

Tax Rules for Pooled Registered Pension Plans (PRPPs)

At the December 20, 2010 meeting of federal-provincial-territorial Ministers of Finance in Kananaskis, Ministers decided to move ahead with the introduction of Pooled Registered Pension Plans (PRPPs) -- a new kind of low-cost defined contribution pension plan that would allow participation by all employees (with or without a participating employer) as well as self-employed individuals. Ministers indicated that federal-provincial-territorial officials would engage with key stakeholders to ensure that the framework for these new plans will meet the needs of employees, employers and those financial institutions that may offer the arrangements.

As part of this work, the Department of Finance Canada will develop modifications to the tax rules to accommodate PRPPs. This consultation paper has been prepared in order to seek feedback on these potential modifications. The document poses specific questions on a number of issues to assist the Department in developing the most suitable approach for accommodating PRPPs under the pension tax rules. Written feedback on these questions or on other issues related to the potential tax rules for PRPPs may be submitted to PRPPtaxrules-RPACreglesfiscales@fin.gc.ca by August 12, 2011.

Introduction

The basic objective in modifying the tax rules to accommodate PRPPs is to ensure that such plans fit within the basic system of rules and limits for Registered Pension Plans (RPPs) and Registered Retirement Savings Plans (RRSPs). The tax rule framework will apply to PRPPs across Canada.

Although ensuring that members of PRPPs may benefit from provisions permitted for defined contribution RPPs is an important objective, access to such provisions must be balanced with the need to keep PRPP administration simple and with practical considerations related to whether proper compliance with such provisions can be ensured.

Under the Income Tax Act, a PRPP would be subject to the existing rules applying to defined contribution RPPs – referred to as money purchase RPPs in the tax rules – but with some exceptions, as well as new requirements to deal with its broad-based nature. For example, existing payout vehicles (e.g., annuities, Registered Retirement Income Fund (RRIF)-style variable benefits) would be available to PRPPs and existing options for transferring funds to and from other registered savings vehicles would generally be provided. A principal difference compared to a regular defined contribution RPP would be to allow contributions to a PRPP by self-employed individuals and employees of non-participating employers.

The consultation document seeks feedback on a number of issues related to the potential tax rules for PRPPs, including: eligibility requirements to be a PRPP administrator, a primary purpose requirement for PRPPs, approaches to accommodating contributions to PRPPs under the RPP/RRSP limits, whether and how the concept of pensionable service could be applied to PRPPs, whether rules allowing contributions during leaves of absence and periods of reduced pay should be extended to PRPPs, to what extent certain transfers should be permitted from RPPs to PRPPs, potential investment rules and a minimum employer/membership requirement

to prevent tax planning and self-dealing through PRPPs, and potential rules associated with forfeitures or refunds of PRPP contributions.

Administrator

The administrator of a PRPP would be responsible for registering the plan, ensuring that the plan is administered in accordance with the Income Tax Act and pension standards legislation, and meeting various reporting and compliance requirements.

Pension benefits standards rules will need to circumscribe those entities that are eligible to be a PRPP administrator. The tax rules would need to be consistent with the pension benefits standards rules and may need to specify certain prohibitions on the entities that could administer a PRPP in order to ensure compliance capability and prevent tax planning opportunities.

There is currently no restriction on the type of person or body of persons that is permitted to be an RPP administrator under subsection 147.1(6) of the Act, while RRSP issuers are generally limited to financial institutions and insurance companies. Given the broader scope of PRPPs (for example, involvement by multiple employers as well as different types of individuals (e.g., the self-employed)), it may be reasonable to consider placing some restrictions on the type of person or body who would be permitted to be the administrator of a PRPP. For example, consideration could be given to specifying that non-corporate entities (e.g., private persons) could not be a PRPP administrator. This type of limitation would be consistent both with the idea of shifting more compliance responsibility to administrators from employers and with the objective of preventing tax planning opportunities.

Question:

What restrictions, if any, should there be on the type of entity that would be permitted to be the administrator of a PRPP?

Primary Purpose Requirement / Requirement for Employer Contributions

The existing primary purpose requirement for an RPP (set out in Regulation 8502(a) of the Income Tax Regulations) states that the primary purpose of an RPP must be to provide periodic payments to individuals after retirement in respect of their service as employees. This provision establishes the employer-employee relationship requirement for participation in an RPP and helps ensure that tax-deductible contributions are being made and held for their intended purpose.

