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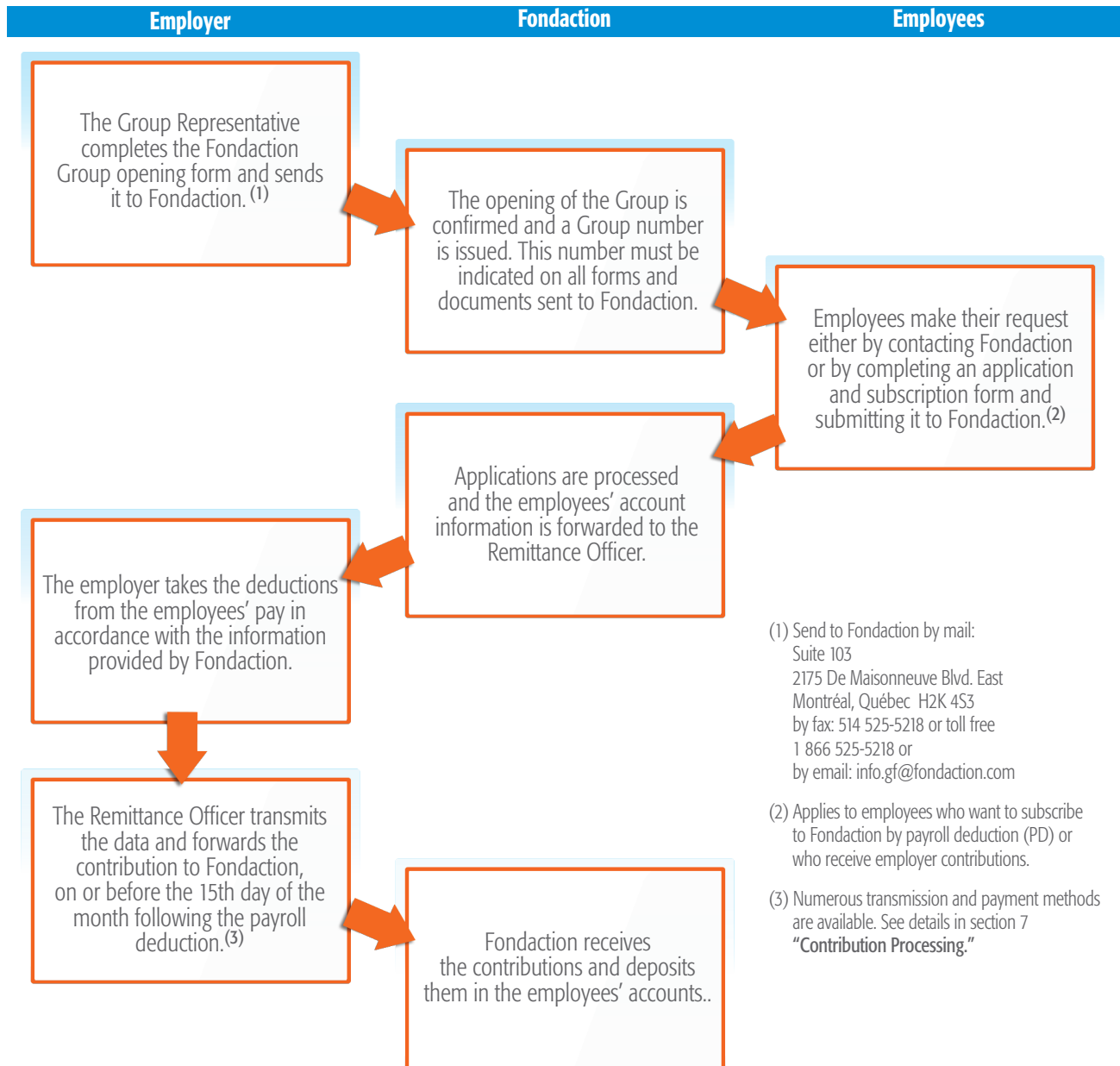
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# Opening Form Fondaction Group

# Steps to open a Fondation Group



## Role of **Group Representative**

The Group Representative acts as a resource person while the Fondation Group is being set up. This person is authorized to make decisions regarding the opening of the group and to act on the Company's behalf in all related matters.

