Human Resources Legislative Update

Federal Pooled Registered Pension Plan (“PRPP”) Income Tax Amendments Proposed

Date: December 14, 2011

On December 14, 2011, the federal government released draft legislative proposals outlining proposed amendments to the *Income Tax Act* (“ITA”) and the Income Tax Regulations to facilitate the implementation of Pooled Registered Pension Plans (“PRPPs”) for public commentary.

The proposed amendments would incorporate PRPPs into the existing ITA regime for registered retirement savings vehicles and would provide the basic framework of income tax rules that will apply in relation to PRPPs, including the treatment of employee and employer contributions and limits on contributions made to PRPPs. The federal PRPP legislative framework is outlined in Bill C-25, *An Act relating to pooled registered pension plans and making related amendments to other Acts*, which, as previously reported, was introduced on November 17, 2011.