MONTRÉAL · QUÉBEC

EMPLOYER'S GUIDE

The group insurance plan, explained for decision-makers.

A reference guide to group insurance and group annuity plans — what they offer the company and its employees, what they actually cost, and how to obtain a quote compared across several insurers.

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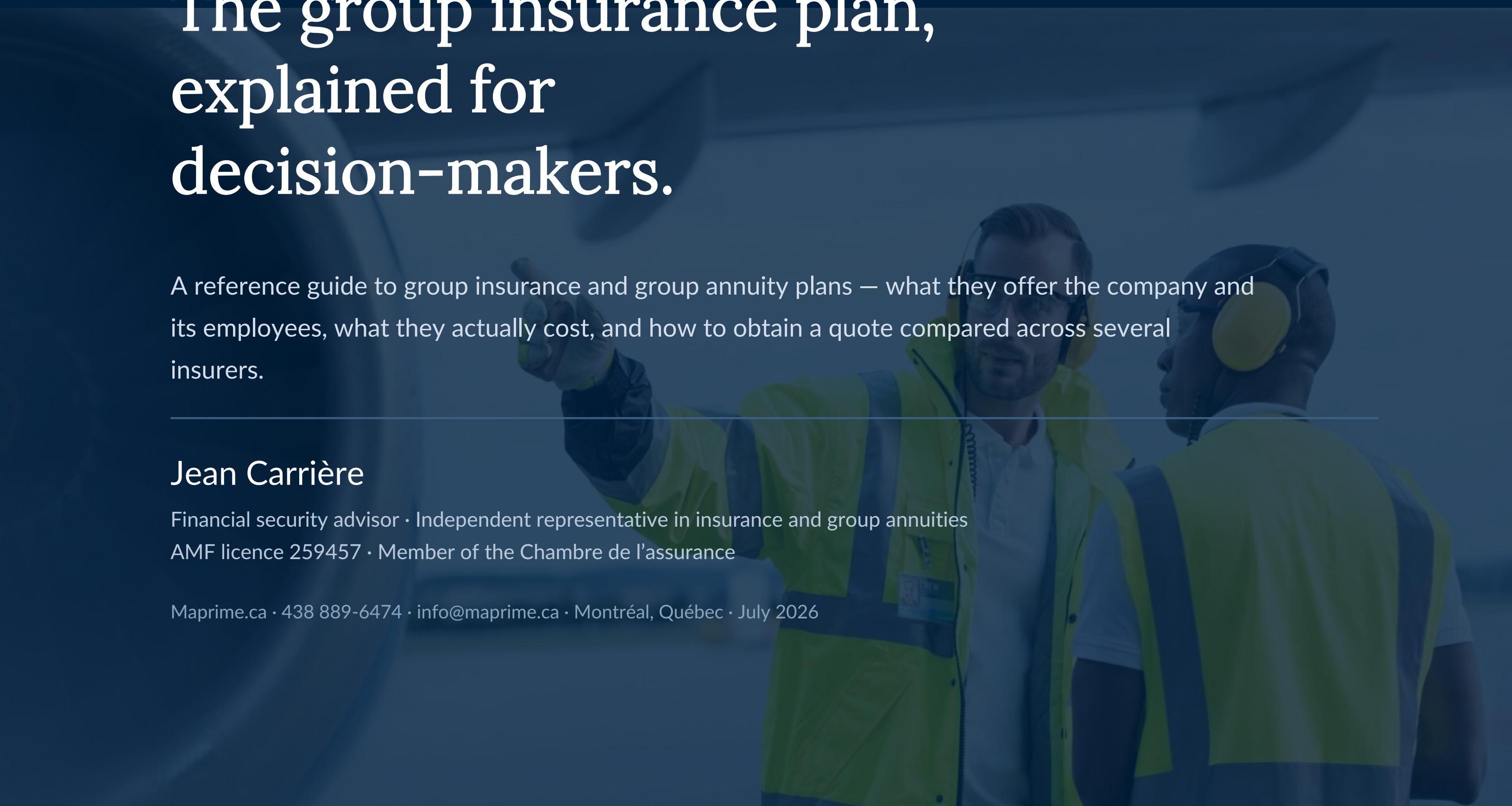

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01 — INTRODUCTION

Why a group plan?

A well-built plan retains staff. Badly built, it costs as much and nobody notices.

A well-structured group plan is one of the most effective — and most misunderstood — tools available to an employer. It works at once as a lever for attracting and retaining talent, as financial protection for your employees, and as a business expense that is more tax-efficient than an equivalent salary increase.