## Role of **Remittance Officer**

The Remittance Officer is the main contact for Fondation. This person is the point of reference for any questions related to the processing of application and subscription forms, payroll deduction and remittances as well as the managing of requests for change. It is possible for one person to be both the Group Representative and the Remittance Officer.

Fondaction is bound by the Act respecting the protection of personal information in the private sector (Québec) and respects the rules of confidentiality contained therein.

## 1 Identification of Fondaction Group

GF-  A-  \_\_\_\_\_  
Group No. Remittance officer Name of Employer

## 2 Identification of Company

Name of Company \_\_\_\_\_ Number of unionized employees (if applicable) \_\_\_\_\_ Total number of employees \_\_\_\_\_  
Website \_\_\_\_\_ Pension plan in place:  Yes  No  
 Administrative region Industry sector  
Address \_\_\_\_\_ Suite \_\_\_\_\_  
City \_\_\_\_\_ Postal code   
Province \_\_\_\_\_ Postal code   
Features:  
Plan type \_\_\_\_\_  
Employer contributions \_\_\_\_\_ Employee contributions \_\_\_\_\_  
Name of financial institution holding pension funds \_\_\_\_\_  
Other information \_\_\_\_\_

### Group Representative

Ms.  Mr. Language of correspondence  French  English  
Name \_\_\_\_\_  
Fonction \_\_\_\_\_  
Email address \_\_\_\_\_  
Telephone \_\_\_\_\_ Fax \_\_\_\_\_  
 Same address as Company  
Address \_\_\_\_\_ Suite \_\_\_\_\_  
City \_\_\_\_\_ Postal code   
Province \_\_\_\_\_ Postal code

### Remittance Officer

Same as Group Representative  
 Ms.  Mr. Language of correspondence  French  English  
Name \_\_\_\_\_  
Fonction \_\_\_\_\_  
Email address \_\_\_\_\_  
Telephone \_\_\_\_\_ Fax \_\_\_\_\_  
 Same address as Company  
Address \_\_\_\_\_ Suite \_\_\_\_\_  
City \_\_\_\_\_ Postal code   
Province \_\_\_\_\_ Postal code

## 3 Union Information (if applicable)

Unionized  Yes  No Name of union \_\_\_\_\_

# Group Details (see section 5)

## Plan type (RRSP or non registered)

Employees may choose to purchase shares in an RRSP or non registered account.

- The purchase of shares entitles subscribers to tax credits.
- Purchasing and registering shares in an **RRSP** allows subscribers to claim RRSP deductions corresponding to their marginal tax rate in addition to tax credits.
- From January 1, 2016 until May 31, 2018, the purchase of Fondation shares carries entitlement to two tax credits totalling 35% of the amount paid for such shares. This includes a 20% credit applicable against the Québec income tax payable and a 15% credit applicable against the federal income tax payable.

## Tax deduction options

Tax deduction options may be offered to employees only if such options are integrated in the Company's payroll system.

Options	Impacts for Employee
RRSP deductions and tax credits	<ul style="list-style-type: none"> <li>• Federal and provincial taxes payable are considerably reduced at each pay period.</li> <li>• This option makes it easier to accumulate savings by reducing the net disbursement.</li> </ul>
Tax credits only	<ul style="list-style-type: none"> <li>• Federal and provincial tax deductions in the form of tax credits are applied immediately.</li> <li>• This option is useful for repaying an HBP loan from another financial institution.</li> <li>• This option makes it easier to accumulate savings by reducing the net disbursement.</li> </ul>
No RRSP deductions or tax credits	<ul style="list-style-type: none"> <li>• Federal and provincial taxes are not immediately reduced at each pay period.</li> <li>• RRSP deductions and tax credits are claimed on the employee's annual tax returns.</li> <li>• With this option the employees obtains a lump-sum tax refund.</li> </ul>

## Contribution methods

As many as three contribution methods may be offered within a Fondation Group: a fixed amount per pay period, a percentage of wages or a fixed amount per hour. For employees who work variable hours, the preferred options are either a percentage of wages or a fixed amount per hour.

## Employer contribution

- With an employer contribution of 1%, the employee obtains the tax credits on the employer's portion.
- Contributions are exempt from the payroll expense tax.
- The employer contributes to the accumulation of retirement savings for staff.

