who choose to offer a PRPP will have to

- evaluate and select an Administrator;
- enrol employees in the PRPP;
- notify employees of their enrolment (unless the Administrator agrees to do this);
- deduct and remit member contributions and employer contributions (if the employer chooses to contribute); and
- notify the Administrator when a member: terminates membership by opting out of the PRPP, terminates employment or dies.

Self-employed persons resident in Saskatchewan can enter into a contract with an Administrator to join a PRPP. PRPPs provided to self-employed persons are subject to the requirements of the PRPP Framework.

5. The Administrator's Role

A corporation must be licensed by the Office of the Superintendent of Financial Institutions (OSFI) to be an Administrator to offer PRPPs. In considering whether to issue a licence authorizing a corporation to be an Administrator, OSFI will review, among other things,

- a five-year business plan that describes the reasons why the PRPPs that the corporation intends to offer will be sustainable and how the corporation intends to meet the requirement to provide the PRPPs to its members at low cost;
- the corporation's financial resources;

- the procedures in place to identify, manage and control the risks associated with a PRPP; and
- the corporation's operational capability to administer a PRPP.

An Administrator must register the PRPP with OSFI and the Canada Revenue Agency (CRA) before it can enter into contracts with employers or self-employed individuals.

Under the PRPP MLA (described in Section 3), corporations that hold an authorization granted by the Autorité des Marchés Financiers (AMF) to act as the administrator of a voluntary retirement savings plan in Quebec are exempt from the requirement to obtain a licence and may register a PRPP under the federal PRPP Act.

The Administrator is responsible for the day-to-day administration of the PRPP, which means it must

- register the PRPP and file plan amendments;
- provide information to members;
- respond to member questions about the plan;
- prudently manage the plan and its assets; and
- file the required documents with OSFI and the CRA.

The PRPP Framework provides that the Administrator has the duties of a trustee in respect of PRPP members, which means that the Administrator must act in the best interests of members. In investing the funds in members' accounts, the Administrator "...must exercise the degree of care that a reasonably prudent person would exercise in dealing with the property of another person and the diligence and skill that it possesses, or ought to possess, taking into account the administrator's business".

6. Membership in a PRPP

Employers do not have to provide a PRPP to their employees. However, if your employer provides a PRPP, and you are an eligible full-time employee in the class of employees to whom membership in the PRPP is offered,[4] you will automatically be enrolled in the PRPP provided by your employer.

Every part-time employee[5] in a class of employees whose employer provides a PRPP to that class will automatically be a member of the PRPP once the employee completes 24 months of continuous employment with the employer,

or earlier if the PRPP permits.

An employer can choose to provide a PRPP for all its employees or only for certain groups or classes of employees. A class of employees is usually determined by the terms and nature of employment. For example, although not an exhaustive list, any of the following groups could constitute a class:

- salaried employees
- hourly employees
- unionized employees
- non-unionized employees
- supervisors
- managers
- executives/corporate officers
- employees at a specific location or in a specific division

6.1 Self-employed Individuals

A PRPP may permit self-employed individuals to become members of the PRPP. To become a member of a PRPP, a self-employed individual can enter into a contract directly with an Administrator.

6.2 Advance Notice to Employees

At least 30 days before entering into a contract with an Administrator to provide a PRPP to a class of employees, the employer must notify in writing each employee of that class of its intention to enter into the contract along with other information that is set out in Section 7.1 of this Guide.

6.3 Notice of Plan Membership and the Right to Opt Out

The PRPP Framework provides that all members must be given the opportunity to terminate their membership in the PRPP within 60 days after receiving their notice of plan membership. You also have the right to notify your employer at any time that you object to being a member of a PRPP because of your religious beliefs.

To terminate your membership in the PRPP within 60 days of being notified of your plan membership, you must provide written notice to your employer that includes the date of the notice, your date of birth and signature, and a statement that you have decided to terminate your membership in the PRPP.

If you do not terminate your membership in the PRPP within 60 days of being notified of your plan membership, you cannot terminate your membership while you are still employed with the employer who is providing the PRPP (except, as noted above, in a situation where you object on the basis of your religious beliefs). Your employer is not permitted to deduct contributions to the PRPP from your remuneration until after the expiry of this 60 day period. You may set your contribution rate to 0% if 12 months have passed since you began making contributions to the PRPP. See Section 9.1 - Contribution Rates.

A self-employed individual may terminate their membership in the PRPP at any time by notifying the Administrator.

6.4 Options after Terminating Membership

If you are no longer employed by the employer who is participating in the PRPP or you are a self-employed individual who has terminated membership by providing notice to the Administrator, you will be provided with options regarding the funds in your PRPP account. These options include

- maintaining your membership in the PRPP by leaving your funds in your PRPP account;
- transferring the funds to another PRPP;
- transferring the funds to a registered pension plan, if that plan allows the transfer;
- transferring the funds to a Pooled Retirement Income Account or a Pooled Retirement Savings Account;[6] or
- using the funds in your PRPP account to purchase an annuity.

Further details on the options available are set out in Section 12 - Options on Termination of Membership or Employment.

7. Information Provided to Plan Members

As a member of a PRPP, you have the right to receive certain information from the Administrator on request, and at specific times.

