



Sponsor Administration Guide

RRSP/TFSA

I know

*I can make sure my employees have what they need.
Without it taking up too much of my time.*

SunAdvantage™
my savings

A cost-effective retention
plan for your employees

Group Retirement and Savings Plans are provided by Sun Life Assurance Company of Canada, a member of the Sun Life group of companies.



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A man with short, graying hair, wearing a dark gray pinstriped suit jacket, a white shirt, and a red and white striped tie. He has his arms crossed and is looking slightly to the right with a subtle smile. The background is a blurred cityscape.

SunAdvantage
my savings

Your company's group savings plan

*Administration made easy:
a guide for employers*

As a small business owner, you know that time is a precious commodity. And we know you want to spend more time growing your business and less time with administrative hassles.

That's why we developed a group savings plan for small business that's easy to administer and provides maximum value for a minimum amount of time.

This is your guide to the role that Sun Life, your employees, your Plan Advisor, and you will play in the administration of **my savings**. While everyone has a role to play, we think you'll find your part to be a straightforward one – and one that becomes even easier to manage over time.

Administrative services that we provide

We provide a number of administrative services* to help you manage your company's group savings plan. As part of our administrative responsibilities, we:

- Send welcome letters to all new plan members
- Create and maintain administrative and investment records for each member utilizing the member's enrolment information and investment instructions
- Provide 24-hour access to plan information for you and your plan members
- Mail annual statements to each plan member in December; account statements are available online in June and December
- Mail RRSP contribution receipts to each plan member twice per year
- Report payments made to members on the appropriate tax slips
- Determine benefit values and provide plan members with options on death, termination of employment, retirement or termination of the plan
- Report to Canada Revenue Agency all payments made to and by your plan members.

To help you stay up-to-date on the information you need most from Group Retirement Services, we send you two electronic newsletters:

GRS matters weekly e-newsletter – A weekly digest of plan-related information, such as investment news, legislative updates and other information that could potentially impact you and your plan members.

GRS matters monthly e-newsletter – A monthly round-up of all the information we're excited to share with you about other products and services.

Please be sure to provide us with your email address on the **my savings** application form.

You can also visit the GRS matters website at sunlife.ca/GRSmatters at any time - it's your one-stop destination online for information you need to help you make the most of your plan.

These services are designed to assist you but are not intended to diminish your responsibility or authority under the plan. You are responsible for ensuring that the plan's administration complies with the plan provisions and the applicable legislation as well as the Guidelines for Capital Accumulation Plans. Your Plan Advisor would be happy to review these with you to ensure you understand your role as sponsor of **my savings.*

TRANSACT WHEN IT'S CONVENIENT FOR YOU!

You can make plan-related transactions through the Sun Life Plan Sponsor Services website at sunlife.ca/sponsor. Sun Life will contact you to verify your application has been processed and to help you register for website access. Each individual who needs access to the site will need to be registered, as access IDs and passwords should not be shared.

Employee support that we provide

You've demonstrated your support for employees by providing them with a convenient, tax-effective way to save for any life goal. We provide our support through a number of different channels.

EMPLOYEE ENROLMENT KIT

Sun Life provides you with Enrolment Kits that you are responsible to distribute to each eligible employee. The Employee Enrolment Kit includes a savings and investment guide to help your employees determine their personal investment strategy.

The kit takes employees through a simple, educational process. It includes:

- Information on why it's important to save for the future
- Instructions on accessing Sun Life online tools for members
- Two RSP enrolment forms and a TFSA enrolment form.

INVESTMENT ADVICE AND SUPPORT

Plan members can obtain one-on-one advice on choosing their investments from your Plan Advisor. Plan members also have access to investment decision-making tools such as asset allocation models, an investor profile questionnaire, a retirement planner, and calculators and projection tools to help them determine contribution levels. These can all be accessed on **mysunlife.ca**, our plan member services website.



24/7 ACCOUNT ACCESS

Plan members have 24/7 access to their accounts and their investments – either online, using our interactive website, **mysunlife.ca**, or by phone, using our Automated Telephone System, at 1-866-733-8613.

This allows them to manage many account administration tasks on their own. By phone or online, your plan members can:

- Get their fund balances
- Move money between funds
- Change their investment instructions
- Get detailed fund information and analysis
- Use one of the many online financial planning and investment tools
- And much more.

Requests received before 3 P.M. ET by mail, fax, or through the Client Care Centre will be processed the same day. Requests received by 4 P.M. ET through the Automated Telephone System or through the plan member services website will be processed the same day.

