

**ONTARIO HARNESS HORSE
ASSOCIATION**

GROUP RRSP POLICY

Version 3.2



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1. Introduction

The Ontario Harness Horse Association Group Retirement Program was established on January 1, 1998 with the Maritime Life Assurance Company, which has since been acquired by Manulife Financial.

The plan is a Group RRSP whose sole purpose is to provide a source of income at time of retirement for fulltime Owners, Trainers, Drivers, Caretakers and Breeders who participate in Standardbred racing.

The plan is funded from the Standardbred Revenue Allocation (SRA) and the plan member contributions. The SRA funding from the Alliance tracks is 40% of .4% of all wagering to OHHA, of that 60% is directed to the RRSP. The funding from the Regional Tracks is .4% of all wagering to OHHA, of that 60% is directed to the RRSP.

Benefits payable under this Plan shall comply with the requirements of the Income Tax Act (Canada) and its applicable Regulations, and shall be determined solely with the reference to, and provided by, the value of the Member's Account.

2. Definitions

- "Assistant Trainer" – Person responsible for driving the truck and trailer to and from the track or farm as needed, warming horses, making appointments for the blacksmith, etc. shipping horses, overseeing staff, entering horses etc. who is employed by the Trainer of Record.
- "Applicable Legislation" – Shall mean the Income Tax Act (Canada) and its Regulations, and any other legislation affecting the Plan.
- "Effective Date" – date the member registered in the plan.
- "Earnings" – shall mean taxable income from all sources.
- "Fund" – shall mean the total assets of the Plan.
- "Fund Rate of Return" – shall mean the rate of return that can reasonably be attributed to the portion of the Fund in which a Member's Account is invested, less expenses of administering the Plan.

“Member”	– shall mean an enrollee in the Plan as defined in Section 3, to whom benefits accrue under the Plan, and who has satisfied the eligibility requirement of the Plan and has been accepted by the Sponsor as a member of the Plan.
“Member’s Account”	– shall mean the total of an individual Member’s contribution as well as the Sponsor’s contribution made on a Member’s behalf accumulated at the Fund Rate of Return.
“Plan”	– shall mean the Ontario Harness Horse Association Group RRSP.
“Plan Administrator”	– shall mean the financial institution selected by the Sponsor to provide for the administration of the plan in accordance with Section 11.
“Policy Year”	– shall mean January 1 through to December 31 of a given year.
“RRSP Committee”	– as defined in Section 3 of this policy.
“Statement of Investment Policies and Procedures”	– a separate document defining OHHA’s investment policies and procedures
“Sponsor”	– shall mean the Ontario Harness Horse Association.

3. RRSP Committee

The RRSP Committee is responsible for recommending to the OHHA Board of Directors appropriate policies for the administration and investment of the group plan.

The OHHA Board of Directors shall appoint to the RRSP Committee the President, Chief Operating Officer or General Manager, and a member of the OHHA Board of Directors. In addition, the OHHA Board of Directors will approve up to seven (7) members to the RRSP Committee.

Members of the RRSP Committee will vote the Chairman’s position on a bi-annual basis. The Committee members appointed by the OHHA Board of Directors are ineligible to serve as Chairman.

The RRSP Committee will meet 4 times a year on dates scheduled in advance and confirmed with the members of the RRSP Committee. The Chairman will set the agenda for each meeting following the input of the RRSP Committee members.

All recommendations made by the RRSP Committee to the OHHA Board of Directors will be confirmed by a vote of the RRSP Committee. A quorum will

consist of the Chairman plus 2 Committee members. Each RRSP Committee member in attendance at a meeting will be given one vote. In the case of a deadlock, the Chairman of the RRSP Committee will cast a deciding vote.

- A motion can be tabled to the next meeting and must be tabled before the vote is taken.

The RRSP Committee shall review this Policy annually to ensure that it continues to be appropriate for the requirements of the Plan, and shall either confirm or amend it. Such confirmation or amendment will be noted in the minutes of the Committee meetings. Any changes that affect Members or the Plan Administrator shall be promptly communicated to them, subject to the terms of the contract between the Sponsor and the Plan Administrator.

4. RRSP Membership

- a) All enrollees must be current participants in the Standardbred industry in Ontario.