Since self-employed individuals and employees of employers with no involvement in the arrangement could contribute to PRPPs, the existing primary purpose test for RPPs could not apply to PRPPs. A more general requirement could be considered for PRPPs, for example to ensure that their primary purpose is to accept contributions from members and employers for the purpose of providing periodic payments in retirement.

In order to accommodate the situation where an employer chooses to offer a PRPP to its employees but does not make direct employer contributions, the requirement for employer contributions to be made to a money purchase RPP (which derives from the application of Regulation 8506(2)(a)) would not apply to a PRPP.

Question:
Should there be a primary purpose test for PRPPs? If so, what should it be?

Contributions / Limits

Since different types of individuals could participate in a PRPP (i.e., employees with or without employer involvement and self-employed individuals), new conditions would specify how employer contributions (if any) and member contributions to PRPPs would be treated under the tax rules. Two approaches could be considered.

1. Permit contributions to PRPPs under the dual system of RPP and RRSP limits; or
2. Permit contributions to PRPPs under the RRSP limits only.

1. Permit PRPP Contributions Under the Dual System of RPP and RRSP Limits

This approach would consider an employer as either “participating” or “non-participating”. For tax rule purposes, a participating employer would be one that makes direct contributions (i.e., not out of salary) to a PRPP in respect of its employees.

- Contributions made by participating employers, and employee contributions to the same plan that are withheld from their earnings or paid to that PRPP through the employer as additional contributions, would be treated as defined contribution RPP contributions for RPP/RRSP limit purposes.
- Contributions made by all other contributors (including self-employed individuals) would be treated as RRSP contributions for RPP/RRSP limits purposes. The table below illustrates this distinction.

Treatment of different PRPP members for contribution limit purposes		
Employees with a participating employer	Employees with a non-participating employer	Self-employed individuals
<ul style="list-style-type: none"> The member’s employer contributes directly to their PRPP 	<ul style="list-style-type: none"> The member’s employer does not contribute directly to their PRPP, but the employer remits member contributions to the PRPP, or the employee contributes directly to the PRPP The member contributes to a PRPP other than one offered by their employer 	<ul style="list-style-type: none"> The member is self-employed and contributes to a PRPP

PRPP with participating employer:
Contributions made by the employer, and employee contributions remitted by the employer, governed by the defined contribution RPP limits

PRPP without participating employer: Contributions governed exclusively by the RRSP limits

If an employer chose to make contributions to the PRPP on behalf of its employees and/or withheld employee contributions to a PRPP from an employee's earnings, the employer would be required to forward these contributions to the plan administrator, and if applicable, to report the contributions as pension adjustments (PAs) on T4 slips, as described below.

Participating employers

Under this approach, if an employer chose to "participate" in a PRPP – that is, make direct contributions like employer contributions to an RPP – both employer and employee contributions would be made in the same manner as contributions to a defined contribution RPP. More specifically, PAs would be reported in respect of the contributions, and contributions would be limited to the maximum PA for defined contribution RPPs (18 per cent of earnings up to a specified dollar limit (\$22,970 for 2011)).

- To keep the administration of contributions as straightforward as possible for participating employers and PRPP administrators, employees involved on this basis would need to make any additional voluntary contributions to the same PRPP through their employer. Such additional voluntary contributions would be included in the PAs reported for employees and be subject to the defined contribution RPP limits as noted previously.
- Employees wishing to contribute to a PRPP other than the PRPP in which their employer is participating could do so on the basis of their RRSP limits (see below).
- This requirement would make it practical for a PRPP administrator to distinguish between members for whom PAs will be reported (those members who have a participating employer) and those for whom the administrator is required to issue PRPP contribution receipts (those members without a participating employer).
- If an employer with an RPP were also a participating employer in a PRPP, it would need to coordinate PAs in order to comply with the maximum PA limits.¹ Where an employer with an RPP is not a participating employer in a PRPP, there would be no issues with PA coordination for the RPP and a PRPP since employees' contributions to a PRPP would be made under employees' available RRSP limits.
- Employers and employees would deduct PRPP contributions in a manner similar to RPP contributions for tax purposes (employer contributions would not be included in employees' salaried compensation for the purpose of social programs contributions (Canada Pension Plan (CPP) and Employment Insurance (EI) contributions) and payroll taxes.

¹ For example, an employer providing an RPP might also decide to offer a PRPP instead of a group RRSP, as an additional savings vehicle for its employees. Or, an employer with a combination of a defined benefit RPP and a defined contribution RPP might decide to replace the defined contribution RPP with a PRPP.

