



**SUN LIFE FINANCIAL  
VOLUNTARY RETIREMENT SAVINGS PLAN**

Effective date of the plan: July 16, 2014

Authorization number granted by the Autorité des marchés financiers: LRVER000001

SUN LIFE ASSURANCE COMPANY OF CANADA

A handwritten signature in black ink, appearing to read "Dean A. Connor".

Dean A. Connor  
President and Chief Executive Officer

A handwritten signature in black ink, appearing to read "Troy Krushel".

Troy Krushel  
Corporate Secretary

Date: July 16, 2020

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## Introduction

The Sun Life Financial Voluntary Retirement Savings Plan ("VRSP") is governed by the *Voluntary Retirement Savings Plans Act* (chapter R-17.0.1) (the "Act"). Its purpose is to promote retirement savings.

Registration of the VRSP is also subject to section 147.5 of the *Income Tax Act*, (the "ITA").

The plan's main objective is to accept and invest contributions to provide retirement income to members, subject to the limitations and other requirements of the ITA.

Individuals may become members of a VRSP to the extent that fiscal rules permit them to contribute to the plan.

Individuals are called members and remain members from the time they hold an account under the terms of a VRSP.

The plan consists of two parts:

- Part I - General provisions applicable to all members of the plan
- Part II - Special provisions where an employer subscribes to the Sun Life Financial Voluntary Retirement Savings Plan

## **PART I – General provisions applicable to all members of the plan**

### **1 Administrator**

#### **1.1 General provisions**

Sun Life Assurance Company of Canada (Sun Life Financial) is the administrator of the Sun Life Financial VRSP.

Sun Life Financial provides a plan on the same conditions for all employers who participate in the plan and all individuals who become members of the plan.

Sun Life Financial may not refuse an individual's application to join the VRSP unless:

- the individual's name appears on the list referred to in section 83.05 of the *Criminal Code* or if, in the last seven years, the individual has been found guilty of an offence under section 380 or 462.31 of that Code;
- the individual is a non-resident of Quebec.

Sun Life Financial ensures that the plan it manages complies with the Act.

Sun Life Financial ensures that the plan it manages complies with the ITA.

Sun Life Financial manages the plan and its assets as administrator of the property of another and, as such, must exercise the prudence, diligence and skill that a reasonable person would exercise in similar circumstances. Sun Life Financial must act with honesty and fairness in the interests of the members.

#### **1.2 Plan and amendments**

##### **1.2.1 Effective date**

The VRSP and its amendments become effective on the date they are registered with the Régie des rentes du Québec (the "Régie") and may not become effective before that date. However, amendments may become effective before the date on which they are registered with the Régie where they:

- are made for the purpose of complying with a legal requirement; in such case, they must have effect on the date provided for by law;
- reflect a change in the name of Sun Life Financial; in such case, they must have effect on the date on which the change of name occurs;
- are to the advantage of the plan members; in such case, they must have effect on the date determined by Sun Life Financial.

##### **1.2.2 Notice of amendment**

If Sun Life Financial proposes to apply for the registration of an amendment to the plan, it must inform the members and the employers by written notice.

### **2 Fiscal year**

The first fiscal year of the plan begins on the effective date of the plan and ends on December 31, 2015. Following that, the fiscal year of the plan ends on December 31 of each year.

### **3 Documents**

Sun Life Financial must provide the following documents, free of charge, to the employer or to a member who joins the VRSP other than through his or her employer:

- a copy of the contract between the parties;
- on request, the annual statement and the financial report.

Sun Life Financial must give a member who joins the VRSP other than through his or her employer a written summary of the plan that describes, in particular, the individual's rights and obligations, the investment options, and the costs related to the plan.

***For additional rules applicable to members who were enrolled by their employer, refer to Part II, section 20.***

Within 45 days following the end of each fiscal year of the plan, Sun Life Financial provides each member with a statement showing changes in the member's account. The statement contains the information specified in section 53 of the *Regulation respecting voluntary retirement savings plans* (the "Regulation").

## **4 Member contributions**

The member determines his or her contribution to the VRSP. Contributions are made monthly by automated cheque plan. A member may also make a lump sum contribution at any time in the form and manner required by Sun Life Financial.

Under subsection 147.5(11) of the ITA, any contribution to the VRSP is deemed to be a premium paid by the member to a registered retirement savings plan (RRSP) under which the member is the annuitant.

The member may, at any time, in the form and manner required by Sun Life Financial:

- set his or her contribution rate at 0%;
- change his or her contribution to the plan.