This guide is written for business owners and the managers responsible for employee benefits who are considering setting up a first plan, or reviewing an existing one. It sets out the types of plan available, their respective advantages, realistic cost benchmarks, and the approach I offer as an independent representative — that is, with no exclusive tie to any single insurer.

Worth remembering : a group plan is structured to fit: the size of your company, your industry, your budget and your retention objectives. There is no universal solution — this guide offers benchmarks, not a recommendation for your particular situation.

A retention argument, with figures behind it

According to ADP Canada's Happiness at Work Index (Harris Poll Canada survey, May 2026), supplementary health coverage is the benefit most sought after by Canadian workers (53%), ahead of paid leave beyond the legal minimum (49%) and retirement savings plans (48%). Sixty percent of workers say they are satisfied with the benefits offered by their current employer, against 13% who are dissatisfied — a gap your company can turn into a competitive advantage when attracting and keeping employees.

BENEFIT MOST SOUGHT AFTER BY CANADIAN WORKERS	SHARE
Supplementary health coverage	53%
Paid leave beyond the legal minimum	49%
Retirement savings plan	48%

Source: ADP Canada, Happiness at Work Index, Harris Poll Canada survey of more than 1,894 Canadian workers, May 2026 — cited by Conseiller.ca, 5 June 2026.

02 — THE PLANS, IN DETAIL

Group insurance and retirement savings tools

What follows describes each type of group plan, its advantages and the situations in which it is generally most relevant for a company — from group insurance through to the nine retirement savings tools listed by Retraite Québec.

Group insurance — protection

Brings together, under a single contract taken out by the employer, life insurance, supplementary health insurance (drugs, dental, paramedical) and short- and long-term disability insurance, for all eligible employees.

- Why employers adopt it: a recognised tool for attracting and retaining talent, reducing absenteeism and presenteeism (including access to mental health care), and signalling a responsible employer.
- Advantages: group pricing generally more favourable than equivalent individual coverage; simplified eligibility, often with no individual medical questionnaire.
- Points to consider: coverage generally ends when employment ends, subject to limited conversion rights.
- Generally relevant for: companies of any size wanting to offer competitive benefits.

Group RRSP — savings

A retirement savings plan in which the employee's contributions — and often a matching employer contribution — are paid by payroll deduction directly into individual RRSPs grouped under a single contract.

- Why employers adopt it: inexpensive to administer and it strengthens the overall value proposition without redesigning compensation.
- Advantages: deduction at source (an immediate tax benefit rather than one at annual filing), a matching contribution generally offered, often reduced management fees.
- Points to consider: the investment choice is limited to the options in the group contract.
- Generally relevant for: employers wanting to encourage retirement saving with a simple tool.
- Possible complement — group TFSA: many employers pair a group RRSP with a group TFSA. Contributions are not deductible, but investment income and withdrawals are tax-free; useful for employees who have already maximised their RRSP room or who want funds accessible without conditions.

DPSP — deferred profit sharing plan

A contract by which the employer shares part of the company's profits with its employees. Only the employer may contribute — employees pay nothing in. Significant shareholders of the company may not participate.

- Why employers adopt it: to tie part of deferred compensation to company performance, without committing to a fixed contribution year after year.
- Advantages: flexible, deductible contributions for the company and no additional payroll tax; the employer sets the conditions for joining and withdrawing.
- Points to consider: it cannot fully replace a group RRSP since the employee does not contribute; it is often combined with one ("RRSP-DPSP") to offer both mechanisms.
- Generally relevant for: profitable companies wanting to tie part of compensation to their performance.

VRSP — voluntary retirement savings plan (a possible legal obligation)

A plan governed by Quebec's Voluntary Retirement Savings Plans Act. An employer must set up a VRSP no later than 31 December of a given year if it had at least 10 targeted employees on 30 June of that year and at least 5 targeted employees on 31 December of the previous year — unless it already offers all its employees an RRSP, a TFSA with payroll deduction, or a registered pension plan. Employees are enrolled automatically, with the option to opt out.

- Why employers adopt it: for companies subject to the rule, the simplest and least costly way to comply; for others, a low-cost gesture with no obligation to contribute.
- Advantages: automatic saving by payroll deduction, with no active step required of the employee; compliance with the law assured.
- Points to consider: unlike a group RRSP, the employer is not required to contribute — if it chooses to, its contributions are deductible and attract no payroll tax.
- Generally relevant for: employers subject to the legal obligation, or looking for a simple solution.

Source: Retraite Québec, "Employeur et RVER" (retraitequebec.gouv.qc.ca, consulted 24 July 2025).