The following tables outline the various documents and notices that must be provided to you and your spouse at certain times before and during your membership in a PRPP and when you terminate your membership:

7.1 Before and on Becoming a Member of a PRPP

Document/notice	Description	Information that must be included in the document/notice
Advance notice to employees	An employer who intends to provide a PRPP must notify employees, in writing, at least 30 days before entering into a contract with an Administrator to provide a PRPP.	• The employer's intention to enter into the contract • The expected effective date of the contract • Employees will be automatically enrolled and become members of the PRPP once the employer enters into the contract • Employees will receive a notice of plan membership • Any existing business relationship the employer has with the Administrator • The right of any employee to object to being a member of the plan because of their religious beliefs

Notice of plan membership	As soon as possible after an employer enters into a contract with an Administrator to provide a PRPP, or as soon as feasible after the employer hires an employee who becomes a member of the PRPP, either the employer or the Administrator must notify each employee in writing of their membership in the PRPP.	• A member's right to terminate their membership within 60 days of receiving the notice of plan membership (including a termination form that an employee wishing to terminate their membership can fill out)
		• An explanation of an employee's right to opt back into the PRPP
		• If an Administrator offers investment choices to members and a member has not communicated an investment choice within 60 days after receiving the Notice of Plan Membership, contributions will be invested in the default option
		• A description of each investment option that indicates the following:
		  ◦ its investment objective
		  ◦ the type of investments and the degree of risk associated with it
		  ◦ its top ten holdings by market value
		  ◦ its performance history
		  ◦ a statement that its past performance is not necessarily an indication of its future performance
		  ◦ the name and a description of the benchmark that best reflects the composition of the investment option
		  ◦ the cost associated with the investment option, expressed as a percentage or a fixed amount
		  ◦ its target asset allocation
		• The contribution rates offered to members
		• The default contribution rate if a member does not make a choice
		• The employer's contribution rate (0% if the employer does not contribute to the PRPP)
		• The date when contributions will begin to be deducted
		• An explanation of the member's right to set their contribution rate to zero[7]
		• An explanation of how the contributions may be adjusted

7.2 While a Member of a PRPP

Document/notice	Description	Information that must be included in the document/notice
Explanation of the plan	The explanation shall be provided on a website and, on request, directly to the member.	• An explanation of the provisions of the plan and any applicable amendments

Annual Statement	The main form of disclosure to members is the annual statement. Each member of the plan must be given an annual statement within 45 days after the end of the year, unless a longer period is specified by the Superintendent.	• The investment option(s) to which the member is contributing • For the current year, the opening balance, any contributions, the change in the investments' value – net of costs – and the closing balance • A summary of any transactions in the year. If not included in the annual statement, the details of your transaction history should be made available to you upon request. This includes: the date of any transaction, the transaction type (e.g., transfer between investment options), dollar amount of the transaction, the unit price or interest rate and the number of units purchased, transferred or withdrawn • The name and description of the benchmark(s) that best reflects the composition of the member's investment option(s) as well as an explanation of the choice of that benchmark • The historical performance of the investment option(s) compared to that of the benchmark • The degree of risk associated with the investment option(s) • A statement that past performance of the investment option is not necessarily an indication of future performance • Any costs, expressed as a percentage or a fixed amount • Any fees, levies or other charges triggered by the member's actions • The member's and employer's contributions for the year • The name of the member's spouse or designated beneficiary, if any

	Additional information for a member who has elected to receive variable payments	• The date of birth used to determine the minimum variable payment[8] • The date the variable payment began to be paid • The minimum and maximum allowable variable payments as well as the variable payment that the member is to receive • The investment options from which the variable payments were made and in what proportion they were made from each option • The payment frequency over the year • An indication of how the member may change their election regarding the amount to be paid during the year and from which investment option the amount is to be paid • A list of the transfer options that are available as described in Section 12 - Options on Termination of Membership or Employment
Variable payments eligibility notice	If the PRPP offers a variable payment option, each member shall be given a statement no more than 18 months before and no fewer than 6 months before the day on which the member reaches age 55.	• The member's right to elect to receive variable payments starting at age 55 • How more information in relation to variable payments may be obtained • A member may not elect to receive variable payments from their account unless the written consent of their spouse is filed with the Administrator

7.3 On Termination, Death or Employer Ceasing Participation in a PRPP

Document/notice	Description	Information that must be included in the document/notice
Termination Statement	A termination statement must be provided within 30 days after a member terminated their membership or ceased employment with an employer that is participating in the plan or where the Administrator terminates the PRPP.	• For the current year, the opening balance, any contributions, the change in the investments' value – net of costs – and the closing balance on the date of the termination • The amount of any variable payments made from the account during the year • A statement that the balance on the date of termination is not final and may change due to investment performance • A summary of any transactions in the year. If not included in the annual statement, the details of your transaction history should be made available to you upon request. This includes: the date of any transaction, the transaction type (e.g., transfer between investment options), dollar amount of the transaction, the unit price or interest rate and the number of units purchased, transferred or withdrawn • The transfer options available and information on how to transfer the funds
Statement on the death of a member	The surviving spouse, designated beneficiary or estate is to be provided with a statement within 30 days of the Administrator being notified of the member's death.	• This statement must contain the same information as provided in the termination statement above
Notice of employer termination of participation in the PRPP	Written notification from the Administrator to plan members employed by the terminating employer	• The effective date of the termination (a termination statement that is described above will also be provided)