Sun Life Financial may close the member's account containing locked-in and not locked-in amounts when the balance of the member's account for a period of 12 consecutive months is zero and no transactions related to the account have been made.

Contributions made by the member cannot exceed the limits permitted by the ITA.

### **4.1 Limit and tax treatment of member contributions**

The member's contribution is limited to the maximum amount deductible under an RRSP. A member may make contributions to his or her VRSP between January 1 of a given year and the first 60 days of the following year, or until the end of the year in which the member reaches age 71.

Members may deduct their contributions on their tax returns for the year, but the deduction may not exceed the difference between the maximum amount deductible under an RRSP and the employer's contribution to the VRSP, if any.

### **4.2 No contributions after age 71**

No contribution may be made in respect of a member after the calendar year in which he or she reaches age 71, except in the case of a permitted transfer.

### **4.3 Refunds of contributions allowed**

The refund of contributions is allowed:

- in circumstances where a contribution was made to the plan due to a reasonable error by a member or an employer, and the refund is made to the person who paid the contribution no later than December 31 of the year following the calendar year in which the contribution is made;
- to prevent the revocation of registration of the plan;
- to reduce the amount of tax that would otherwise be payable by a member under Part X.1 of the ITA;
- to meet any requirement of the ITA.

#### 4.4 Excess contributions

Payment of an amount is permitted in order to reduce the amount of tax that would be payable by a member under Part X.1 of the ITA.

***For the rules applicable to members who were enrolled by their employer, refer to Part II, section 24.***

## 5 Account

In accordance with the ITA, each member holds one account linked to his or her social insurance number:

- to which all contributions made to the plan for the member, plus investment earnings, are credited; and
- from which benefits and payments in respect of the member are paid.

Within the member's account, Sun Life Financial must keep in its books a record of the locked-in amounts in the account and the not locked-in amounts in the account.

The funds in members' accounts may be pooled by Sun Life Financial for the purpose of investing the plan assets.

Amounts paid or allocated to a member's account are vested immediately and irrevocably.

### 5.1 Locked-in amounts in the member's account

The following are credited to the locked-in portion of the member's account:

- the employer's contributions;
- accrued interest;
- the dividends, refunds or other advantages granted by Sun Life Financial with respect to the locked-in amounts in the account;
- locked-in amounts transferred from:
  - a supplemental pension plan governed by the *Supplemental Pension Plans Act* (chapter R-15.1) or governed by an Act emanating from a legislative authority other than the Parliament of Quebec and granting entitlement to a deferred pension;
  - a supplemental pension plan established by an Act emanating from the Parliament of Quebec or from another legislative authority;
  - a life income fund (LIF) registered as a registered retirement income fund (RRIF) under which the member is the annuitant;
  - a locked-in retirement account (LIRA) registered as an RRSP under which the member is the annuitant;
  - an annuity contract under which the member is the annuitant;
  - the locked-in portion of the member's account of another VRSP governed by the Act;
  - the locked-in portion of the member's account of an equivalent VRSP, also referred to as a pooled registered pension plan (PRPP), emanating from a legislative authority other than the Parliament of Quebec, provided the member joins that plan as part of his or her employment.

### 5.1.1 Refund of locked-in amounts

A member is entitled, upon a request to Sun Life Financial, to a lump sum refund of the locked-in amounts in the account in any of the following situations:

- 1) The balance in the locked-in portion of the member's account is less than 20% of the maximum pensionable earnings ("MPE") established in accordance with the *Act respecting the Quebec Pension Plan* (chapter R-9) for the year in which the member is no longer employed by an employer who subscribed to a VRSP.
- 2) The member is at least 65 years of age and the total of the locked-in sums accumulated by him or her as retirement savings does not exceed 40% of the MPE determined in accordance with the *Act respecting the Quebec Pension Plan* (chapter R-9) for the year in which the member applies for the refund.

The member's "retirement savings" is the total of the sums accumulated in the following plans:

- VRSPs governed by the Act;
- defined contribution pension plans;
- defined benefit or defined benefit-defined contribution pension plans with provisions identical to those of a defined contribution plan;
- LIFs registered as RRIFs under which the member is the annuitant;
- LIRAs registered as RRSPs under which the member is the annuitant.

The member's application must be accompanied by a declaration in conformity to the one prescribed in Schedule A of the Regulation.

- 3) A physician certifies that the member's physical or mental disability reduces his or her life expectancy.
- 4) A physician certifies that the member is physically or mentally disabled without giving an opinion on his or her life expectancy.

In such a case, the member must provide a statement to Sun Life Financial certifying that the income he or she is to receive during the 12 months following the application for a refund will not exceed 40% of the MPE determined, for the year of the refund, pursuant to the *Act respecting the Quebec Pension Plan* (chapter R-9).