Non-participating employers / self-employed individuals

If an employer chose simply to remit contributions out of employees' annual earnings to a PRPP (i.e., the employer does not make direct contributions, and thus does not have PA reporting obligations), the contributions would be made under the employee's available RRSP limit. This situation would be akin to an employer remitting contributions to a group RRSP out of employees' annual earnings. In this case, the administrator would issue PRPP contribution receipts to employees for tax purposes, which would allow deductibility of PRPP contributions as RRSP contributions.

- In this situation, it would be necessary to provide similar relief from the RRSP over-contribution rules to PRPP members as is available in respect of mandatory contributions to a group RRSP.²

Similarly, self-employed individuals and employees with no employer involvement would contribute on the basis of their RRSP limits, with the PRPP administrator issuing PRPP contribution receipts for tax purposes.

These individuals would deduct PRPP contributions in the same manner as RRSP contributions for tax purposes (contributions would be made out of earnings, and as such, social programs contributions and payroll taxes could apply at the employer level on these amounts).

Compliance with PA and RRSP limits

Under this approach, employees of participating employers would be subject to the maximum PA limits for multi-employer RPPs. For example, if a member worked for two separate employers who are participating employers of the same PRPP, total contributions on behalf of that member would be limited to one maximum dollar PA limit each year. If the total contributions remitted by the two employers exceeded the dollar limit, then the excess amount would need to be refunded from the PRPP to the contributors.

Given the nature of PRPPs (i.e., that they would be administered by a third party and allow participation by any employer), allowing contributions under the defined contribution RPP regime would carry with it a risk of over-contributions that may be difficult to prevent under the current RPP rules. That is, an individual participating in multiple PRPPs could, either intentionally (through the same employer) or inadvertently (through more than one employer), contribute more than the maximum PA amount. The only existing sanction for non-compliance in the case of excessive PAs based on participation in multiple RPPs is plan revocation, which may not be an appropriate penalty for PRPPs in the case of a small number of over-contribution situations.

² To account for the fact that RRSP contribution room (which is based on prior year earnings) may not be available to absorb group RRSP contributions (which are made from current year earnings), mandatory contributions to a group RRSP are excluded for RRSP over-contribution purposes to the extent that voluntary RRSP contributions are not also made.

It would therefore be necessary to develop reasonable provisions and penalties to prevent over-contributions by or on behalf of an individual through participation in multiple PRPPs. This could be achieved by:

- Limiting an employer to participating in only one PRPP in respect of a particular employee for a particular year;
- Developing a penalty tax regime for contributions to PRPPs in excess of the maximum PA limit; and
- Requiring PRPPs to report all participating employers to the Canada Revenue Agency (CRA) on an annual basis.

For members making contributions to a PRPP under the RRSP limits, the RRSP over-contribution rules would apply to contributions made to a PRPP.³

Compliance / administrative obligations

Under this approach, participating employers would be required to report PAs in respect of employer and employee contributions. PAs and employee RPP contributions are normally determined by employers and reported on T4 slips. To reduce the compliance burden on employers, if this approach were adopted, PRPP administrators could calculate PAs and employee PRPP contributions and provide this information to employers to report on T4 slips (RPP administrators are currently permitted to perform this function). To further assist employers, administrators could also track and report employer contributions to participating employers for tax deductibility purposes.

- PA determination by PRPP administrators would also likely ensure greater compliance since they would be better able to properly track contributions compared to some employers without pension expertise.
- PRPP administrators may require employees' earnings data in order to ensure that contributions to the arrangement are in compliance with the PA limit. Alternatively, the onus could be placed on the participating employer to guarantee (i.e., through their existing payroll systems) that their employees' contributions would not exceed the maximum PA limit. (The employer's guarantee would not necessarily prevent a small number of over-contribution situations from arising due to a high-income individual participating in more than one PRPP through more than one employer.)

In addition, administrators would be responsible for issuing PRPP contribution receipts to members making contributions under the RRSP limits (i.e., self-employed individuals and employees of non-participating employers).

³ In general, individuals must pay an over-contribution tax of 1 per cent per month on contributions that exceed their RRSP deduction limit by more than \$2,000.

PRPP administrators would not be responsible for ensuring that PRPP members contributing on the basis of their RRSP limits do not over-contribute (that responsibility would rest with the PRPP member).