7.4 Information Available on Request

Document/notice	Description	Information that must be included in the document/notice
Regulatory Filings	Each member of the plan and their spouse, may once in each year, request from the Administrator copies of documents or information filed with OSFI. The Administrator may charge a reasonable fee for the copies.	These documents include: • A copy of the plan and any document that creates or supports the plan and any amendments to these documents along with the Administrator's declaration of compliance • Annual information returns and financial statements

8. Electronic Disclosure

You and your spouse can consent to receive any required information under the PRPP Framework by way of an electronic document. Consent can be given to the Administrator in writing (paper or electronic form) or orally. Consent may be revoked at any time either in writing (paper or electronic form) or orally. You and your spouse are responsible for informing the Administrator of any changes to electronic contact information.

If an electronic document is provided on a generally accessible information system, such as a website, the Administrator must provide you and your spouse with written notice that the electronic document is available and where it can be found.

If the Administrator has reason to believe that you or your spouse did not receive the electronic document, then the Administrator must mail a paper copy of the document to the mailing address that they have on file.

9. PRPP Contributions

9.1 Member Contributions

Maximum amounts that can be contributed to a PRPP

Contributions can be made to your PRPP account up to your Registered Retirement Savings Plan (RRSP) / PRPP deduction limit (often called your contribution room) for the year. Your PRPP contributions plus your employer's PRPP contributions are counted against this deduction limit. Therefore, contributions that you make to your personal RRSP or that you make on behalf of your spouse to a spousal RRSP will reduce the amount that you can contribute to your PRPP account. If you make RRSP and PRPP contributions, you should make sure that your total contributions do not exceed the maximum annual RRSP/PRPP deduction limit specified by the *Income Tax Act* (Canada)(ITA). More information about your PRPP contribution room can be found on your notice of assessment issued by CRA. The CRA website has further details and annual maximum deduction limits.

Contribution rates

Your PRPP may provide for one contribution rate or it may allow you to select a contribution rate from a range of rates that are offered. The PRPP may also allow for gradually increasing your contribution rate over time. If you are permitted to choose your own contribution rate, but you do not make a choice, the default contribution rate set by the Administrator will apply to you.

You may set your contribution rate to 0% if 12 or more months have passed since your contributions to your PRPP account began. Your contribution rate may be set to 0% for a period of between 3 and 60 months. There is no limit on the number of times you may set your contribution rate to 0%.

Additional voluntary contributions

A PRPP may allow you to make contributions in addition to the contributions that are automatically deducted from your pay. All contributions to a PRPP, including any additional contributions, are locked-in. All contribution amounts are subject to the maximum annual RRSP/PRPP deduction limit specified by the ITA. See Section 11 – Locking-in Rules for PRPPs.

Transferring money into a PRPP from another plan

A PRPP may allow you to transfer funds from other plans into your PRPP account. Once funds are transferred into your PRPP account, all funds in your PRPP account are locked-in and can only be withdrawn under certain limited circumstances. See Section 11 – Locking-in Rules for PRPPs.

Contributions are locked-in

All funds in your PRPP account (including contributions, investment earnings and any transfers in from non locked-in accounts, such as a Registered Retirement Savings Plan (RRSP)) are locked-in and can only be withdrawn under certain limited circumstances. See Section 11 - Locking-in Rules for PRPPs.

9.2 Employer Contributions

Employers are not required to contribute to a PRPP. If your employer contributes to your PRPP account, it must remit its contributions to the Administrator at least monthly and no more than 30 days after the end of the period in respect of which the amount is required to be paid under the PRPP.

An employer must remit contributions deducted from your pay to the Administrator no later than 30 days after the end of the period for which the contributions were deducted.

Your employer must ensure that it keeps separate and apart from its own money all amounts deducted from your pay, amounts of employer contributions and any other amounts that are required to be remitted to the Administrator but have not yet been remitted. The employer is deemed to hold these amounts in trust for members of the PRPP.

9.3 Investment Options

The PRPP Framework allows for different approaches to the investment of contributions. A PRPP can let you make your own investment choices from among investment options offered by the Administrator or make the Administrator responsible for investing the funds in your PRPP account.

If your PRPP lets you make your own investment choices, the Administrator may offer up to six investment options. The investment options offered must be of varying degrees of risk and expected return and allow a reasonable and prudent person to create a portfolio of investments that is appropriate for retirement savings. If you do not make an investment choice within 60 days of being notified of your plan membership, then the investment option chosen by the Administrator as the default investment option will apply to your account. The default investment option must be either a balanced fund or a portfolio of investments that takes into account a member's age, such as a target date fund.[9]

If the Administrator is responsible for investing the funds in your PRPP account, the Administrator must invest the funds in a manner that a reasonable and prudent person would apply in respect of a portfolio of investments appropriate for retirement savings.