- 5) The member is deemed, for the purposes of the *Taxation Act* (chapter I-3), to not have resided in Canada for at least two years.

### 5.1.2 Transfer out of the plan

In the case of a member for whom no employer has subscribed to a plan, the locked-in amounts in the account may be transferred at any time.

The amounts may be transferred in a lump sum to one of the following plans:

- a supplemental pension plan governed by the *Supplemental Pension Plans Act* (chapter R-15.1) or governed by an Act emanating from a legislative authority other than the Parliament of Quebec and granting entitlement to a deferred pension;
- a supplemental pension plan established by an Act emanating from the Parliament of Quebec or from another legislative authority;
- a LIF registered as a RRIF under which the member is the annuitant;
- a LIRA registered as an RRSP under which the member is the annuitant;
- an annuity contract under which the member is the annuitant;
- the locked-in portion of the member's account of another VRSP governed by the Act;
- the locked-in portion of the member's account of an equivalent VRSP, also referred to as a PRPP, emanating from a legislative authority other than the Parliament of Quebec, provided the member joins that plan as part of his or her employment.

However, where a member is entitled to a refund of the locked-in portion of his or her account pursuant to section 5.1.1, the amounts may be transferred to one of the following plans:

- a supplemental pension plan governed by the *Supplemental Pension Plans Act* (chapter R-15.1) or governed by an Act emanating from a legislative authority other than the Parliament of Quebec and granting entitlement to a deferred pension;
- a supplemental pension plan established by an Act emanating from the Parliament of Quebec or from another legislative authority;
- a RRIF under which the member is the annuitant;
- an RRSP under which the member is the annuitant;
- an annuity contract under which the member is the annuitant;
- the not locked-in portion of the member's account of another VRSP governed by the Act;
- the not locked-in portion of the member's account of an equivalent VRSP, also referred to as a PRPP, emanating from a legislative authority other than the Parliament of Quebec, provided the member joins that plan as part of his or her employment.

***For the rules applicable to members who were enrolled by their employer, refer to Part II, section 28.***

## 5.2 Not locked-in portion of the member's account

The following are credited to the not locked-in portion of the member's account:

- the member's contributions;
- accrued interest;
- the dividends, refunds or other advantages granted by Sun Life Financial with respect to the not locked-in amounts in the account;
- not locked-in amounts transferred from:
  - a RRIF under which the member is the annuitant;
  - an RRSP under which the member is the annuitant;
  - a supplemental pension plan governed by the *Supplemental Pension Plans Act* (chapter R-15.1) or governed by an Act emanating from a legislative authority other than the Parliament of Quebec and granting entitlement to a deferred pension;
  - a supplemental pension plan established by an Act emanating from the Parliament of Quebec or from another legislative authority;
  - an annuity contract under which the member is the annuitant;
  - the not locked-in portion of the member's account of another VRSP governed by the Act;
  - the not locked-in portion of the member's account of an equivalent VRSP, also referred to as a PRPP, emanating from a legislative authority other than the Parliament of Quebec, provided the member joins that plan as part of his or her employment.

### 5.2.1 Refund and transfer out of the plan

A member is entitled, upon a request to Sun Life Financial, to a lump sum refund or transfer of all or part of the not locked-in amounts in the member's account at any time.

***For the rules applicable to members who were enrolled by their employer, refer to Part II, section 29.***

Transfers are to take place in accordance with the third paragraph of section 5.1.2 of the plan.

## 6 Time limit for refund and transfer out of the plan

Sun Life Financial must make the refund or transfer of the locked-in and not locked-in portions of the member's account within 60 days after the member's request.

## 7 Transfer between the locked-in and not locked-in portions of a member's account

No sum may be transferred between the locked-in portion and not locked-in portion of a member's account.

## 8 Investment options

Sun Life Financial offers a default investment option and from three to five other investment options through a group annuity policy.

If a member does not make an investment choice, the default investment option applies to the locked-in and not locked-in portions of the member's account.

All earnings of the plan are allocated to members on a reasonable basis and no less than once per year.

Investment returns will be credited monthly, or more frequently, starting on the day after the contribution was credited to the member's account.

## 8.1 Default option

The default option is the Sun Life Target Date Segregated Fund with the maturity date occurring just prior to the member's 65th birthday, or a successor fund as chosen by Sun Life Financial. Members may not choose another fund under the default option.