NEWSLETTER

As part of our ongoing commitment to help you inform your plan members, we post our electronic plan member newsletter – **my money At a Glance** – six times a year on **sunlife.ca/ataglance**. This newsletter provides important information that helps your plan members effectively manage their savings for the future.

Communicating the plan features to plan members

One of your key roles under the Guidelines for Capital Accumulation Plans (CAP Guidelines) is communicating the overall purpose and operation of **my savings** to your eligible plan members – either through enrolment meetings or through paper or electronic communications. These meetings and communications should cover (as applicable):

- Eligibility requirements
- How each type of account (RRSP and TFSA) works
- The role that each account can play in saving for the future
- The member-required contribution level
- Your employer contribution level
- Any employer matching contribution
- How frequently member contributions will be deducted
- Any withdrawal restrictions.

While the **my savings** employee kit outlines the general features of the plan, it does not include any information that is specific to your plan design. Please ensure that you arrange for this communication to take place at the time you introduce the plan to employees, and that any new employees who are hired receive a comparable plan review.

*Note: In the event of conflict between the terms of the employee booklet and the terms of the Group Annuity Policies and Group Retirement Savings Plan and Tax-Free Savings Account documents issued for **my savings**, the terms of the Group Annuity Policies and Plan documents will prevail. To access these documents online, visit sunlife.ca/SunAdvantagemysavings, click on Small Business Owner and select a link under the Applications and contracts section.*



Enrolling a new plan member

When employees (and spouses, if applicable) become eligible to join **my savings**, they simply complete the enrolment form(s) included in their enrolment kit. If an employee needs help completing the form, your Plan Advisor can assist.

To enrol a new plan member or spouse:

- Ensure the employee completes the enrolment form(s) for the products in which they want to enrol
- If your employee wants to contribute on behalf of a spouse, the spouse needs to complete a separate RSP enrolment form and mark the appropriate box for a Spousal RSP
- Record the 'Payroll deduction authorization' amount (as a percentage) from the employee's RSP enrolment form. TFSA contributions are taken straight out of the plan member's bank account and do not involve your payroll system
- Complete Section 1 of the Enrolment form (Plan sponsor information) with the Name of plan sponsor, Client ID, Plan and Contract number
- Send the signed and completed forms to our Waterloo office (at the address in the *How to reach us* section of this guide).

ASSIGNING IDENTIFICATION NUMBERS TO YOUR PLAN MEMBERS

If your company's group savings plan with Sun Life was effective on or after December 6, 2020, please assign a unique numeric Member ID for each employee joining the plan. The ID can't exceed nine digits. Sun Life won't accept a Member ID that contains any part of the member's Social Insurance Number (SIN). You may need to use the Member ID Generator tool on the Sun Life Plan Sponsor Services website. It depends on what you chose in the application process. This tool can help you create IDs for your employees. For plans effective before December 6, 2020, Sun Life will continue to assign a unique identification number to each member in your plan. The Member ID will be the last six digits of the member's Social Insurance Number (SIN).

Note: If you're submitting contributions with Ceridian through payroll provider submission, the Member ID must be the same as the Employee ID on the Ceridian payroll system.

Submitting contributions

One other task that you are required to perform is submitting contributions related to your plan members' RRSP accounts. In preparation for submitting these contributions, you will need to:

- Record the amount to be deducted for employee contributions from the 'Payroll deduction authorization' section of the employees' RSP enrolment forms. **Please note:** enrolment forms must be received and processed by Sun Life before you begin submitting contributions.
- Adjust your payroll file and deduct the employee contributions amount from their salary at the frequency you've determined for your plan
- Calculate the amount of employer matching contributions, if applicable

You can submit plan members' contributions to Sun Life in one of three ways:

1. Your payroll provider may be able to send contributions (allocation details and payments) to Sun Life on your behalf. If you are interested in purchasing this service from your payroll provider, select this option on your SunAdvantage **my savings** application form and we will arrange for a representative from your payroll provider to contact you to discuss.
2. Upload a Microsoft® Excel contribution file on the Plan Sponsor Services website*.
3. Enter individual member contributions directly on the Plan Sponsor Services website*. (This option is not recommended for plans with more than ten employees.)

Contributions will be allocated to members' accounts based on their Member ID. You may need to enter this Member ID in your payroll provider's system. Check with your payroll provider for more information.

** Payments will be submitted to Sun Life using Pre-authorized Withdrawal (explained in the Pre-authorized Withdrawal section).*

REPORTING EMPLOYER CONTRIBUTIONS

If you contribute on behalf of your employees, those contributions must be submitted to Sun Life together with the member's contributions that are deducted through payroll. You are also required to report these contributions as employment income to the Canada Revenue Agency (CRA). You can refer to tax guides available at your local district taxation office.

