

Sun Life  
Financial  
**VRSP**

ADVIS-R

 GUIDE

Sun   
Life Financial



FOR ALL THINGS  
**FINANCIAL**

COUNT ON  
**SUN LIFE FINANCIAL**

2

## VRSPs – Good news all round!

The new Voluntary Retirement Savings Plan (VRSP) legislation, effective July 1, 2014, directly addresses the needs of almost two million workers in Quebec who do not have a workplace savings plan and creates an unprecedented opportunity for advisors.

To make things easier for you, here are four facts you should know about VRSPs:

### **1 THE VRSP IS MANDATORY.**

All Quebec employers with five or more eligible employees will be required to offer a VRSP to members of their staff who:

- do not currently have the opportunity to contribute to an RRSP or TFSA through payroll deduction, or
- are not members of a registered pension plan provided by their employer.

### **2 ALL LICENSED INSURANCE REPRESENTATIVES CAN OFFER THE SUN LIFE FINANCIAL VRSP.**

Group insurance representatives authorized to provide group annuities can offer a VRSP to employers. And, in recognition of the high number of employers that will need to be reached, group insurance representatives authorized to offer only group insurance plans and representatives in insurance of persons (individual insurance) will also be allowed to offer VRSPs to employers until January 1, 2018.

### **3 OUR VRSP IS A TURN-KEY PROPOSITION.**

Our plan is simple to administer and easily understood by employers and employees. We also handle all the administration to make plan set-up a breeze for you and for employers. And on top of all this we offer low-cost investment choices and unparalleled customer service at every level: advisors, employers and employees.

### **4 YOU HAVE THE LEADER IN YOUR CORNER<sup>1</sup>.**

Sun Life Financial is the leader in providing group retirement savings solutions to Canadians, so you know we have the expertise, backed by 150 years of experience, to manage the VRSP. What's more, we'll help you through the sales process every step of the way.

3



<sup>1</sup> Benefits Canada, 2013 - Sun Life Financial Group Retirement Services' share of assets under management in the 10 largest defined contribution pension plans in Canada.



## A NEW AND INNOVATIVE SAVINGS TOOL

“Over 2 million Quebec workers have no access to a workplace retirement plan. This is a key societal issue, so it was vital to develop a simple and accessible savings vehicle, like the VRSP. For many Quebecers this will be their first workplace savings experience, and a first tangible step toward taking charge of their financial life. We are proud of our VRSP and the support we are offering Quebec workers.”

— Robert Dumas, President,  
Sun Life Financial, Quebec.

4



## VRSP OVERVIEW

The **VRSP** is a new kind of defined contribution pension plan that allows multiple unrelated employers, self-employed persons and other individuals to pool their assets and participate in a registered savings product.



**Employers with fewer than five eligible employees may voluntarily offer a VRSP.**

### UNIVERSAL ACCESS

As of July 1, 2014, the new law makes it mandatory for any company with five or more eligible employees and an establishment in Quebec, which does not currently offer its eligible employees an opportunity to make contributions through payroll deduction to an RRSP or TFSA, or to participate in a pension plan provided by the employer, to offer a VRSP by the following dates:

#### December 31, 2016

Employers with **20** or more eligible employees on June 30, 2016

#### December 31, 2017

Employers with **10 to 19** eligible employees on June 30, 2017

#### On a date set by the government, but not prior to January 1, 2018

Employers with **5 to 9** eligible employees

## EMPLOYER OBLIGATIONS

Each employer must choose a VRSP provider (i.e., an authorized administrator), enrol their employees and remit contributions. With the Sun Life Financial VRSP, we will take care of virtually all additional administration.



### DID YOU KNOW...

***Our studies show that employers are very receptive to VRSPs, as it gives them a great way to take care of their employees and their future. (Ipsos-Sun Life Financial focus group)***

## ELIGIBILITY

All full-time and part-time employees who are 18 years of age or over with at least one year of continuous service will be immediately eligible to participate. All eligible employees will be automatically enrolled in the plan chosen by their employer; however, employees can choose to opt out within 60 days of the notice of membership being sent to them.



### DID YOU KNOW...

***Plan members see access to a VRSP as a very positive thing. Close to 80 % of them intend to stay in the plan. (Ipsos-Sun Life Financial survey)***



### GOOD TO KNOW

Even if an employer has a pension plan or offers its employees a group RRSP or TFSA with payroll deductions, the employer may still have to offer a VRSP if some of its employees are not eligible to participate in the existing plans.

## CONTRIBUTIONS

Employee contributions are made by automatic payroll deductions, starting at a minimum required level and increasing overtime. Employees may choose their own contribution rate, but the default contribution rate will apply if they don't make a choice within 60 days after their notice of membership is sent. Employers may make contributions but are not required

to do so; however, you can take the opportunity to show them that this is an effective way to attract and retain top talent.



### GOOD TO KNOW

The total of employer and employee contributions is counted against the employee's RRSP contribution limit.