2. Permit PRPP Contributions Under the RRSP Limits Only

An alternate approach to using the dual system of PA/RRSP limits would be to require all PRPP contributions to be made on the basis of PRPP members' RRSP limits. In this case, contributions could be made on a basis similar to contributions to a group RRSP.

This approach could be simpler conceptually for PRPP members, participating employers, and administrators compared to the dual limits approach because contributions by and on behalf of all PRPP members would be made under PRPP members' RRSP limit only and there would be no requirement for PAs to be reported in respect of PRPP members of a participating employer. Requiring PRPP contributions to be made on the basis of the RRSP limits for all PRPP members would also remove the need to develop new over-contribution penalties for exceeding the maximum PA limits under the dual limits approach, since all PRPP contributions would be taken into account for the purpose of determining RRSP over-contributions, to which the existing over-contribution tax would apply.

While there would be no PA reporting under this approach, adjustments would need to be considered to accommodate direct employer contributions to a PRPP under the RRSP limits. For example, it may require the reporting of employer contributions to the PRPP member by the administrator or the employer in order to ensure that such contributions are reflected appropriately in members' RRSP limits. That is, a PRPP member would need to take into account employer PRPP contributions that must be included as an RRSP contribution under the member's RRSP contribution limit, but which would not be deductible to the PRPP member as an RRSP contribution. This would add an additional aspect of compliance responsibility for PRPP members with a participating employer.

Such an approach could limit the extent to which certain provisions for RPPs could be extended to PRPPs. For example, since PAs would not be reported for PRPP members with a participating employer, it may not be feasible to allow years of PRPP participation for such members to be eligible as pensionable service for purchases of past service benefits under a defined benefit RPP (see discussion on pensionable service below). At a minimum, alternative verification mechanisms to the PA would need to be considered to establish legitimate periods of pensionable service.

Questions:

- a) Which approach – using the existing system of dual PA/RRSP limits or permitting contributions under the RRSP limits only – is the most practical?
- b) Would there be any administrative or compliance issues with reporting PAs for PRPP members of participating employers and issuing contribution receipts for other members?

- c) Should employers be solely responsible for determining and reporting PAs, as is currently the case for employers sponsoring an RPP, or should PRPP administrators determine PAs and provide them to employers to report on T4s? Alternatively, should administrators, instead of employers, be responsible for reporting PAs and employee PRPP contributions directly to members?
- d) How should the tax rules address contributions in multiple PRPPs that exceed the contribution limits that otherwise apply for RPPs?
- e) Under the RRSP-limits-only approach, what would be the best way to take into account direct employer contributions to a PRPP that would reduce a PRPP member's RRSP limit but that would not be deductible to the member as an RRSP contribution? Should the employer or the administrator be required to report such contributions to the member? Would this approach raise RRSP limit compliance issues for PRPP members with a participating employer?

Pensionable Service

The existing RPP provisions allow pensionable service with a previous employer to be recognized for the purpose of purchasing past service under a new employer's defined benefit RPP. That is, for years where an employee in a defined benefit RPP was a member of a previous employer's RPP, benefits corresponding to those prior years of pensionable service may be purchased under the defined benefit RPP. Eligible years of pensionable service generally correspond to years for which a PA was reported, which establishes that the individual was an employee and participated in an RPP.

Considerations related to recognizing pensionable service under a PRPP for past service purchases under a defined benefit RPP would depend on the existence of a PA for years of PRPP participation, in order to ensure that such years could be verified as pensionable service.

- Under the dual RPP/RRSP limits approach, PAs would be reported for members of participating employers, which could allow those years of PRPP participation to be verified as eligible for past service purchases under a defined benefit RPP.
- Under the RRSP-limits-only approach, PAs would not be reported in respect of any PRPP contributions. In this case, or under the dual limits approach where non-participating employers simply remit contributions out of employees' earnings to a PRPP (that is, where a PA would not be reported in respect of the contributions), an alternate verification method would be required to link periods of PRPP participation to employer involvement, if it were desired to allow past service purchases in respect of such periods under a defined benefit RPP.

The concept of pensionable service, on which defined benefit pensions are based, also raises issues in the context of self-employed individuals and employees for which there is no record of employer involvement.