MEMBER LUMP SUM CONTRIBUTIONS

Plan members can make lump sum contributions in addition to their regular contributions – but they are responsible for submitting these contributions. Members can make a deposit online through the plan member services website or send a personal cheque payable to Sun Life Assurance Company of Canada.

ABOUT PRE-AUTHORIZED WITHDRAWAL

If you will be submitting contributions online either through an Excel file upload or entering contributions online, you will need to give us authorization to withdraw contribution amounts directly from your bank account. Please complete the Pre-authorized withdrawal authorization section of the **my savings** application form – and be sure to advise us whenever there are changes to your banking information. You can do so by signing on to the Plan Sponsor Services website using your access ID and password. Select **Add/change banking information** from the **Administration** drop-down menu and make the necessary changes.

Withdrawals from the plan

You, as plan sponsor, will determine if withdrawals are permitted from the RRSP. Withdrawals from the TFSA cannot be restricted. Plan members can request withdrawals through the Client Care Centre or the plan member services website. Plan members will need to supply the following information:

- The client ID and their account number
- The withdrawal amount
- The financial institution's name, address and account number for transfers
- Whether the amount is gross or net of withholding tax, if applicable.

If a withdrawal is related to a termination of employment, retirement or death of a plan member, please contact your Plan Advisor, who will help you proceed. Or, you can advise Sun Life through any of the following methods:

- update the member's status through the Plan Sponsor Services website using the **Change member's status** feature under the **Administration** menu item (**Note:** This feature is applicable to termination and retirement status changes only);
- email a notice of termination, retirement or death with the member's name and termination date to your client services team using the secure email option on the Plan Sponsor Services website; or
- complete and submit a *Notice of termination of service* form.

When we're asked to process a **withdrawal, transfer or termination benefit**, we determine the value of a member or spousal account when we receive the request and the required information to process the request. We will determine the value of the account no later than three valuation days* after receiving all required information. We determine the value of an account by:

- Redeeming the units of the market-based funds in the member or spousal account using the current unit value
- Determining the market value of the guaranteed funds in the member or spousal account for any reason other than death (book value is payable upon death).

For information regarding fees associated with withdrawals from the plan, please refer to page 13 of this guide.

* Except for plan terminations

Important transfer options: Group Choices Plan for former members

The Group Choices Plan is a retirement savings product that was designed for plan members who are leaving their group plan. It is open to plan members who terminate employment or retire, and to the spouses of plan members who die.

By keeping their retirement savings with Sun Life, former plan members can still benefit from the advantages of a group plan, such as competitive investment management fees that can be up to 13% lower than similar funds with the top six Canadian banks*.

Many of the funds available in **my savings** are also available in the Group Choices Plan, with additional options. Funds selected by a plan member under their **my savings** can simply be transferred to the Group Choices Plan. If the same funds are not available, the plan member can choose a new fund from our Group Choices Plan investment lineup.

AUTO TRANSFER TO THE GROUP CHOICES PLAN

Auto transfer is included as a feature under your **my savings** plan. With auto transfer, former plan members who have been terminated for 90 days – but have not yet elected a transfer option – will have their funds automatically transferred from **my savings** to the Group Choices Plan. We will transfer the member's RRSP assets to the Group Choices Plan RRSP and their TFSA assets to the Group Choices Plan TFSA.

In the Group Choices Plan, we will invest their savings in the same funds they were invested in just before their termination. In the event one of the plan member's current investment funds is not available under the Group Choices Plan, the assets in that fund will be transferred as indicated by the transition package that the member will receive upon termination of employment. Plan members can access Sun Life's website to update the investment options in their retirement portfolio at any time with no additional charge.

We will send information about the Group Choices Plan and the auto transfer process to plan members at the time of the termination, in a settlement option package.

** Based on market research conducted by Sun Life on publicly listed management fees for funds offered by the top six Canadian banks through financial advisors or their branch network, as of January 2016. The savings amount represents average management fees compared across similar asset categories (excluding Money Market and Bond asset categories). Fund management fees are subject to change. The fees vary based on each person's individual portfolio mix and the funds selected.*

Changing or updating member information

Plan members are responsible for changing or updating their personal information by calling the Client Care Centre at 1-866-733-8613 or by accessing **mysunlife.ca**. Plan members can also contact the Plan Advisor for assistance.

If a plan member wants to change their beneficiary, they can do so one of two ways:

- Online by signing-in to their **mysunlife.ca** account and accessing our convenient e-beneficiary tool located under the **Quick Links** drop-down menu.
- Completing and mailing a Change of Records form. Plan members can obtain a form by contacting the Client Care Centre.