**4****Payroll System****Payroll processed** Internally

Software used \_\_\_\_\_

 Externally

Name of supplier \_\_\_\_\_

Method of communication  Web  PC  Telephone**5****Group Details****Provide details on group and select desired options.****Plan type** RRSP  Non-RRSP**Tax deductions** RRSP deductions and tax credits  Tax credits only  No RRSP deductions or tax credits**Contribution methods** \$ per pay period  % of wages  \$ per hour**Payroll deduction (PD)** Offered to all Company employees Offered to a limited group \_\_\_\_\_

Specify \_\_\_\_\_

 Pursuant to an employment contract**Employer contribution** Yes  \$  % \_\_\_\_\_

Specify conditions or attach a copy of the clause.

 No Pursuant to an employment contract**Lump-sum contribution** Yes Lump-sum payroll deduction (bonus, retroactivity, paid sick or vacation days) No**Effective date of payroll deduction (PD)**

YYYYMMDD

Must correspond to a payroll period

**Pay period** 7 days  14 days  Monthly (calendar month)  Other \_\_\_\_\_**Number of pay periods per year** 26  52  Other**Projected pay periods without payroll deduction (PD)**

(E.g. seasonal closing, Xmas break, etc.) \_\_\_\_\_

**Staff participation requirements** Application and subscription form signed Secure website Do employees have access to a secure Intranet site?  Yes  No**6****Authorized Fondation Representative**

Name of authorized Fondation Representative \_\_\_\_\_

FR number \_\_\_\_\_

## Contribution Processing (see section 7)

Once a month, the Remittance Officer transmits the data file and the payment to Fondation. Both must be submitted on or before the 15th day of the month following the date of the payroll deduction. Should the employer fail to remit to Fondation the amounts deducted from the employees' salaries, said employees shall have a legal recourse against the employer for any amount not paid by the employer.

Transmission of Data	Transmission of payment	Description
Payroll service provider (Every provider has its own transmission methods and documents to complete.)	Payroll service provider	<ul style="list-style-type: none"> <li>The service provider transmits the data file and forwards the remittances to Fondation.</li> </ul>
	Preauthorized debit	<ul style="list-style-type: none"> <li>The service provider transmits the data file to Fondation.</li> <li>Using a specimen cheque provided by the Remittance Officer, Fondation debits the total amount of the contributions from the Company's account.</li> </ul>
	Financial institution (Online payment <b>or</b> bank transfer)	<ul style="list-style-type: none"> <li>The service provider transmits the data file to Fondation.</li> <li><b>Online payment:</b> The Remittance Officer deposits the contributions via the website of the Company's financial institution, using the bill payment function at Caisses Desjardins or most other financial institutions.</li> <li><b>Bank transfer:</b> The Remittance Officer asks his financial institution to forward the contributions directly to Fondation.</li> </ul>
	Cheque	<ul style="list-style-type: none"> <li>The Remittance Officer mails a cheque for the contributions to Fondation.</li> </ul>
Fondation website fondation.com	Preauthorized debit	<ul style="list-style-type: none"> <li>The Remittance Officer submits the data file via Fondation's website, by clicking on the <i>Accéder à votre compte</i> section. (Two options are available: electronic file transfer <b>or</b> online data entry by the Remittance Officer.)</li> <li>Using a specimen cheque provided by the Remittance Officer, SSQ debits the total amount of the contributions from the Company's account.</li> </ul>
	Financial institution (Online payment <b>or</b> bank transfer)	<ul style="list-style-type: none"> <li>The Remittance Officer submits the data file via Fondation's website, by clicking on the <i>Accéder à votre compte</i> section. (Two options are available: electronic file transfer <b>or</b> online data entry by the Remittance Officer.)</li> <li><b>Online payment:</b> The Remittance Officer deposits the contributions via the website of the Company's financial institution, using the bill payment function at Caisses Desjardins or most other financial institutions.</li> <li><b>Bank transfer:</b> The Remittance Officer asks his financial institution to forward the contributions directly to Fondation.</li> </ul>
	Cheque	<ul style="list-style-type: none"> <li>The Remittance Officer mails a cheque for the contributions to Fondation.</li> </ul>

### Be careful with remittances made in the first 60 days of the year:

In order for contributions made in the first 60 days of the year to be claimed on tax returns for the previous year, the remittances must be received by the registrar within the first 60 days of the current year.

