Human Resources Legislative Update

Québec Tables Voluntary Retirement Savings Plans Bill

Date: May 10, 2013

On May 8, 2013, the Québec government tabled Bill 39, *Voluntary Retirement Savings Plans Act*. If passed, Bill 39 would create voluntary retirement savings plans ("VRSP") for specified workers in Québec who do not have access to employer-sponsored retirement savings plans.

As stated by the government, beginning in January 2014, firms which have at least five employees and which do not offer registered retirement savings plans or tax-free savings accounts for which payroll deductions could be made or provide no registered pension plans, would be given two years by Bill 39, if passed, to comply with the obligation to provide the VRSP to their employees. Eligible employees would then have the choice as to whether to join the VRSP. The VRSP would permit employees to choose or change their contribution rates, with the default rate being 2% on date of entry.

The VRSPs are the Québec version of the federal Pooled Registered Pension Plans ("PRPPs"). As previously reported, a VRSP bill (Bill 80) had been previously introduced but expired on the order paper with the calling of the Québec election in 2012.