ACCESS TO PLAN MEMBER INFORMATION

Sun Life has been working diligently to ensure our policies and procedures comply with the Personal Information Protection and Electronic Documents Act (PIPEDA) and other applicable provincial legislation. Based on privacy principles, you have access to the information you require to administer your plan.

For RRSP and TFSA accounts, you will not have access to personal plan member information such as Social Insurance Numbers, closing balances, beneficiary details and fund information. For more information about the Sun Life privacy policy visit sunlife.ca/privacy.



Fees that plan members pay

As with any savings and investment program, there are fees and expenses associated with both providing and managing **my savings**. These fees are outlined in your Policy.

Regardless of where a member invests their money (their workplace plan, a bank or a mutual fund company), he or she will pay fees. But when a member contributes to their plan @ work, the fund management fees (FMFs) he or she pays are often lower than what is paid by a retail investor.

WHAT ARE FMFs?

FMFs include, but are not limited to, investment management fees as well as operating expenses for both the segregated fund and the underlying fund.

Investment management fees pay for the services of professional investment managers who pick the investments for the fund and build the fund's portfolio. Management activities usually include:

- visiting companies they are considering investing in and analyzing their financial statements and the risks associated with the investment; and
- monitoring all the investments their fund makes and deciding when to sell those investments and buy others.

A fund's operating expenses are made up mainly of its legal and audit fees and transaction costs. Operating expenses also include the fund's administration costs and the costs of its regulatory filings. In some funds, operating expenses also include embedded fees of the underlying fund.

FMFs are usually calculated yearly and are built into the member's investment. The yearly percentage is deducted in daily amounts from the gross value of the fund. (The exceptions are expense based funds and Sun Life Milestone Segregated Funds, where the fee is based on the member's asset holdings and calculated monthly.)

In addition, FMFs pay for keeping records of the member's account and member servicing costs. Applicable taxes also are charged on the management fees and on some portions of operating expenses.

DIFFERENT FUND TYPES, DIFFERENT LEVELS OF MANAGEMENT

In general, index and money market funds have the lowest management fees, because they tend to require little research or active management.

Foreign equity funds typically charge the highest fees, since they often fluctuate and require continuous monitoring. When the equity fund is foreign, it usually requires even greater research than a domestic fund, and sometimes fund managers need to hire local advisors to help in choosing stocks.

FUND INFORMATION

The member can go to **Account fees** under the **Accounts** drop-down menu to find their account and fee information. The member can also find fee information on their member account statement.

A final word...yes, fees matter. But it's just as important for the member to choose funds that are right for them and will allow him or her to meet their long-term financial goals. If a member is deciding between two similar funds, though, the difference in their fees could be worth considering.

OTHER FEES

We charge plan members a \$25 fee for each withdrawal, including RRSP withdrawals under a Home Buyers' Plan or a Lifelong Learning Plan. The first withdrawal from a plan member's TFSA in each calendar year is free. A \$25 fee will apply for any additional withdrawals during the year.

We charge a fee of \$75 for withdrawals or transfers to another financial institution when plan members terminate employment or retire. There are two exceptions that apply:

- We do not charge this fee to a beneficiary or estate on payments made due to death of the plan member
- We do not charge the plan member for transfers of assets upon termination or retirement when those assets remain with Sun Life.

FEES THAT YOU MAY PAY AS A PLAN SPONSOR

If we are required to make plan amendments due to changing legislation, we may charge you an hourly fee for these services. We reserve the right to modify fees at any time.

FEE CHARGED FOR SHORT-TERM TRADING

Frequent trading or "short-term trading" is the practice whereby an investor makes multiple buying and selling transactions on a regular basis in an attempt to time market trends and boost returns to their account.

Short-term trading affects all investors in the fund and can lead to a negative impact on performance. For this reason, Sun Life takes steps to protect plan members from the effects of short-term trading. They may be charged a two per cent fee if they initiate an interfund transfer into a fund followed by an interfund transfer out of the same fund within 30 calendar days. The fee will not be charged for transactions involving guaranteed investments or money market funds, and does not apply to deposits or withdrawals, only interfund transfers.

More information about our short-term trading policy is available at mysunlife.ca.

How to reach us

If you have questions or need additional support in the administration of your plan, you can speak with your Plan Advisor.

For secure, self-service any time, visit the Plan Sponsor Services website, sunlife.ca/sponsor, to conduct transactions, run reports and find plan information. You can also send us secure emails using the **Contact us** feature on the website.

