

BMO Financial Group Comparison of Group Plans

	Group Registered Retirement Savings Plan (GRRSP)	Group Registered Education Savings Plan (GRESB)	Group Savings Plan (GSP)	Deferred Profit Sharing Plan (DPSP)	Defined Contribution Pension Plan (DCPP)
Eligibility	Eligibility not prescribed by pension legislation. Employer may limit eligibility according to any criteria.	Single beneficiary plans – no age limit. Family plans – can contribute only for beneficiaries aged 21 and under.	Eligibility not prescribed by pension legislation. Employer may limit eligibility according to any criteria.	Employees are not eligible if related to the employer or to a specified shareholder of the employer, or a related company.	In most provinces, fulltime employees must be eligible after two years of service, and part time employees must be eligible after two years in which specified earnings/ hours criteria are met.
Contribution Limits	Contributions are limited to the lesser of 18% of previous year's earned income and the RRSP dollar limit (\$19,000 in 2007), less previous year's PA, plus any unused contribution room carried forward.	Lifetime dollar limit is \$50,000 per beneficiary. Canada Education Savings Grant (CESG) contributions by the government equal 20% of the amount contributed to a yearly maximum of \$500 per child.	No contribution limits, as an Employee Savings Plan is not a tax-sheltered vehicle.	Employee contributions are not permitted. Employer contributions are limited to the lesser of 18% of compensation from the employer and the DPSP dollar limit for the year (\$10,000 in 2007).	Total employee and employer contributions are limited to the lesser of 18% of the employee's compensation from the employer and the pension plan dollar limit for the year (\$20,000 in 2007).
Contribution Minimums	No legislated minimum employer or employee contribution.	No legislated minimum employer or employee contribution.	No legislated minimum employer or employee contribution.	No legislated minimum employer contribution.	Employer must make contributions to plan in accordance with the plan provisions. Minimum employer contribution is 1% of employee earnings.
Contribution Frequency	Contributions are not governed by pension legislation and may be made in any frequency established by the employer.	Contributions are not governed by pension legislation and may be made in any frequency established by the employer.	Contributions are not governed by pension legislation and may be made in any frequency established by the employer.	Employer contributions are determined by the plan provisions and company profitability. Contribution frequency is not governed by pension legislation.	Employer and employee contributions must be made within 30 days from the end of the month in which they were deducted
Employer Contributions – Tax Implications	Employer contributions are a deductible expense from company income and are considered as taxable benefits to the employee. They will generate incremental payroll taxes.	Employer contributions are a deductible expense from company income and are considered as taxable benefits to the employee. They will generate incremental payroll taxes.	Employer contributions are a deductible expense from company income and are considered as taxable benefits to the employee. They will generate incremental payroll taxes.	Employer contributions are a deductible expense from company income. They are not considered as additional salary nor as taxable benefits and do not generate incremental payroll taxes.	Employer contributions are a deductible expense from company income. They are not considered as additional salary nor as taxable benefits and do not generate incremental payroll taxes.
Employee Contributions – Tax Implications	Employer and employee contributions are deductible from the employee's taxable income.	Employer contributions are taxable to the employee. Employee contributions are not deductible from an employee's taxable income.	Employer contributions are taxable to the employee. Employee contributions are not deductible from an employee's taxable income.	Not applicable – Employee contributions are not permitted.	Employee contributions are deductible from employee's taxable income.
Pension Adjustment (PA) – RRSP Room	No PA is calculated. Total contributions to a Group RRSP and an individual RRSP must be within the employee's RRSP contribution limit.	No PA is calculated. RRSP contribution room is unaffected by contributions to an RESP.	No PA is calculated. RRSP contribution room is unaffected by contributions to an Employee Savings Plan.	PA is equal to employer contributions credited as a current year item, plus contributions made in the first 60 days of the next year, plus any forfeitures allocated to employees.	PA is calculated as the total of employer and employee contributions for the year, plus any forfeitures allocated to employees.
Vesting	Not governed by pension legislation. According to tax legislation employer contributions are vested immediately.	Not governed by pension legislation.	Not governed by pension legislation. Employer may define vesting terms/schedule.	All employer contributions must be vested after two years of plan membership or sooner.	In most provinces, all employer contributions must be vested after 2 years of plan membership, or sooner.
Withdrawal Restrictions	Employer and employee contributions can be withdrawn at any time, unless the plan prohibits withdrawals until the earlier of termination of employment, retirement or death.	Employee can withdraw contributions at any time, but may have to repay the CESG. Withdrawals of income are restricted and subject to tax plus additional penalty unless contributed to an RRSP.	Employee and employer contributions can be withdrawn at any time unless the plan prohibits withdrawals until the earlier of termination of employment, retirement or death.	Vested employer contributions can be withdrawn at any time, unless the plan prohibits withdrawals until the earlier of termination of employment, retirement or death.	No in-service withdrawals allowed. At termination, in most provinces, employee and employer contributions are locked in after 2 years of plan membership.