Company pension plan (DC / DB) — long-term retention

A registered pension plan, distinct from the savings tools above. A defined contribution (DC) plan fixes the amount of the contributions but not the retirement income, which depends on the return earned in the member's account. A defined benefit (DB) plan, rarer among SMEs, does the opposite: the retirement income is set in advance and the employer bears the funding risk, with an actuary's help.

- Why employers adopt it: a particularly effective lever for retaining key employees, and a signal of the company's solidity.
- Advantages: a dedicated retirement capital accumulates, with contributions generally deductible for both employer and employee.
- Points to consider: governance and compliance obligations for the employer (communication, periodic review, fiduciary choices); a DB plan commits the employer to long-term funding.
- Generally relevant for: established companies wanting a long-term retention lever.

Other retirement plans governed by Retraite Québec

Three further tools exist, generally better suited to large companies, unionised environments or the parapublic sector.

PLAN	MECHANISM	GENERALLY RELEVANT FOR
SPP — simplified pension plan	Defined contribution; designed for SMEs, administered directly by an authorised financial institution.	SMEs wanting a DC plan without setting up their own pension committee.
MFPP — member-funded pension plan	Defined benefit; the employer's share is fixed in advance, members bear the balance and the risks.	Unionised environments wanting to share funding risk.
TBPP — target benefit pension plan	Contributions and a benefit target set in advance; members and retirees absorb variances from the target.	Large companies or sectors wanting a compromise between DC and DB.

Source: Retraite Québec, "Outils d'épargne-retraite collectifs" (retraitequebec.gouv.qc.ca, consulted 24 July 2025). The nine tools covered in this section — group RRSP, VRSP, DPSP, DC, DB, SPP, MFPP, TBPP and group TFSA — cover all the group savings and retirement plans listed by Retraite Québec; the choice depends on company size, union presence and governance objectives.

The types of coverage in a group insurance plan

A group insurance plan is built à la carte, combining some of the coverages below according to the company’s budget and priorities.

COVERAGE	WHAT IT COVERS
Basic life	A lump sum paid to beneficiaries on the employee’s death, generally a multiple of salary.
Optional and dependant life	Optional additional cover for the employee, spouse or children, paid by the employee.
AD&D	A benefit supplementing life insurance in the event of accidental death or dismemberment.
Supplementary health	Prescription drugs, paramedical care (physiotherapy, chiropractic, psychology and so on) and other health costs not covered by the RAMQ.
Dental care	Generally offered in three tiers: basic care (examinations, cleanings), major restorative work (crowns, prostheses) and orthodontics.
Vision care	Eye examinations and partial reimbursement of glasses or contact lenses, on a 12- to 24-month cycle.
Short-term disability	Replaces part of income during the first weeks or months of incapacity for work.
Long-term disability	Replaces part of income beyond the period covered by short-term disability, potentially until retirement.
Critical illness	A lump sum paid on diagnosis of a covered serious illness (cancer, heart attack, stroke and so on), regardless of any inability to work.
Employee assistance programme	Confidential access to front-line psychological, legal or financial support for the employee and their family.
Travel assistance	Emergency medical costs outside Quebec, beyond RAMQ coverage, for short trips.

Standard components of the Canadian group insurance industry, as described by several insurers (Manulife, Equitable, Securian Canada, Empire Life) in their advisor documentation, consulted 24 July 2025.

> **Worth remembering :** no company needs every one of these coverages from the outset. Most plans start with a base (life, supplementary health, disability) and add coverage as the company grows — see "Three plan levels" later in this guide.

03 — THE TAX ADVANTAGE

A private plan, compared with the RAMQ

For federal tax purposes, the value of premiums paid by the employer for the health and dental portion is generally not a taxable benefit for the employee — unlike an equivalent salary increase, which would be fully taxed. A Quebec particularity worth knowing: those same premiums are added to the employee's taxable income for Quebec tax purposes (a box on the Relevé 1) — a rule specific to the province that does not apply elsewhere in Canada. Part of that amount may nonetheless qualify for the medical expense tax credit.

Even with that nuance, group pricing and the absence of federal taxation mean a plan generally remains more advantageous, after tax, than an equivalent salary increase.

An employee with access to a private plan meeting the minimum requirements is also required to join it rather than the RAMQ public prescription drug plan, which generally exempts them from the annual RAMQ premium for that coverage.

The group plan thus complements the RAMQ's universal coverage of medical and hospital services, by offering broader drug coverage as well as dental, paramedical and vision care — generally absent from the basic public plan. Premiums paid by the employer for the health and dental portion are also generally deductible as a business expense.

> **Disability insurance — a funding choice that changes everything :** who pays the premium determines whether the benefit will be taxable at claim time. If the employer pays 100% of the disability premium, the benefit paid to the employee is taxable. If the employee pays the premium (by payroll deduction, with money already taxed), the disability benefit is tax-free. This is a structural choice worth making deliberately rather than by default.