5. Eligibility for Industry Contribution

- a) All applications must be accompanied with proof of eligibility. (i.e. S.C. record of starts, the OHHA Owner's Record of Starts form , T4 slip, or equivalent proof of employment, etc.)
- b) When an enrollee has an NSF cheque he/she is contacted by mail or telephone or electronically by the Sponsor and the NSF cheque and bank information is enclosed with a letter on the status of his/her account as well as return envelope to the attention of the RRSP department. If the enrollee fails to respond by return mail within 30 days the office will contact by phone and take appropriate steps.
- c) Owners, Trainers and Drivers must accumulate 12 single Ontario starts for the previous year (multiple owners of a horse only qualify as per the percentage of the horse ownership). Fair racing is not included in calculating the record of starts for eligibility.
- d) Assistant Trainers must provide a T4 slip or equivalent proof of employment in the Standardbred industry as approved by the RRSP Committee. If either of these documents is not available, then the Trainer of Record/Employer must provide a letter confirming Assistant Trainer status.
- e) Verification of starts will only be accepted from a Standardbred Canada printout or an OHHA Record of Eligibility form. If further validation is required the OHHA office RRSP staff will contact the member for additional information.

- f) If a qualified member cannot meet the criteria standard of 12 starts in any given year, upon request the RRSP Committee will review each case on an individual basis to determine if the industry contribution will be made.
- g) All required documents to verify eligibility must reach the OHHA office before the December 1 cut-off date of the present RRSP year. All enrollments received between December 1 and December 31 of the Policy year will be returned to sender with a letter of explanation. When December 1 falls on a weekend the closing date of the current RRSP year is moved to the next business day.
- h) Grooms must provide a T4 slip or equivalent proof of employment in the Standardbred industry as approved by the RRSP Committee. If either of these documents is not available, then the Trainer of Record/Employer must provide a letter confirming Groom status.
- i) Breeders must show proof that they are the owner or lessee of a brood mare with racing offspring that accumulate 12 Ontario racing starts in a given year, or are the breeder of horse(s) with 12 starts the previous year, or are the signing officer of a Registered Ontario Sires Stake eligible stallion standing in Ontario and nominated to the OSS program.
- j) Post-dated cheques are not accepted.

6. Contributions

To be eligible for Sponsor contributions, a Member shall contribute \$100 annually. The Sponsor shall contribute up to \$1,200 annually, subject to the Members eligibility and the size of enrollment and funds allocated (SRA) to the OHHA Group RRSP program.

The \$100 contribution each year is not a requirement for a member to remain in the plan.

Once a year, as at December 31, the sponsor's contribution to the Group RRSP will be made. The first Sponsor contribution will be made after 12 months of enrollment of an approved Member. All enrollments, no matter when entered into the plan, begin on January 1 to permit a twelve-month enrollment status.

Sponsor and Member contributions will be allocated to the Member's Account and accumulated at the Fund Rate of Return on a monthly basis.

An eligible Member can contribute to this Plan, and therefore, receive Sponsor contributions, up to the legal age limit as determined by The Income Tax Act. At that time, all Sponsor contributions will cease and the Member must withdraw his funds either in cash or transferred to provide a retirement benefit.

The amount of Sponsor contributions made on a Member's behalf in respect of any given year shall be included in the Member's taxable income in that year.

Non-approvals of the Sponsor's up to \$1,200 Contribution will receive a phone call or electronic notification and a letter of explanation. Enrollees are given the option of having their \$100 contribution returned to them or depositing it to their personal RRSP account.

Any contributions made to the Plan will be returned to the Sponsor or Member who made the contribution, should this be required to avoid revocation of the registration of the Plan.

A Member shall be entitled to know the benefits to which he/she is entitled under this plan and to verify the correctness, but shall not be entitled to any information regarding the benefits earned by any other Member.

7. Retirement Benefits

A member may retire any time prior to the maximum age under the Income Tax Act. Upon retirement of a Member, he/she may choose any of the following options with their Member Account.

- i) Purchase annuity
- ii) Transfer to a RRIF
- iii) Cash refund (taxes will be withheld as required by the Income Tax Act (Canada) and applicable Regulations).

A member making a contribution in the year in which they must withdraw funds under the Income Tax Act, and qualifying for the Sponsor contribution, will have the Sponsor contribution deposited to his/her account before their retirement withdrawal.

8. Death Benefits

The Member's death benefit shall be payable in a lump sum to his/her designated beneficiary, or to his/her estate if no beneficiary has been designated.

A member making a contribution in the year in which they die, and qualifying for the Sponsor contribution, will have the Sponsor contribution deposited to his/her account before the account is closed.

9. Termination

If a Member withdraws his/her funds for reasons other than for a Home Buyer's Plan or Lifelong Learning Plan as recognized by the Canada Revenue Agency, his/her membership shall be deemed terminated and he/she shall not be permitted to re-enroll for a period of 4 calendar years. A second withdrawal of funds will be considered final and no further participation in the plan will be permitted. Partial withdrawal of funds is not permitted.

In order to terminate, a member must either come into the office in person and show photo identification, or if unable to come in to the office, have his/her signature on the termination form notarized.