## WITHDRAWALS

Any employer contributions are locked in, but employees are entitled to withdraw their own contributions. In certain cases involving shortened life expectancy, mental or physical disability, or non-residency, members will be allowed to withdraw employer contributions (subject to withholding tax).

**FOR MORE INFORMATION ABOUT THE SUN LIFE FINANCIAL VRSP, VISIT [SUNLIFE.CA/VRSP](https://www.sunlife.ca/vrsp) OR CALL OUR SMALL BUSINESS CENTRE AT 1-855-362-3086 ANY BUSINESS DAY FROM 8 A.M. TO 6 P.M. ET.**

*For developing  
new  
opportunities*

6

Over the next few years more than 95,000 business owners in Quebec will need to find a VRSP. If you don't make the offer to your clients and prospects, you can be sure one of your competitors will!

**If you're not licensed to offer group annuities, until January 1, 2018 you have a window of opportunity to start your move into the group market.**

This exemption will allow you to offer the VRSP to employers who do not currently offer an RRSP or TFSA through payroll deductions or a registered pension plan to their eligible employees.

**If you're active in the group benefits market, the VRSP is a prime opportunity to expand your business.**

By helping your clients meet their legal obligations, you'll be protecting that relationship by providing a service they simply must have – including all the many advantages that come with having both their group benefits and their VRSP business with us.

**If you're active in the group retirement services market, your clients may find a growing need for advice.**

Even though the core VRSP plan designs are set by regulation, employers will still need help choosing a provider. And many employers will want to consider products and plan designs other than a VRSP to better address their business needs. In these cases they'll be looking for guidance on plan types, contribution levels, investment offerings, after-sales service, etc. As we help you present the best options and Sun Life Financial advantages to your clients, chances are you'll find other opportunities to add value – first through your advice and then by providing additional products and services.



**For all things financial, you know you can count on Sun Life Financial.**

When you start the VRSP conversation with your clients, you'll have the confidence of knowing you're backed by the Canadian industry leader in retirement savings plans and one of the leading advocates for the pension reforms that resulted in the VRSP.





#### **THINK ABOUT IT...**

The exemption period is an ideal timeframe for you to enhance your professional credentials by earning your group licence so you can take full advantage of this opportunity for growth... and the many opportunities to come!







*For support  
from a team  
of dedicated  
experts*

## YOUR SUCCESS MATTERS.

**THAT'S WHY, IN QUEBEC, WE ESTABLISHED THE  
VRSP-DEDICATED SMALL BUSINESS CENTRE.**

### **We'll help you win the business**

Advisors are our preferred business channel. We're committed to doing everything we can to support your business and make doing business with us easy.

You'll be able to get step-by-step, live help from a licensed representative at the **Sun Life Financial Small Business Centre**. **You can call 1-855-362-3086 any business day from 8 a.m. to 6 p.m. ET** to get help with prospecting, making a presentation, signing up a new employer, enrolling employees, or virtually anything else you need in the process.





## TOGETHER, WE'LL DELIVER A TURN-KEY SOLUTION

Because we've been in the group savings business for 150 years, we have the expertise to deliver a top-notch product that's simple and straightforward.

### YOUR CLIENTS WILL HAVE ACCESS TO:

- **An unparalleled customer experience** that minimizes the administrative load for both you and your clients – including easy online application and enrolment of all eligible employees.
- **Our plan sponsor and plan member websites** containing a wealth of information and tools to help your clients and their employees understand and appreciate their new plan, and learn how to make the most of it.
- **Our plan member education and information tools** to help your clients and their employees deepen their financial knowledge. While enrolment is automatic, we believe an educated investor is a more confident and potentially more active investor – and a more lucrative potential client for you in the long run.
- **Plan member communications** provided by Sun Life Financial, meaning one less task for your clients to worry about.
- **Low management fees**, which are possible because of the pooling of assets from a large number of small business owners, individuals and self-employed persons.





## OPPORTUNITY IS KNOCKING

Don't let your competition answer before you do. The introduction of VRSPs is an extraordinary opportunity to start new business relationships, deepen existing relationships and – more importantly – build and protect your book of business.

### TO FIND OUT MORE:



Visit [sunlife.ca/VRSP](https://sunlife.ca/VRSP)



Email us at  
[RVER@sunlife.com](mailto:RVER@sunlife.com)



Call the Sun Life Financial Small  
Business Centre at 1-855-362-3086.

Sun Life  
Financial  
**VRSP**



FOR ALL THINGS  
**FINANCIAL**

COUNT ON  
**SUN LIFE FINANCIAL**

**[sunlife.ca/VRSP](http://sunlife.ca/VRSP)**  
**Life's brighter under the sun**

Group Retirement Services are provided by Sun Life Assurance Company of Canada,  
a member of the Sun Life Financial group of companies.  
© Sun Life Assurance Company of Canada, 2015. 02/15-RB



GRP1833-E