Investment Direction	Employees usually direct the allocation of their accounts among the available investment options.	Employees direct the allocation of their accounts among the available investment options.	Employees usually direct the allocation of their accounts among the available investment options.	Employer may direct investment of the entire plan, or permit employees to direct the allocation of their accounts among the available investment options.	Employer may direct investment of the entire plan, or permit employees to direct the allocation of: a) their accounts, or b) employee contributions only, among the available investment options.
Investment Options	Employer may choose the fund managers and the available investment options. Employer stock is an eligible investment.	Employer may choose the fund managers and available investment options.	Employer may choose the fund managers & the available investment options. Employer stock is an eligible investment.	Employer may choose the fund managers and the available investment options. Employer stock is an eligible investment.	Employer may choose the fund managers and the available investment options, subject to federal and provincial pension regulations.
Investment Risk	Risk or reward of variations in investment performance is borne by the employee.	Risk or reward of variations in investment performance is borne by the employee.	Risk or reward of variations in investment performance is borne by the employee.	Risk or reward of variations in investment performance is borne by the employee.	Risk or reward of variations in investment performance is borne by the employee.
Options on Termination & Disability	Account balance may be transferred to a personal RRSP or withdrawn in cash (subject to withholding tax).	Account balance may be transferred to another RESP. The capital only may be withdrawn in cash without tax consequences. Income may be withdrawn in limited circumstances and is subject to tax.	Termination values may be handled in any manner the employee chooses.	Termination values may be transferred to an RRSP or withdrawn in cash (subject to withholding tax).	Locked-in contributions must be transferred to a locked-in RRSP or LIRA. Non-locked-in and voluntary contributions may be withdrawn as taxable cash payments or transferred to an RRSP.
Options on Death	Spouse may transfer death benefit on a tax-sheltered basis to an RRSP or RRIF, or receive a taxable cash payment. Other beneficiaries must receive a taxable cash payment.	Surviving spouse or executor may continue to fund the RESP. Contributions can be withdrawn by executor and paid according to the will. The income and any CESG belong to the beneficiary.	Account balance may be paid out in a lump sum to a designated beneficiary.	Spouse may transfer death benefit on a tax-sheltered basis to an RRSP or RRIF, or receive a taxable cash payment. Other beneficiaries must receive a taxable cash payment.	Spouse may transfer death benefit on a tax-sheltered basis to an RRSP, LIF, or LRIF, or receive a taxable cash payment. Other beneficiaries may receive the benefit as a taxable cash payment if spouse waives rights.
Options on Retirement	Account balance may be used to purchase an annuity or be withdrawn in a lump sum or periodically through a RRIF.	Not applicable.	Employees may withdraw their account balance in cash or kind.	Account balance may be used to purchase an annuity or be withdrawn in a lump sum or periodically through a RRIF.	Account balance may be used to purchase an annuity or be transferred to a Life Income Fund or LRIF for subsequent periodic withdrawal.
Annuity Purchase Rates	Annuity purchases are made on a sex-distinct basis (advantageous to male employees).	Not applicable.	Not applicable.	Annuity purchases are made on a sex-distinct basis (advantageous to male employees).	Annuity purchases are made on a unisex basis in most jurisdictions (advantageous to female employees).
Administrative Involvement	Includes compliance with tax legislation and processing employee initiated changes to the amount of contributions.	Includes compliance with tax legislation and processing employee initiated changes to the amount of contributions.	Includes compliance with tax legislation and processing employee initiated changes to the amount of contributions.	Includes compliance with tax legislation and determination of DPSP contribution room.	Includes compliance with both pension and tax legislation, and processing changes to employment status and the amount of contributions.
Plan Registration	Plan is registered with Canada Revenue Agency only.	Plan is registered with Canada Revenue Agency only.	No requirement to register Plan with Canada Revenue Agency or any pension authority.	Plan is registered with Canada Revenue Agency only.	Plan must be registered with Canada Revenue Agency and the appropriate federal or provincial pension authority.