- Questions:
- a) Should any past service purchases (under a defined benefit RPP) of PRPP years of employment be permitted?
 - b) If so, should past service purchases be restricted to those PRPP years where a PA was reported?
 - c) If past service purchases were to be permitted for PRPP years where a PA was not reported but where there was employer oversight of PRPP participation (i.e., where an employer did not make direct contributions but oversaw the remittance of employee contributions), what mechanism could be used to verify years of pensionable service with an employer? What would be the associated compliance considerations?
 - d) Are there any practical ways to recognize years of participation in a PRPP for past service purchases in respect of self-employed individuals (i.e., individuals for whom there is no employer oversight) that would not raise significant verification and compliance issues?

Leaves of Absence and Periods of Reduced Pay or Disability

The existing defined contribution RPP rules allow prescribed compensation for the purposes of permitting RPP contributions during leaves of absence and periods of reduced pay or disability. This allows an RPP member and the sponsoring employer to continue contributing to the plan during such periods, generally based on the notional earnings that the member would have received had the member continued working full time. As in the case of pensionable service, these RPP provisions rely on employer oversight to ensure compliance.

In order for an administrator of a PRPP with many participating employers to administer such a provision, the administrator would require ready access to the information necessary to properly comply with it. In addition, if such provisions were to be extended to PRPPs, appropriate conditions would need to be developed around the level of employer involvement required in order for the provisions to apply.

This issue is also related to how provincial employment standards would apply to PRPPs. In some cases, provincial employment standards rules require that the sponsoring employer continue to make regular contributions to a pension plan where an employee on a parental or disability leave contributes to the plan. Thus, whether or not prescribed compensation rules should be extended to PRPPs could depend on whether a PRPP would be considered a pension plan for such purposes.

- Questions:
- a) Should the RPP prescribed compensation rules be extended to PRPPs?
 - b) If so, what should be the level of employer PRPP involvement required under such provisions? What would be the associated compliance considerations?

Transfers

The existing transfer rules for defined contribution RPPs (governing transfers between RPPs and between an RPP and an RRSP/RRIF) would apply to a PRPP. However, the tax rules would defer to any restrictions on transfers to/from a PRPP under pension benefits standards rules. For example, there may be portability issues that come into play in this regard.

The existing tax rules permit two types of transfers of surplus amounts from a defined benefit RPP to a defined contribution RPP: (i) upon conversion of a defined benefit RPP into a replacement defined contribution RPP; and (ii) where an employer uses actuarial surplus in a defined benefit RPP to offset all or part of its contribution obligations to a defined contribution RPP and where that surplus is immediately allocated to members' accounts within members' available annual PA limits. Consideration would need to be given to whether permitting such transfers would be consistent with the objective of PRPPs and, if so, whether they could be accommodated without undue administrative complexity.

Question:

Would it be feasible and appropriate to allow transfers of surplus from a defined benefit RPP to a PRPP? If so, to what extent should such transfers be permitted?

Qualified / Prohibited Investments

While there are no "qualified investment" rules for RPPs, RPPs are subject to the rules regarding "prohibited investments" which, in general terms (and subject to certain exceptions), prevent RPPs from investing in sponsoring employers and related employers. These rules may require some modification in their application to PRPPs.

For example, it could be difficult for large PRPPs with many participating employers to comply with a rule that prohibited a PRPP from directly or indirectly investing in the shares of a participating employer.

In addition, given that there would be no employer oversight of investment choices for many PRPP members, there may need to be additional controls to ensure that investments are at arm's length from members and administrators in order to prevent tax planning opportunities through self-dealing.

Questions:

- a) What modifications, if any, should be made to the prohibited investment rules for RPPs to adapt them to PRPPs?
- b) Should there be qualified investment rules for PRPPs (for example, similar to those that currently apply to RRSPs)?

Minimum Employer / Membership Requirement

A requirement that a minimum number of employers be involved in a PRPP and/or that PRPPs not restrict their membership exclusively to a small number of related employers or self-employed individuals could be considered in order to prevent opportunities for tax planning and self-dealing through PRPPs. Such a requirement would also be consistent with the objective that PRPPs be large-scale, low-cost pension arrangements.

Questions:

- a) Should there be rules requiring PRPPs to be established for a minimum number of employers or self-employed members?
- b) If so, how many employers/members should be required to participate?