9.4 Creditor Protection

The funds in your PRPP account must not be assigned, charged, alienated or anticipated and are exempt from execution, seizure or attachment. Any transaction that purports to assign, charge, alienate or anticipate funds in your PRPP account is void. For example, the funds in your PRPP account cannot be seized by creditors, and you are prohibited from assigning or giving the funds in your PRPP account as security for a loan. The only exceptions to this rule are for the transfer between a member and a spouse or a former spouse because of the breakdown of the spousal relationship and for the enforcement of child or spousal support payments.

For more information, see section 2 (definition of "spouse" and sections 11 and 12 of *The Pooled Registered Pension Plans (Saskatchewan) Act*.

10. PRPP Costs

A PRPP must be provided at a low cost to members. The PRPP Framework provides that costs must be at or below those incurred by members of defined contribution plans that provide investment options to groups of 500 or more members. The legislative requirement to provide a PRPP at a low cost to members is an ongoing requirement. This means that a PRPP must be offered to members at a low cost as long as they remain members of the PRPP.

PRPP costs fall into two categories:

1. The first category is 'costs' as they are defined in the PRPP Framework, which "means all fees, levies and other charges that reduce a member's return on investment other than those that are triggered by the member's actions." Costs that fall under this category may include an investment management fee and other administrative fees. Only costs in this first category are subject to the low cost requirement of the PRPP Framework.

2. The second category includes fees, levies and other charges triggered by the actions of a member. This could include fees for such things as investment advice, transferring funds out of a PRPP, or requesting copies of documents. These fees, levies and other charges are not subject to the low cost requirement set out in the PRPP Framework.

PRPP costs that are subject to the low cost requirement are posted on the website of the Financial Consumer Agency of Canada and must be the same for all members of the PRPP.

11. Locking-in Rules for PRPPs

The PRPP Framework provides that the funds in your PRPP account, including any additional voluntary contributions, are locked-in. This means that, as a general rule, the funds cannot be withdrawn from your PRPP account. Also, as discussed in Section 12, in situations where funds are permitted to be withdrawn, such as when you terminate employment, the funds cannot be withdrawn in a lump sum but instead must be used to provide you with a retirement income. However, lump sum withdrawals may be permitted from your PRPP account in the following situations:

- **Shortened Life Expectancy**: A PRPP may allow you to withdraw the funds in your PRPP account if you suffer from a disability. "Disability" is defined as a "mental or physical condition that a physician has certified as being likely to shorten considerably the life expectancy of a member".

- **Small Balance**: If the balance of your PRPP account is considered a small balance, your PRPP may allow the balance to be withdrawn as a lump sum when you terminate your membership or when you are no longer employed by an employer who is participating in the PRPP, or after your death. Under the PRPP Framework, a "small balance" is one that is less than 20% of the Year's Maximum Pensionable Earnings (YMPE) for the year in which the member is no longer employed by an employer that is participating in the PRPP or the year in which the member dies.

  The YMPE means the maximum earnings on which the Canada Pension Plan / Quebec Pension Plan contributions and benefits are calculated. The YMPE changes each year according to a formula using average wage levels. The YMPE is set by the Canada Revenue Agency (CRA) and is available on the CRA website.

- **Non-Residency**: If you have not been a resident of Canada for at least two years and you are no longer employed by the employer who is participating in the PRPP, you can withdraw the funds in your PRPP account.

If you wish to unlock and withdraw the funds in your PRPP account under any of the options described above, you should contact the Administrator.[10]

Withdrawals are immediately subject to withholding tax.[11] In addition, the amount that is withdrawn is included in your taxable income for the year.

If you are at least age 55, you may be eligible to receive variable payments from your PRPP account. Variable payments are described in Section 13 - Variable Payment Option for PRPP Members. The options that may be available to you when you terminate your employment or membership in the PRPP are described in Section 12 - Options on Termination of Membership or Employment.

Home Buyers' Plan or Lifelong Learning Plan

Funds held in a PRPP account are not eligible for withdrawal under the Home Buyers' Plan, or under the Lifelong Learning Plan.

12. Options on Termination of Membership or Employment

If

- you terminate your employment with an employer that is participating in a PRPP,
- your employer no longer participates in a PRPP,
- you are a self-employed member who has provided notice to terminate your membership, or
- you are a member of a PRPP that has been terminated,

then contributions to your PRPP account will stop and you will have the following options:

- leave the funds in your PRPP account. Your PRPP account will continue to earn investment income. Each year you will be sent an annual statement. If the PRPP offers a variable payment option, you may elect to receive variable payments from the funds in your account as early as age 55 (see Section 13 - Variable Payment Option for PRPP Members). At age 71, the *Income Tax Act* (Canada) requires that your PRPP account be converted to an income generating financial vehicle such as a Pooled Retirement Income Account[12] (see Section 12.2) with a financial institution, or the funds in your PRPP account may be used to purchase an immediate life annuity (see Section 12.4).[13]
- transfer the funds in your PRPP account to a Pooled Retirement Savings Account[14] (see Section 12.1)
- transfer the funds in your PRPP account to a Pooled Retirement Income Account if you are age 55 or older (see Section 12.2)
- transfer the funds in your PRPP account to an account with another PRPP
- transfer the funds in your PRPP account to a registered pension plan, if that plan allows the transfer
- transfer the funds in your PRPP account to a Locked-in Retirement Account or a prescribed Registered Retirement Income Fund, both of which are subject to *The Pension Benefits Act, 1992* of Saskatchewan (see Section 12.3)
- use the funds in your PRPP account to purchase an immediate or deferred life annuity (see Section 12.4)
- if you have a small balance in your account, the PRPP may allow the small balance to be withdrawn and paid to you as a lump sum. Withdrawals are immediately subject to withholding tax.[15] In addition, the amount that is withdrawn is included in your taxable income for the year. A “small balance” is one that is less than

20% of the Year's Maximum Pensionable Earnings (YMPE) for the year in which you are no longer employed by an employer that is participating in the PRPP.