#### Example:

- A source deduction from the pay of February 4th must be received by Fondation at most by the 60th day of the year in order to be included on the relevé 10 issued for contributions in the first 60 days of the current year.
- Otherwise, the employee could not claim the contribution on the tax returns for the previous year.

**7**

**Contribution Processing**

Data transmission method	Contribution payment method	
<input type="checkbox"/> Payroll service provider	<input type="checkbox"/> Payroll service provider (when available) <input type="checkbox"/> Preauthorized debit (complete section 8)	<input type="checkbox"/> Payment through financial institution – online payment <input type="checkbox"/> Payment through financial institution – bank transfer <input type="checkbox"/> Cheque
<input type="checkbox"/> Fondation website ( <i>Accéder à votre compte</i> ) (Electronic file transfer or online data entry by Remittance Officer)	<input type="checkbox"/> Preauthorized debit (complete section 8) <input type="checkbox"/> Cheque	<input type="checkbox"/> Payment through financial institution – bank transfer <input type="checkbox"/> Payment through financial institution – online payment

Frequency of transmission    Monthly    28 days    14 days

**8**

**Authorization for Payment by Preauthorized Debit – Banking Information**

Name of financial institution \_\_\_\_\_

Transit                      Institution                      Account

**Authorisation**  
 The Company, \_\_\_\_\_, (hereafter "the Company")  
 herein represented by \_\_\_\_\_, the Group Representative duly authorized to act for the purpose of these presents:

- authorizes Fondation to debit from the Company's account each remittance payment, the amount of which may vary and be debited at variable frequencies. The amount of the contribution remittance is the amount specified in the remittance report submitted to the Fondation. Adjustments may be made to any remittance but such adjustments also require an electronic authorization, which must be transmitted with the remittance. Debit authorizations are revocable and must be submitted with each remittance due to the variable frequencies;
- authorizes Fondation to bill and debit any charges if the preauthorized debit payment cannot be processed as stipulated herein;
- authorizes the above-mentioned financial institution to withdraw from the Company's account the amount representing the contribution remittance payment. This authorization may be revoked at any time upon written notice from the Company.

**Rights of recourse of the Company:**  
 The Company has certain rights of recourse if a debit is not made in accordance with this agreement. For example, the Company is entitled to reimbursement of any and all debit payments that are unauthorized or incompatible with this authorization. For more information on the Company's rights of recourse, on obtaining a sample cancellation form or for any other information on cancellation rights, the Company may contact its financial institution or visit the CPA website at [www.cdnpay.ca](http://www.cdnpay.ca).

\_\_\_\_\_ X \_\_\_\_\_

Company Name                      By: Signature of Group Representative                      Date

↓ Attach a cheque specimen here. ↑

**9**

**Fondation Website Usage Agreement**

For the purpose of transmitting contributions, Fondation makes its transactional website available exclusively to the Remittance Officer. The Remittance Officer is responsible for taking adequate security measures to safeguard access to the website, particularly by not disclosing the identification number or password issued by the Fondation and by keeping these in a safe place.

This agreement is designed to ensure the protection of personal information held on the website. Fondation may revoke access to the Fondation website at any time.

**10**

**Consent, Authorisation and Agreement**

The Group Representative and the Remittance Officer hereby declare that they have read Division V of the Act to establish Fondation concerning the acquisition of shares by payroll deduction and the Fondation website usage agreement. They undertake to respect the provisions and in particular to keep strictly confidential the identification number and password issued to them for access to the Fondation website.

\_\_\_\_\_         \_\_\_\_\_        \_\_\_\_\_

Name of Group Representative                      Date                      Name of Remittance Officer                      Date

X \_\_\_\_\_ X \_\_\_\_\_  
 Signature of Group Representative                      Signature of Remittance Officer

The Company herein represented by \_\_\_\_\_, the Group Representative duly authorized for the purpose of these presents, hereby declares and agrees as follows:

- the Group Representative is duly authorized by the Company to submit this application to open a Fondation group and to act on its behalf in all related matters;
- the Company uses the payment method indicated in the "Contribution Processing" section and agrees to be bound by the applicable provisions;
- the Company has read Division V of the Act to establish Fondation concerning the acquisition of shares by payroll deduction;
- the payroll deductions made in the first 60 days of the year must be received by Fondation within such period in order for the employee to claim the tax benefits for the previous year;
- in the event of an administrative error with previous transmissions, the Company must continue to process new transmissions without compensation on future transmissions and allow Fondation to make all necessary corrections. Fondation shall not be held responsible for administrative errors;
- the Company undertakes to inform Fondation of any change to the group;
- the Company agrees that information on membership and changes may be transmitted to Fondation in various formats (copy of form, report, file, email) as such formats are suitable for administrative processing. Proof of membership applications or requests for changes may be accessed on request;
- the Company recognizes that membership applications submitted electronically (secure site) are valid.     Yes    No \_\_\_\_\_ (initials)

\_\_\_\_\_ X \_\_\_\_\_         \_\_\_\_\_

Company Name                      By: Signature of Group Representative                      Date

Created in 1995, *Fondation, le Fonds de développement de la CSN pour la coopération et l'emploi*, helps maintain and create quality jobs by investing in Québec-based SMEs. It is the financial partner of about 100 businesses and partner or specialized funds from every sector as well as the social economy. *Fondation* makes low-cost retirement savings available to everyone, in particular through systematic savings. More than 2,000 workplaces offer *Fondation* payroll deduction.

*SSQ, société d'assurance-vie inc. (SSQ)* acts in the capacity of registrar and trustee for *Fondation*. Since June 1, 2014, certain administrative tasks associated with the duties of the registrar and trustee are carried out by *Fondation*.

## Extract of the Act to establish **Fondation**

The Act to establish *Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi* (R.S.Q., c. F-3.1.2) was assented to by the Québec National Assembly and came into force on June 22, 1995, as amended subsequently by other laws (hereinafter referred to as "the Act").

The *Act to establish Fondation*, all articles of amendment as well as *Fondation's* regulations may be consulted at *Fondation's* head office or obtained free of charge by sending a written request to the head office or downloading them from *Fondation's* website ([www.fondation.com](http://www.fondation.com)).

### DIVISION V

#### ACQUISITION OF CLASS "A" OR CLASS "B" SHARES OR FRACTIONAL SHARES BY PAYROLL DEDUCTION OR BY AGREEMENT WITH A SAVINGS UNION

32. An individual may request his employer to deduct the amount he determines from his salary or wages, for the period he specifies, to pay for the class "A" or class "B" shares or fractional shares he has decided to acquire from the Fund.

An individual may request a savings union that is a member of the Fédération des caisses Desjardins du Québec, hereinafter called a "savings union", if an agreement for deductions at source exists between his employer and the savings union, to debit his account, for the period he specifies, to pay for the class "A" or class "B" shares or fractional shares he has decided to acquire from the Fund.

1995, c. 48, s. 32; 2000, c. 29, s. 654, s. 705.

33. The employer shall, within a reasonable time, make the deduction from the salary or wages of the individual requesting it if 50 employees, or 20% of the employees, whichever number is lesser, avail themselves of this section.

1995, c. 48, s. 33.

34. An individual having requested a payroll deduction may at any time notify the employer of his decision to cease acquiring shares from the Fund by payroll deduction. The employer shall comply with the individual's decision with reasonable dispatch.

An individual who has authorized a savings union to debit his account for the amounts required to acquire shares from the Fund may at any time

notify the savings union of his decision to cease acquiring shares by account debit and the savings union shall comply with the individual's decision with reasonable dispatch.

1995, c. 48, s. 34.

35. The employer or savings union shall remit to the Fund or to the trustee designated by the Fund the deducted or debited amounts not later than the fifteenth day of the month following the month in which the deduction or debit is made. The remittance shall be accompanied with a statement indicating the amount deducted or debited and the name, address, date of birth and social insurance number of the investor.

A copy of the statement shall also be forwarded to the certified association, if any.

The amounts deducted by an employer remain due to the employee as salary or wages until they are remitted by the employer to the Fund or to the trustee designated by the Fund.

1995, c. 48, s. 35.

36. An individual for the benefit of whom sums have been remitted is deemed to have subscribed for as many of the Fund's class "A" or class "B" shares or fractional shares as the amounts remitted permit him to acquire.

1995, c. 48, s. 36..



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