> **Figure updated July 2026 :** the maximum annual premium of the RAMQ public prescription drug plan now reaches $789 per adult not covered by a private plan, up 3.0% since 1 July 2026 (the monthly ceiling rises to $105.25). An employee covered by their employer's plan is generally exempt — a concrete, quantifiable advantage on top of the broader coverage.

Sources: Sun Life, "Vos avantages sociaux : imposables ou non ?" (consulted 24 July 2025); Revenu Québec, list of taxable benefits — group insurance plan (revenuquebec.ca); Income Tax Act, para. 6(1)(a) and subpara. 6(1)(a)(i); Régie de l'assurance maladie du Québec, official notice on the adjustment of public prescription drug plan rates, in force since 1 July 2026 (ramq.gouv.qc.ca).

What determines the price of your plan

Five main factors drive the pricing of a group plan: the size of the company (small groups pay more per employee, for want of sufficient claims data), the industry and level of occupational risk, the demographic profile of your employees (age, proportion of families), the richness of the plan chosen, and — for companies with a history — the claims experience of the last 24 to 36 months.

04 — WHAT IT COSTS

Cost benchmarks per employee

Ranges combining the employer and employee shares, for a standard plan (drugs, dental and paramedical care, basic life).

COMPANY SIZE	ANNUAL COST / EMPLOYEE	MONTHLY COST / EMPLOYEE
10 to 24 employees	$3,800 – $5,200	$317 – $433
25 to 49 employees	$3,500 – $4,800	$292 – $400
50 to 199 employees	$3,200 – $4,500	$267 – $375
200 to 499 employees	$2,800 – $4,200	$233 – $350
500 employees and more	$2,500 – $3,800	$208 – $317

Figures published by Baicorp Financial (an independent employee benefits broker), which attributes them to a Mercer Survey of Employer-Sponsored Health Plans, 2024 (blog.baicorp.ca, consulted 23 July 2026). These are market benchmarks published by a third party, not actuarial data verified directly — an order of magnitude for budgeting, not a quote. Industry also moves the real cost: construction and transport generally sit 20% to 30% above these benchmarks; retail and hospitality 10% to 15% below (Aon, Canadian Benefits Benchmarking Survey, 2024, cited by the same source).

Three plan levels

LEVEL	COMPOSITION	POSITION IN THE RANGE
Essential	Basic life insurance + supplementary health (drugs, paramedical)	Lower end of the range
Standard	+ dental care + short- and/or long-term disability	Middle to upper end of the range
Complete	+ critical illness + employee assistance / wellness programme	Upper end of the range and beyond

Signs it may be time to put your plan back out to market

- Your plan has not been re-tendered in more than three years.
- Your premiums have risen without a clear explanation of any adjustment to coverage.
- You do not know exactly what your current plan covers, or how it compares with the market.
- Your headcount or your industry has changed since the plan was put in place.
- You have never had an independent second opinion on your current plan.

> **For an estimate suited to your company :** send me the number of employees, your industry and the components you want (or your current plan, if you would like it compared) — I will come back with an approximate budget, then a real request for quotes from several insurers.

05 — INSURERS REPRESENTED

A compared quote, not a single catalogue

As an independent representative in group insurance of persons, I am not tied exclusively to any insurer. For a group plan, your file may be submitted to several of the following — the final choice depends on your group's profile and your coverage priorities:

iA Financial Group · Beneva · Manulife · Sun Life · Canada Life · Empire Life · Equitable · GreenShield · Medavie Blue Cross · Foresters Financial

Introducing competition among insurers when a plan is set up — or renewed — is generally the most effective lever for obtaining competitive terms, without sacrificing coverage.

06 — HOW I WORK

Diagnostic, analysis, recommendation, follow-up

1. Diagnostic — assessment of size, industry, the demographic profile of your employees and your objectives (retention, budget, legal obligations).
2. Analysis — comparison of quotes from several insurers to structure a competitive and durable offer suited to your budget.
3. Recommendation — a clear plan structure (components, costs, employer/employee sharing) so you can decide with full information.
4. Follow-up — ongoing governance of the plan: compliance, employee communication, periodic review of coverage and premiums.

07 — NEXT STEPS

Three ways to begin

1. Write to me for an estimate — give the number of employees, the industry and the coverage you want (or your current plan, if you would like it compared) at info@maprime.ca; I will reply with an order of magnitude for budgeting.
2. Ask for a real quote — on that basis, I compare several insurers and come back to you with an actual price.
3. Schedule an exploratory meeting — to discuss your situation directly, with no obligation.

Ready to structure your group plan?

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