The funds that are transferred from your PRPP account continue to be locked-in (except if you have transferred a small balance as described above or have transferred to a prescribed Registered Retirement Income Fund or a Pooled Retirement Income Account) and are subject to the rules that apply to the PRPP, registered pension plan, annuity or locked-in retirement savings vehicle into which the funds have been transferred. These various transfer options are described below.

12.1 Pooled Retirement Savings Account

A Pooled Retirement Savings Account (PRSA) is an investment account that is similar to a Registered Retirement Saving Plan (RRSP) (i.e. funds are contributed on a pre-tax basis and income tax is deferred until funds are withdrawn), except that funds in a PRSA are locked-in and may only be withdrawn in limited situations (see Unlocking funds from a PRSA).

Transfer-in Options under a PRSA

A PRSA can only initially accept funds transferred from

- a PRPP;
- another PRSA; or
- a Pooled Retirement Income Account (PRIA) (see Section 12.2).

At any time after the PRSA is established, funds can be transferred into the PRSA from

- any of the above 3 items;
- an RRSP;
- a Registered Retirement Income Fund (RRIF); or
- a Locked-in Retirement Account (LIRA) or a prescribed Registered Retirement Income Fund (pRRIF), that was set up to receive a transfer from a pension plan that is subject to the provisions of *The Pension Benefits Act, 1992* of Saskatchewan (see Section 12.3).

Transfer-out Options under a PRSA

You may transfer out all or part of the funds in your PRSA to

- a PRPP;
- a registered pension plan, if that plan allows the transfer;
- another PRSA;
- to a Pooled Retirement Income Account (PRIA)
    - Transfers can be made to a PRIA if you are age 55 or older. A minimum amount (determined under the Income Tax Regulations (Canada)) must be withdrawn from the PRIA every year. There is, however, no maximum limit on the amount that may be withdrawn from a PRIA in a given year. You may, therefore, withdraw the balance of the funds in your PRIA at any time. Transfers to a PRIA are subject to submitting a completed spousal consent form[16] (see Section 12.2);
- a LIRA or a pRRIF, that was set up to receive a transfer from a pension plan that is subject to the provisions of *The Pension Benefits Act, 1992* of Saskatchewan (see Section 12.3); or
- a life insurance company to purchase an immediate or deferred life annuity (see Section 12.4).

The financial institution that issued the PRSA can provide assistance with such transfers and any required forms.

Unlocking Funds from a PRSA

The contract establishing the PRSA

- may provide for the withdrawal of the locked-in funds as a lump sum or series of payments, in the following circumstances:
    - **Shortened life expectancy**: if a physician certifies that due to mental or physical disability, your life expectancy is shortened considerably. You must complete and file with the issuer of the PRSA a certificate of status and, if applicable, obtain your spouse's consent and file a completed copy of the consent form with the issuer of the PRSA.[17]
    - **Small balance**: the PRSA may provide for the withdrawal of the locked-in funds as a lump sum payment if the total amount of all your locked-in funds does not exceed 20% of the YMPE in effect in

the year in which the withdrawal occurs.

- must provide for the withdrawal of the locked-in funds as a lump sum or series of payments, in the following circumstance:
    - **Non-residency**: If you have not resided in Canada for at least two consecutive years and you have provided the issuer of the PRSA with written evidence that the Canada Revenue Agency has determined that you are a non-resident of Canada. You must also complete and file a certificate of status and, if applicable, obtain your spouse's consent.[18]

Withdrawals are immediately subject to withholding tax.[19] In addition, the amount that is withdrawn is included in your taxable income for the year.

Death Benefits under a PRSA

On your death, the value of the assets in your PRSA is to be paid to your surviving spouse, unless your spouse has waived their right to a spousal benefit.[20] Your surviving spouse may receive a lump sum payment or transfer the PRSA funds to

- a PRPP or a registered pension plan, if that plan allows the transfer;
- an RRSP or an RRIF;
- another PRSA;
- a PRIA (see Section 12.2);
- a LIRA or a pRRIF, that was set up to receive a transfer from a pension plan that are subject to the provisions of *The Pension Benefits Act, 1992* of Saskatchewan (see Section 12.3); or
- a life insurance company to purchase an immediate or deferred life annuity (see Section 12.4).

Please note that any funds transferred to a LIRA or a PRSA are subject to the locking-in rules.

If you do not have a surviving spouse, or if your surviving spouse has waived their right to the spousal benefit, your designated beneficiary is entitled to the funds in the PRSA. If you do not have a designated beneficiary, the PRSA funds are paid to your estate. The death benefit is paid as a lump sum payment to your designated beneficiary or estate.