If a Member should terminate membership for reasons other than death, the Sponsor shall provide the Plan Administrator with proper notice thereof.

A terminating Member is entitled to the accumulated value in his/her account at the time of termination. Sponsor contributions will be made as regularly scheduled for terminating members, and will not be deposited to the member's account should they terminate prior to the regular sponsor contribution date. That amount is payable to the Member as a lump sum refund subject to the Income Tax Act (Canada) or a tax free transfer to another existing RRSP, in accordance with applicable regulations.

10. Information To Members and Others

The Sponsor shall provide each new enrollee eligible for membership in the Plan with a brochure that provides general information about the program.

The Plan Administrator shall provide each Member on a semi-annual basis with a statement outlining information about the Plan and the Member's benefit entitlement.

A Member shall be entitled to know the benefits to which he/she is entitled under this Plan and to verify the correctness thereof, but shall not be entitled to any information regarding the benefits earned by any other Member.

The membership list is private and confidential, and is not available for distribution. Personal information is collected and maintained in accordance with the privacy policies of the Sponsor and the Plan Administrator, and as governed by the Personal Information Protection and Electronic Documents Act (PIPEDA).

Internet access to plan records on the Plan Administrator's website is restricted to: the RRSP Committee Chairperson, the OHHA COO, the OHHA President, the OHHA CFO, the OHHA GM, the OHHA RRSP Administrator, and consultant(s) contracted by the plan Sponsor to assist with administration of the plan.

11. Alienation of Benefits

Subject to Applicable Legislation, the benefits to which a Member is entitled under this Plan are not capable of assignment, charge, anticipation, of being given as security or surrendered during the lifetime of such Member and do not confer to any Member or any other person, any right or interest therein that is capable of such alienation during the member's lifetime. Assignment does not include assignment of benefits pursuant to a decree, order or judgment of a competent tribunal or a written agreement in settlement of rights arising out of a marriage other conjugal relationship between the Member and the Member's Spouse or former Spouse, or Same-sex partner or former Same-sex partner, on or after the breakdown of their marriage or other conjugal relationship, or assignment by the legal representative of a deceased individual entitled to benefits under this Plan on the distribution of the individual's estate, and surrender, does not include a reduction in benefits to avoid revocation of this Plan's registration.

12. Funding

The plan shall be funded through a contract issued by a financial institution licensed to do business in Canada (the "Plan Administrator"). The plan Member's contributions shall also contribute to the funding of the plan.

The amount received by the Sponsor from the Standardbred Revenue Allocation as described in **Section 1** will be paid to a Holding Account which will be held in trust for the benefit of Plan members. Each year, the Sponsor will determine the amount of contribution to be made to the plan on behalf of each member, and such contribution will be transferred from the Holding Account to each Member's Account on or before December 31st of that year.

13. Investment

Each Member's Account and the Holding Account will be invested in accordance with the Group RRSP Statement of Investment Policy and Procedures.

The Group RRSP Statement of Investment Policy and Procedures is reviewed no less frequently than annually by the RRSP Committee. Upon review, the RRSP Committee either confirms the policy or recommends appropriate changes to the Sponsor. Currently, default investment for the Members' Accounts and the Holding Account are invested in a mix of investments including GIA's, stocks, bonds, and other market investments. Due to the nature of the investments selected, account balances fluctuate from time to time. The mix of assets selected is well diversified and is intended to be relatively conservative. A more detailed explanation of the investments is provided in the Group RRSP Statement of Investment Policy and Procedures.

14. Permissible Distributions

Subject to the Statement of Investment Policies and Procedures, the only amounts, which may be paid out of this Plan, are:

- i) a payment of benefits in accordance with the Plan;
- ii) a payment of administrative, investment, actuarial, auditing, or sales expenses incurred under the Plan;
- iii) a return of all or any portion of the contributions made by a Member or the Sponsor where the payment is made to avoid the revocation of registration of this Plan;
- iv) and any others permitted under the Income Tax Act and Regulations.

15. Amendment or Termination of the Plan

The Sponsor, subject to the requirements of the Income Tax Act and Regulations, and any other Applicable Legislation, may amend the rules of the Plan from time to time. Any such amendment shall be binding upon all Members and their representatives, but no alteration may be made which will operate to reduce the benefits earned by the Members of the Plan prior to the date of the amendment. Replacement of this Plan by another plan shall be considered as an amendment.

The Sponsor may, at any time, direct that the affairs of the Plan be wound up.

16. Audit

Each year, the plan's records will be reviewed by an independent party to ensure that appropriate procedures are in place and to satisfy the Sponsor that all contributions and investment income are properly allocated among Members' Accounts and the Holding Account. An auditor, recommended by the RRSP Committee, must be approved by the OHHA Board of Directors annually.