Sun Life 2025 Target Date Segregated Fund
Sun Life 2030 Target Date Segregated Fund
Sun Life 2035 Target Date Segregated Fund
Sun Life 2040 Target Date Segregated Fund
Sun Life 2045 Target Date Segregated Fund
Sun Life 2050 Target Date Segregated Fund
Sun Life 2055 Target Date Segregated Fund
Sun Life 2060 Target Date Segregated Fund
Sun Life Retirement Segregated Fund

The target asset mix as of June 30, 2020 for each of the Sun Life Target Date Segregated Funds is shown below. The target asset mix of the target date fund will change over time in accordance with the fund's glidepath allocation.

Asset allocation	Sun Life Retirement Segregated Fund	Sun Life 2025 Target Date Segregated Fund	Sun Life 2030 Target Date Segregated Fund	Sun Life 2035 Target Date Segregated Fund	Sun Life 2040 Target Date Segregated Fund	Sun Life 2045 Target Date Segregated Fund	Sun Life 2050 Target Date Segregated Fund	Sun Life 2055 Target Date Segregated Fund	Sun Life 2060 Target Date Segregated Fund
Money Market	5.00%	1.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Canadian Bonds	60.00%	54.50%	44.54%	30.10%	18.00%	11.26%	8.68%	8.50%	8.50%
Canadian Equity	8.50%	10.69%	13.48%	16.98%	19.92%	21.56%	22.18%	22.22%	22.22%
U.S. Equity	11.50%	14.45%	18.22%	22.96%	26.94%	29.15%	30.00%	30.06%	30.06%
International Equity (incl. EM)	11.50%	14.46%	18.22%	22.96%	26.94%	29.15%	30.00%	30.06%	30.06%
Specialty (real estate, infrastructure)	3.50%	4.40%	5.54%	7.00%	8.20%	8.88%	9.14%	9.16%	9.16%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

## 8.2 Other options

<b>Asset class</b>	<b>Investment option</b>
Guaranteed interest	Sun Life Assurance 1, 2, 3, 4 and 5 Year Guaranteed Funds
Target date portfolio	Sun Life Target Date Segregated Funds *
Fixed income	Sun Life BlackRock Canadian Bond Index Segregated Fund
Canadian equity	Sun Life BlackRock Canadian Equity Index Segregated Fund
Global equity	Sun Life BlackRock Global Equity Index Segregated Fund

\* If the member's planned retirement age is not 65, he or she may select the Sun Life Target Date Segregated Fund listed in section 8.1 above with the maturity date closest to the planned retirement date. The member may choose only one Sun Life Target Date Segregated Fund.

### **Asset allocation**

The target asset mix of the Sun Life Target Date Segregated Funds appears in section 8.1 above.

Sun Life BlackRock Canadian Bond Index Segregated Fund looks to replicate the return of the FTSE TMX Universe Bond Index and is structured to hold as few issues as possible while maintaining important index characteristics such as duration, convexity, term to maturity, and yield. It is broadly diversified with the number of holdings ranging between 350 and 450. Risk is managed through maintaining sector weights within benchmark weight +/- 1.0% and overall duration within 0.1 years of the benchmark.

Sun Life BlackRock Canadian Equity Index Segregated Fund uses a full replication strategy to track the return of the Capped S&P/TSX Composite Index, i.e., it invests in all securities included in the index. Some cash is held to cover redemptions and facilitate settlement, which at times causes tracking versus the benchmark.

Sun Life BlackRock Global Equity Index Segregated Fund uses a full replication strategy to track the return of the MSCI ACWI ex-Canada Index, i.e., it invests in all securities included in the index. Some cash is held to cover redemptions and facilitate settlement, which at times causes tracking versus the benchmark.

### **Information**

Sun Life Financial must send to each individual the information specified in section 14 of the Regulation. Sun Life Financial must send this information on paper or in electronic format, at the option of the individual, or provide in real time the directions or instructions the individual needs to be able to consult the information on a website, before the contract is signed.

**For the rules applicable to members who were enrolled by their employer, refer to Part II, section 21.**

Where a plan is offered pursuant to the third paragraph of section 42 of the Act, Sun Life Financial shall, no later than 10 days after the plan is registered, make available on its website and provide in writing on receipt of a request from the member:

- the information specified in section 14 of the Regulation; or
- any other equivalent information that it must divulge in accordance with the legislation applicable to it.

Only a representative in insurance of persons referred to in section 3 of the *Act respecting the distribution of financial products and services* (chapter D-9.2) may advise a member of a VRSP with respect to the choice of an investment option.

### ***Change of investment choices***

At the member's request, his or her investment choices can be changed at any time.

Where Sun Life Financial ceases to offer an investment option, the member's investment choices can be changed after Sun Life Financial has given written notice as soon as possible to the affected members.