Creditor Protection under a PRSA

Money held in a PRSA may not be assigned, charged, alienated or anticipated and is exempt from execution, seizure or attachment. Any transaction that purports to assign, charge, alienate or anticipate the funds in a PRSA is void. For example the funds in your PRSA account cannot be seized by creditors and you are prohibited from assigning or giving the funds in your account as security for a loan. The only exceptions to this rule are for the division of funds and maintenance enforcement purposes described below.

Spousal Relationship Breakdown / Maintenance Enforcement under a PRSA

A PRSA is subject to division on spousal relationship breakdown. In addition, the PRSA is subject to attachment for the purpose of enforcing a maintenance order as defined in *The Enforcement of Maintenance Orders Act, 1997* of Saskatchewan. The fees for an attachment can be no more than $250 plus tax.

12.2 Pooled Retirement Income Account

Like a PRSA, a Pooled Retirement Income Account (PRIA) is an investment account that is offered by a financial institution. A PRIA can only be established for transferring your PRPP funds if you are at least 55 years of age. A minimum amount (determined under the Income Tax Regulations (Canada))must be withdrawn from the PRIA every year. There is, however, no maximum limit on the amount that may be withdrawn from a PRIA in a given year. You may, therefore, withdraw the balance of the funds in your PRIA in a lump sum at any time.

The funds transferred into a PRIA continue to grow with investment earnings on a tax deferred basis. Only amounts that are withdrawn are taxable.

Transfer-in Options under a PRIA

A PRIA can only initially accept funds transferred from

- a PRPP;
- a PRSA (see Section 12.1); or
- another PRIA.

Transfers from a PRPP or a PRSA are subject to obtaining and filing a completed spousal consent form.[21]

In addition to the options listed above, any time after the PRIA has been established, funds can be transferred into the PRIA from

- an RRSP;
- a RRIF;
- a Locked-in Retirement Account (LIRA); or
- a prescribed Registered Retirement Income Fund (pRRIF), that was set up to receive a transfer from a pension plan that is subject to the provisions of *The Pension Benefits Act, 1992* of Saskatchewan (see Section 12.3).

Spousal consent is required in order to transfer funds from a LIRA to a PRIA.[22]

Transfer-out Options under a PRIA

You may transfer all or part of the funds in your PRIA to

- a PRPP;
- a registered pension plan, if that plan allows the transfer;
- a PRSA (see Section 12.1);
- another PRIA;
- a LIRA or a pRRIF, that was set up to receive a transfer from a pension plan that is subject to the provisions of The *Pension Benefits Act, 1992* of Saskatchewan (see section 12.3); or
- a life insurance company to purchase an immediate or deferred life annuity (see section 12.4).

Death Benefits under a PRIA

On your death, the value of the assets in your PRIA are to be paid to your surviving spouse, unless your spouse has waived their right to a spousal benefit.[23] Your surviving spouse may receive a lump sum payment or transfer the PRIA funds to

- a PRPP;
- a registered pension plan, if that plan allows the transfer;

- a Registered Retirement Savings Plan (RRSP);
- a Registered Retirement Income Fund (RRIF);
- a PRSA (see Section 12.1);
- another PRIA;
- a LIRA or a pRRIF, that was set up to receive a transfer from a pension plan that is subject to the provisions of *The Pension Benefits Act, 1992* of Saskatchewan (see Section 12.3); or
- a life insurance company to purchase an immediate or deferred life annuity (see Section 12.4).

If you do not have a surviving spouse, or if your surviving spouse has waived their right to the spousal benefit, your designated beneficiary is entitled to the funds in the PRIA. If there is no designated beneficiary, the PRIA funds is paid to your estate. The death benefit is paid as a lump sum payment to the designated beneficiary or the estate.

Please note that any funds transferred to a LIRA or a PRSA are subject to the locking-in rules for those types of accounts.

Creditor Protection under a PRIA

Money held in a PRIA may not be assigned, charged, alienated or anticipated and is exempt from execution, seizure or attachment. Any transaction that purports to assign, charge, alienate or anticipate the funds in a PRIA is void. For example the funds in your PRIA account cannot be seized by creditors and you are prohibited from assigning or giving the funds in your account as security. The only exceptions to this rule are for the division of funds and maintenance enforcement purposes described below.

Spousal Relationship Breakdown / Maintenance Enforcement under a PRIA

A PRIA is subject to division on spousal relationship breakdown. In addition, the PRIA is subject to attachment for the purpose of enforcing a maintenance order as defined in *The Enforcement of Maintenance Orders Act, 1997* of Saskatchewan. The fees for an attachment can be no more than $250 plus tax.

12.3 Locked-in Retirement Account and prescribed Registered Retirement Income Fund

The Locked-in Retirement Account (LIRA) and prescribed Registered Retirement Income Fund (pRRIF) are investment accounts and are established as a result of a transfer of funds from either a defined benefit or a defined contribution registered pension plan that is subject to *The Pension Benefits Act, 1992* of Saskatchewan. In the event that you have a spouse, a life annuity purchased from a LIRA or a pRRIF must be a joint-life annuity with at least a 60% survivor's benefit, unless your spouse waives this right. A life annuity purchased from a PRSA or a PRIA need not be a joint-life annuity.

