



# Capital Accumulation Plans

As a business owner, you recognize that quality employees are essential to the success of your business, and it is important to find ways to attract top talent and retain them for years to come. A Capital Accumulation Plan (CAP) may be one solution that will help you gain the competitive edge you are looking for.

## Why Establish a Capital Accumulation Plan?

A CAP serves as a cost-effective and tax-deductible way to build employee loyalty. You are not just providing your employees a tax-effective way to save for their future, you are also letting them know that you care about their financial well-being.

## Types of Capital Accumulation Plans

- **Group Registered Retirement Savings Plan (Group RRSP)** is an employer-sponsored plan for the employees of the company. Group RRSPs are a collection of individual RRSPs for the employees of the company. It is an easy and convenient way for employees to make contributions to an RRSP through payroll deductions with pre-tax earnings. Additionally, the employer has the option to match the contributions their employees make to their own plan.
- **Defined Contribution Pension Plan** helps employees save for retirement by providing a specific accumulated value made up of contributions to the plan, plus tax-sheltered investment earnings. The amount of contributions paid into the plan by the employer and employee are known; however, the amount the employee will eventually receive upon retirement will depend on the accumulated value of the plan.
- **Deferred Profit Sharing Plans (DPSP)** are a great way for employees to gain a sense of ownership as the employer shares a portion of the company's profits with their employees. The employer decides on the percentage of profits that the employee will receive based on the company's earnings.

## CAP Sponsor's Responsibilities

- Establish a CAP for employees
- Provide investment information and decision making tools to CAP members
- Introduce the plan to CAP members
- Communicate the plan to CAP members concerning the set-up and ongoing maintenance of a CAP
- Maintain the CAP
- Terminate the CAP

The plan sponsor may delegate all or some of these responsibilities to the service provider. CIBC Wood Gundy has partnered with service providers that it believes will offer the highest level of quality service to plan sponsors as requested.

## Benefits to Employers

- Easy way to make contributions on behalf of employees to help them achieve their financial goals
- Facilitate employee contributions through payroll deductions
- Help attract and retain talented employees
- Help build employee loyalty by assisting employees with building tax-effective savings to achieve their financial goals

## Benefits to Employees

- Helps employees meet their financial goals
- Great way to build tax-efficient savings
- Flexibility to choose investments within their savings plan

**CIBC Wood Gundy has partnered with Manulife and Great West Life to offer you CAP plans**

## Benefits of Working with an Approved Service Provider

- Professional advice to help you follow the CAP guidelines and fulfill your responsibilities as a CAP sponsor
- Cost-effective savings plan options
- Easy set-up
- Wide choice of investments and greater flexibility
- Dedicated customer service
- Customized plan tailored to your company's specific needs

By working with your CIBC Wood Gundy Investment Advisor, you can attract and retain talented employees by helping them save for their retirement through a CAP.

To find out how you can gain the unique advantages of a CAP, contact your CIBC Wood Gundy Investment Advisor today.