To send information to us in writing, please mail any correspondence to:

Sun Life, Group Retirement Services
Personal and Confidential
Attention: Plan Implementation, 304D00

General mail:
PO BOX 1601, STN Waterloo
Waterloo, ON N2J 4C5

Courier address:
227 King Street South
Waterloo, ON N2J 1R2

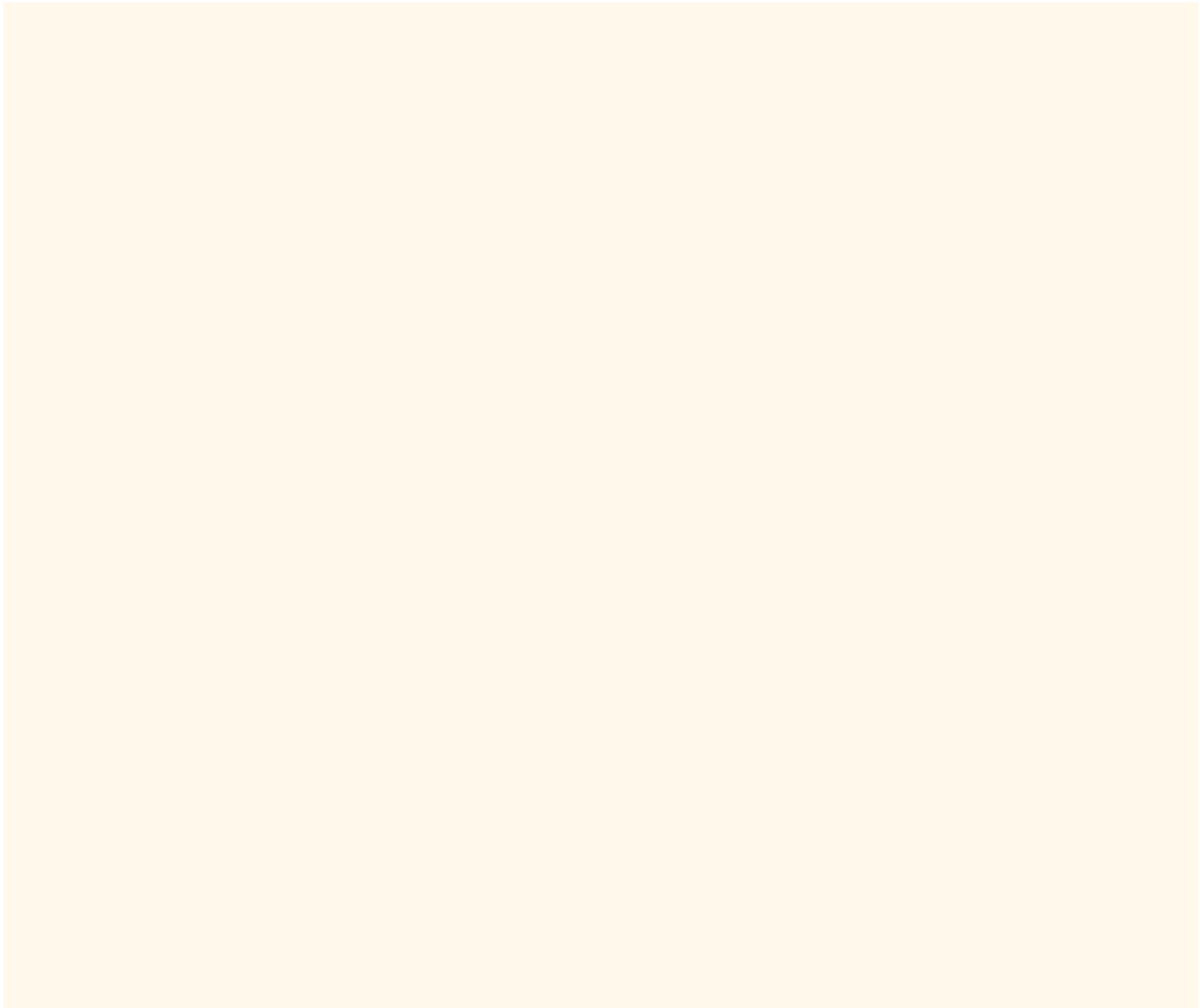
OUR COMMITMENT TO YOU

To underscore our confidence in our people and our processes, we stand behind our commitment to service excellence. Through ongoing feedback you give us, we assess your service expectations and the service we provide. If there's a problem, we work to resolve it. Our Client Service Commitment is our way of showing you we value your business. Simply put, if we don't live up to your overall expectations, we pay the price. In cash. Ask your Plan Advisor for more details regarding our Client Service Commitment.

Notes

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Life's brighter under the sun



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