12.4 Life Annuity

You may use the funds in your PRPP account to purchase an immediate life annuity or a deferred life annuity that provides income guaranteed for your lifetime and could provide continued payments to a survivor upon your death. While an immediate life annuity begins making payments within one year after its purchase, a deferred life annuity provides you with the option to delay receiving income payments until you choose to receive them.

There are many types of life annuities but two common types are what are referred to as single life and joint life annuities.

A single life annuity provides, at a minimum, guaranteed payments for your lifetime.

A joint life annuity provides guaranteed payments for your lifetime, and in the event of your death, payments continue in whole or in part to their survivor for their lifetime.

An annuity may also have a guarantee period, which specifies the number of years that the full annuity payment will be paid with initial payments made to you, and, if you should die prior to the end of the guarantee period, payments will continue to your beneficiary or survivor before either ceasing or adjusting the survivor benefit.

13. Variable Payment Option for PRPP Members

A PRPP may offer you a variable payment option payable from your PRPP account once you have reached age 55. The variable payment option can start at age 55 or later, even if you are still employed with the employer through

which the PRPP is provided. If you elect to receive variable payments you can choose the amount you wish to withdraw from your PRPP account as annual income, subject to the minimum amount required by the Income Tax Regulations (Canada). There is no restriction on the maximum amount that can be withdrawn as a variable payment from your PRPP account in a given year. The funds in your PRPP account will continue to grow on a tax deferred basis until all funds are withdrawn.

You may not elect to receive variable payments from your account unless the written consent of your spouse is obtained and filed with the Administrator.[24]

At least once each year, or more frequently if the terms of the PRPP permit, while you are receiving variable payments, you may elect, by providing written notice to the Administrator, to transfer the funds in your account to a

- PRPP;
- registered pension plan, if that plan allows the transfer;
- Pooled Retirement Savings Account (see Section 12.1);
- Pooled Retirement Income Account (see Section 12.2);
- Locked-in Retirement Account or a prescribed Registered Retirement Income Fund, that was set up to receive a transfer from a pension plan that is subject to the provisions of *The Pension Benefits Act, 1992* of Saskatchewan (see Section 12.3); or
- life insurance company to purchase an immediate or deferred life annuity (see Section 12.4).

A member who elects to receive variable payments must designate a beneficiary. If a member has a spouse, the beneficiary must be the spouse unless a spousal waiver form has been signed and filed with the Administrator.[25]

14. Death of a PRPP Member

The PRPP Framework provides that on your death, your surviving spouse is entitled to the funds in your PRPP account. The term “surviving spouse” is defined in the PRPP Framework to mean your spouse at the time of your death.

Your surviving spouse is entitled to transfer the funds in the PRPP account to a

- registered pension plan, if that plan allows the transfer;
- Pooled Retirement Savings Account (see Section 12.1);
- Pooled Retirement Income Account (see Section 12.2);
- Locked-in Retirement Account or a prescribed Registered Retirement Income Fund, that was set up to receive a transfer from a pension plan that is subject to the provisions of *The Pension Benefits Act, 1992* of Saskatchewan (see Section 12.3); or
- life insurance company to purchase an immediate or deferred life annuity (see Section 12.4).

If your death occurs while you were receiving variable payments, and you had a spouse when your variable benefits commenced, your surviving spouse is entitled to elect to receive variable payments from the funds in your PRPP account after your death. See Section 13 – Variable Payment Options for PRPP Members. The options listed above would then also be provided at least annually to your surviving spouse.

Alternatively, your surviving spouse may

- receive a lump sum payment equal to the amount in the member's account; or
- transfer all or part of the funds in the member's account to a
    - PRPP;
    - registered pension plan, if that plan allows the transfer;
    - Pooled Retirement Savings Account (see Section 12.1);
    - Pooled Retirement Income Account (see Section 12.2);
    - life insurance company to purchase an immediate or deferred life annuity;
    - Registered Retirement Savings Plan (RRSP);
    - Registered Retirement Income Fund (RRIF) or;
    - Locked-in Retirement Account or a prescribed Registered Retirement Income Fund, that was set up to receive a transfer from a pension plan that is subject to the provisions of *The Pension Benefits Act, 1992* of Saskatchewan (see Section 12.3);

A PRPP may provide that your surviving spouse may surrender, in writing, their right or interest in the funds in your account to a beneficiary who is their or your dependant as defined in subsection 8500(1) of the Income Tax

Regulations (Canada).

If you die without leaving a surviving spouse, or your surviving spouse has surrendered their right or interest in the funds in your account, the funds in your account are to be paid to your designated beneficiary. If you have not designated a beneficiary, the funds in your account will be paid to your estate. Funds payable to a beneficiary or estate are not locked-in.

Your surviving spouse, designated beneficiary, personal representative of your estate, as the case may be, is entitled to receive from the Administrator, within 30 days after the day on which the Administrator received notice of your death, a statement of the funds in your account. See Section 7 – Information Provided to Plan Members.

15. Family Law Matters – Breakdown of a Spousal Relationship

The funds in a member's PRPP account must be divided if

- a court has made an order for the division of family property pursuant to *The Family Property Act* of Saskatchewan, in accordance with the order; or
- the member and their spouse have entered into an agreement to divide their family property that is an interspousal contract within the meaning of *The Family Property Act* of Saskatchewan.

