

Group Registered Retirement Savings Plan (RRSP) Covenant Health Group Number: 2546

Q. Do I need to set up a Group RRSP account through The Royal Bank of Canada (RBC)?

A. Yes, a Group RRSP Account must be set up with Group #2546 through RBC within 14 days of allocation; prior to the first deposit.

Q. How do I set up a RBC Group RRSP account?

A. To open an RBC Group RRSP account, you can either visit your local RBC branch or phone 1-888-769-2566.

Note: RBC can only provide employees with an immediate active account confirmation if the employee opens the account in person at the branch. Covenant Health does not require the account confirmation unless the contribution has been rejected due to the account being inactive. The confirmation document is for your personal records.

Q. How can I verify my RBC account was set up within 14 days if I set up my account over the phone?

A. RBC will mail an account confirmation package to participants that opened their account over the phone.

Q. When should I contact RBC if I am unsure if the Group RRSP contributions went through?

A. If you are unsure that your allocation of FSA credits or voluntary contributions went towards the Group RRSP with RBC, you should contact RBC directly by calling RBC Client Services at 1-888-769-2566. Processing time can be up to 30 days following the credit effective date for Flexible Spending Account (FSA) allocations to RRSP.

Q. How do I enroll in a voluntary Group RRSP through Covenant Health?

A. After setting up a Group RRSP account through RBC, an enrolment form must be completed and submitted to HR Shared Services (HRSS).

Please access the form on compassionNET via path provided below:

CompassionNET>Employee Centre>My Compensation>My Pay>e-People>e-People Forms>Group RRSP Payroll Deduction Amendment

UNA employees: Please access the form on compassionNET via path provided below:

CompassionNET>Employee Centre>My Compensation>My Pay>e-People>e-People Forms>Group RRSP Payroll Deduction Amendment - UNA only

The date of enrollment will be based on the date HRSS receives the application.

Q. What happens to my Group RRSP election if the funds are returned to Covenant Health from RBC as a result of an inactive Group Account under #2546?

A. When the contribution is via FSA allocation, the Group RRSP will default to the Flex Spending Health – Canada account retroactive to the FSA effective date and those FSA credits will not be eligible for reallocation.

For UNA employees enrolled with the 2% matched contribution and employees contributing via voluntary Group RRSP, the contribution will be reversed/refunded to the employee/employer via payroll processing and the Group RRSP deduction will be changed to “waive” in e-People so that future contributions will not occur.

Q. Are the FSA Group RRSP credits allocated as a lump sum deposit?

A. No. Your allocation towards your Group RRSP is divided into equal monthly deposits up to December 31.

Q. What happens to my monthly FSA Group RRSP deposit if I terminate employment or transfer to a position no longer eligible for benefits?

A. If you allocate to a Group RRSP and terminate employment or transfer to a position no longer eligible for benefits, you will forfeit any remaining Group RRSP balance.

Q. If I allocate my FSA Credits to a Group RRSP how will this affect my pay cheque and my T4?

A. Employer contributions to an employee’s Group RRSP are considered a taxable benefit. The employee will pay additional CPP and EI on the employer paid contributions. The taxable benefit is included in Box 14 and 40 of the employee’s T4.

Q. What happens to my Group RRSP contributions while I am on an unpaid leave?

A. If you allocated to your Group RRSP via the FSA, your Group RRSP contributions will continue to be deposited on a monthly basis. If your Group RRSP was set up as a voluntary contribution, the deposits will cease when there are no earnings and recommence when you return to work.

Q. Do I need to open an additional Group RRSP if one was done the preceding year?

A. You should confirm your Group RRSP account status annually with RBC. You do not need to open an additional RBC Group RRSP account unless:

1. You transferred the funds to another investment provider or withdrew all of the funds. RBC will automatically close an account with no funds unless the employee asks that the account remains open.
2. You would like to change the ‘direction’ of your Group RRSP. For example, you allocated all of your credits to a ‘spousal’ RRSP this year; and you would like to allocate next year’s credits towards a personal RRSP.

Q. Can I split my contribution between a personal and a spousal account?

A. Yes, you can split the contribution with your spouse. To divide the contribution, you and your spouse would both need to sign the required documents with RBC.

Q. If I am setting up a spousal account, what do I need to know?

A. 1. Your spouse owns the account, and you are the contributor.
2. You receive the Tax Receipt. For the first 3 years, any withdrawal made is added back into your income, after 3 years it is added to your spouse's income.
3. Future Group RRSP contributions by you will go to the spousal account unless you contact RBC.

Q. When will RBC issue the Group RRSP tax receipts?

A. Tax receipts are mailed by RBC in January for the prior year's contributions. Receipts are also mailed in March for deposits received within the first 60 days of the calendar year. An electronic copy is available through RBC online banking.

Q. Does Covenant Health monitor allowable annual Group RRSP contribution room?

A. No. You are expected to ensure your remitted amounts are coordinated with your annual Group RRSP contribution and other Canada Revenue Agency regulations.

Q. Can I designate a beneficiary for my Group RRSP?

A. Yes. It is recommended you designate one or more individuals as the beneficiary of your Group RRSP. **Important:** The person(s) must be identified by their legal name(s).

Q. When should I review my beneficiary designates?

A. The election of a beneficiary is an important part of Estate planning and should be reviewed after any life changing events such as separation, death, inheritance, new child, etc.

Q. What if no beneficiary is listed?

A. If a beneficiary is *not* designated, the proceeds of the plan will default to your Estate in the event of your death.

Q. Does RBC require the original beneficiary form? What if I designated my beneficiary over the phone?

A. Yes, RBC requires the original, signed beneficiary form on file. If you completed your beneficiary designation by phone (with RBC), a beneficiary form will be mailed to you. You must sign and return the original form in the envelope provided. The beneficiary designation is *not* valid until the original signed form is received by RBC.

Q. How do I update my Group RRSP Account after my application has been processed?

A. Please contact RBC Client Services at 1-888-769-2566 for the following services:

- Open account
- Address changes
- Book appointments
- Check balances
- Change the direction of your investment
- Status of Tax Receipts

Please visit an RBC branch for the following:

- Open account
- Change the direction of your investment
- Beneficiary nominations and/or changes
- Duplicate tax receipts
- Name changes