Forfeitures / Refunds

Many pension plans have a vesting period of up to two years. If an employee leaves the employer before the end of the required vesting period, he or she receives only a return of employee contributions (that is, employer contributions are forfeited). Because the employee's RRSP room will have been reduced by a PA equal to the sum of employer and employee contributions, a "pension adjustment reversal" (PAR) mechanism restores RRSP room in respect of forfeited employer contributions. If immediate vesting of employer PRPP contributions is not required under pension standards rules, similar provisions would be required to deal with forfeited employer contributions to a PRPP. Additional provisions could also be required to deal with allocating forfeited employer contributions to other members or refunding the contributions to employers.

Similarly, if the PRPP framework permitted employers to auto-enrol employees in a PRPP with an opt-out provision, where the opt-out provision does not postpone the remittance of contributions until after the opt-out window has passed, there would need to be provisions made for excluding refunds of contributions for PA or RRSP contribution purposes where an employee opts out of a PRPP and receives a refund of contributions. For example, if an employee were enrolled towards the end of a year, had contributions remitted from pay, opted out in January or February, and received a refund of contributions in March or April, this could give rise to the need for retroactive adjustments to PAs and/or PRPP contribution receipts that had already been reported in February for contributions remitted for the prior year. This would increase complexity and compliance costs for employers, administrators and members in relation to the tax rules for PRPPs.

Question:

Are there issues around vesting and auto-enrolment that could increase complexity and compliance costs for employers and/or administrators in relation to the tax rules for PRPPs? If so, how could these issues be addressed?

Consolidated List of Questions for Feedback

Written feedback on these questions or on other issues related to the potential tax rules for PRPPs may be submitted to PRPPtaxrules-RPACreglesfiscales@fin.gc.ca by August 12, 2011.

Administrator

1. What restrictions, if any, should there be on the type of entity that would be permitted to be the administrator of a PRPP?

Primary Purpose Requirement

2. Should there be a primary purpose test for PRPPs? If so, what should it be?

Contributions / Limits

3. a) Which approach – using the existing system of dual PA/RRSP limits or permitting contributions under the RRSP limits only – is the most practical?
b) Would there be any administrative or compliance issues with reporting PAs for PRPP members of participating employers and issuing contribution receipts for other members?
c) Should employers be solely responsible for determining and reporting PAs, as is currently the case for employers sponsoring an RPP, or should PRPP administrators determine PAs and provide them to employers to report on T4s? Alternatively, should administrators, instead of employers, be responsible for reporting PAs and employee PRPP contributions directly to members?
d) How should the tax rules address contributions in multiple PRPPs that exceed the contribution limits that otherwise apply for RPPs?
e) Under the RRSP-limits-only approach, what would be the best way to take into account direct employer contributions to a PRPP that would reduce a PRPP member's RRSP limit but that would not be deductible to the member as an RRSP contribution? Should the employer or the administrator be required to report such contributions to the member? Would this approach raise RRSP limit compliance issues for PRPP members with a participating employer?

Pensionable Service

4. a) Should any past service purchases (under a defined benefit RPP) of PRPP years of employment be permitted?
b) If so, should past service purchases be restricted to those PRPP years where a PA was reported?
c) If past service purchases were to be permitted for PRPP years where a PA was not reported but where there was employer oversight of PRPP participation (i.e., where an employer did not make direct contributions but oversaw the remittance of employee

contributions), what mechanism could be used to verify years of pensionable service with an employer? What would be the associated compliance considerations?

- d) Are there any practical ways to recognize years of participation in a PRPP for past service purchases in respect of self-employed individuals (i.e., individuals for whom there is no employer oversight) that would not raise significant verification and compliance issues?

Leaves of Absence and Periods of Reduced Pay or Disability

5. a) Should the RPP prescribed compensation rules be extended to PRPPs?
 - b) If so, what should be the level of employer PRPP involvement required under such provisions? What would be the associated compliance considerations?

Transfers

6. Would it be feasible and appropriate to allow transfers of surplus from a defined benefit RPP to a PRPP? If so, to what extent should such transfers be permitted?

Qualified / Prohibited Investments

7. a) What modifications, if any, should be made to the prohibited investment rules for RPPs to adapt them to PRPPs?
 - b) Should there be qualified investment rules for PRPPs (for example, similar to those that currently apply to RRSPs)?

Minimum Employer / Membership Requirement

8. a) Should there be rules requiring PRPPs to be established for a minimum number of employers or self-employed members?
 - b) If so, how many employers/members should be required to participate?

Forfeitures / Refunds

9. Are there issues around vesting and auto-enrolment that could increase complexity and compliance costs for employers and/or administrators in relation to the tax rules for PRPPs? If so, how could these issues be addressed?