If a spouse or former spouse is entitled to a division of the funds in a member's account, then the amount to which that person is entitled must be transferred to

- an account for the spouse or former spouse with a PRPP;
- a registered pension plan, if that plan allows the transfer;
- a PRSA (see Section 12.1);
- a PRIA (see Section 12.2); or
- a life insurance company to purchase an immediate or deferred life annuity (see Section 12.4).

Further details regarding spousal breakdown requirements for PRPP accounts are set out in section 13 of the Saskatchewan PRPP Act. As noted in Sections 12.1 and 12.2 of this Guide, a PRSA and PRIA are also subject to the

division on spousal relationship breakdown provisions as set out in section 13 of the Saskatchewan PRPP Act.

16. Additional Information

If you require additional information concerning your PRPP, you should contact your PRPP Administrator.

Questions concerning the PRPP Framework can be sent to OSFI at the following email address: information@osfi-bsif.gc.ca.

The forms that are required for unlocking and withdrawing funds from your PRPP account are posted to the Financial and Consumer Affairs Authority of Saskatchewan website http://fcaa.gov.sk.ca/consumers-investors-pension-plan-members/pension-plan-members/pooled-registered-pension-plans

1 The federal PRPP legislation is the *Pooled Registered Pension Plans Act* and the Pooled Registered Pension Plans Regulations.

2 Saskatchewan's PRPP legislation is *The Pooled Registered Pension Plans (Saskatchewan) Act* and The Pooled Registered Pension Plans (Saskatchewan) Regulations.

3 Under *The Pooled Registered Pension Plans (Saskatchewan) Act* "spouse" means:

1. a person who is married to a pension plan member or former member; or
2. if a pension plan member or former member is not married, a person with whom the pension plan member or former member is cohabiting as spouses at the relevant time and who has been cohabiting continuously with the pension plan member or former member as his or her spouse for at least one year prior to the relevant time.

A married spouse has precedence over a common law spouse (eg. cohabiting as spouses) even where a married couple is no longer living together.

4 The PRPP Framework defines full-time as engaged to work throughout the year all or substantially all of the normally scheduled hours of work established for persons in that class of employees.

5 The PRPP Framework defines part-time as engaged to work on other than a full-time basis.

6 A Pooled Retirement Income Account means a pooled retirement income account contract as defined in The Pooled Registered Pension Plans (Saskatchewan) Regulations.

7 You may set your contribution rate to 0% if 12 months have passed since you began making contributions to the PRPP.

8 Under subsection 8506(5) of the Income Tax Regulations it is permitted to use the age of the member's spouse to determine the minimum variable payment.

9 Target-date funds are also referred to as "lifecycle funds," "retirement date funds" and "age-based funds".

See Form D of Part I of the Appendix to The Pooled Registered Pension Plans (Saskatchewan) Regulations. The required forms are posted on the Saskatchewan Financial and Consumer Affairs Authority website and

10 can be found at: http://fcaa.gov.sk.ca/consumers-investors-pension-plan-members/pension-plan-members/pooled-registered-pension-plans.

11 See CRA: withholding tax rates for lump sum payments.

12 A Pooled Retirement Income Account means a pooled retirement income account contract as defined in The Pooled Registered Pension Plans (Saskatchewan) Regulations.

13 An immediate annuity is defined as an annuity that commences periodic payments within one year after its purchase.

14 A Pooled Retirement Savings Account means a pooled retirement income account contract as defined in The Pooled Registered Pension Plans (Saskatchewan) Regulations.

15 See CRA: withholding tax rates for lump sum payments.

16 See Form F of Part I of the Appendix to The Pooled Registered Pension Plans (Saskatchewan) Regulations.

17 See Forms D and E of Part I of the Appendix to The Pooled Registered Pension Plans (Saskatchewan) Regulations. The required forms are posted on the Saskatchewan Financial and Consumer Affairs Authority website.

18 See Forms D and E of Part I of the Appendix to The Pooled Registered Pension Plans (Saskatchewan) Regulations.

19 See CRA: withholding tax rates for lump sum payments.

20 See Form C of Part I of the Appendix to The Pooled Registered Pension Plans (Saskatchewan) Regulations. The required forms are posted on the Saskatchewan Financial and Consumer Affairs Authority website.

21 See Form F of Part I of the Appendix to The Pooled Registered Pension Plans (Saskatchewan) Regulations.

22 See Form H of Part I of the Appendix to The Pooled Registered Pension Plans (Saskatchewan) Regulations. The required forms are posted on the Saskatchewan Financial and Consumer Affairs Authority website.

23 See Form G of Part I of the Appendix to The Pooled Registered Pension Plans (Saskatchewan) Regulations. The required forms are posted on the Saskatchewan Financial and Consumer Affairs Authority website.

24 See Form B of Part I of the Appendix to The Pooled Registered Pension Plans (Saskatchewan) Regulations. The required forms are posted on the Saskatchewan Financial and Consumer Affairs Authority website.

25 See Form A of Part I of the Appendix to The Pooled Registered Pension Plans (Saskatchewan) Regulations. The required forms are posted on the Saskatchewan Financial and Consumer Affairs Authority website.