The member has 60 days following receipt of the notice to choose another option. Where, upon the expiry of that time period, the member has made no choice, Sun Life Financial shall place the member's funds in an option similar to the initial option or in the default investment option.

The transfer of the member's funds to a new investment option may not be subject to any fees, deductions or other expenses.

## **9 Fees**

### **9.1 Fees that may be deducted from the return on fund assets**

The total management and administration fees for each investment option, including the fees to be paid with the annual statement, the fees paid to the representatives through whom Sun Life Financial acts and the applicable taxes pursuant to Part IX of the *Excise Tax Act* and Title I of the *Act respecting the Quebec sales tax*, expressed as a percentage of the average assets, are:

<b>Investment option</b>	<b>Asset based fee</b>
Sun Life Assurance 1, 2, 3, 4 and 5 Year Guaranteed Funds	N/A
Sun Life Target Date Segregated Funds	1.25%
Sun Life BlackRock Canadian Bond Index Segregated Fund	1.437%
Sun Life BlackRock Canadian Equity Index Segregated Fund	1.437%
Sun Life BlackRock Global Equity Index Segregated Fund	1.446%

#### ***Method of deducting these fees***

Sun Life Financial will charge the percentage shown per annum (charged daily) of the plan's net holdings of the segregated funds on a valuation date. These fees will be deducted from the segregated funds before the unit values are determined and will be reflected in the value of the members' accounts.

## 9.2 Other fees

The other fees Sun Life Financial may charge to members are as follows:

Partial withdrawal fee	\$25.00 per withdrawal
Transfer fee	\$25.00 per partial asset transfer to another financial institution. There are no transfer fees within the Sun Life Financial group of companies.
Full withdrawal/transfer fee	\$50.00 charge will apply for full withdrawals or transfers to other financial institutions. There are no transfer fees within the Sun Life Financial group of companies.
Transfer of benefits between spouses	\$100.00 shared equally between the spouses unless they have agreed otherwise between themselves
Statement for purposes of relationship breakdown	\$150.00 shared equally between the spouses unless they have agreed otherwise between themselves
Not sufficient funds (NSF) cheque	\$25.00 per cheque
Duplicate tax receipts and slips	\$10.00 per request
Duplicate statements and statements on request	\$25.00 per paper statement
Member contact information search	\$25.00
Market value adjustment	The member may be subject to a positive or negative market value adjustment on a guaranteed fund which is applied to determine its current market value should it be terminated prior to the end of the agreed term.

Fees payable by the member will be deducted from the member's account on a pro rata basis from each of the member's funds.

Fees that Sun Life Financial will invoice to the employer are as follows:

Not sufficient funds (NSF) contributions remitted by the employer	\$25.00 per occurrence
Transfer of all or a group of employees to a VRSP or pension plan with another financial institution	\$50.00 per member

Taxes will be applied to the service fees as required by applicable legislation.

## 10 Retirement income

Variable payments are not available under the Sun Life Financial VRSP. If the member has not made a retirement income election from the options available under section 5.1.2 before the end of the year in which the member attains age 71, Sun Life Financial will transfer the member's account balance out of the VRSP and begin making annuity payments for life to the member, for a guaranteed minimum of 10 years, in accordance with the terms of the VRSP group annuity policy.

## 11 Death of member

### ***Spouse at time of member's death***

For the purposes of the death benefit, the spouse of a member is the person who, on the day before the death of the member:

- is married to or in a civil union with the member;
- has been living in a conjugal relationship with the member, who is neither married nor in a civil union, whether the person is of the opposite or the same sex, for a period of not less than three years;
- has been living in a conjugal relationship with the member, who is neither married nor in a civil union, whether the person is of the opposite or the same sex, for a period of not less than one year if:
  - at least one child is born, or to be born, of their union;
  - they have adopted, jointly, at least one child while living together in a conjugal relationship;
  - one of them has adopted at least one child who is the child of the other, while living together in a conjugal relationship.

The birth or adoption of a child prior to the period of conjugal relationship existing on the day before the death occurs may qualify a person as a spouse. The spouse is then the person who has been living in a conjugal relationship with the member, who is neither married nor in a civil union, whether the person is of the opposite or the same sex, for a period of not less than one year.

Sun Life Financial provides a statement to the spouse of a deceased member or his or her successors within 30 days following the date Sun Life Financial receives notice of the member's death.

On the death of a member, his or her spouse or, if the member has no spouse, his or her successors are entitled to a benefit the amount of which is equal to the balance in the member's account (locked-in and not locked-in portions), including interest accrued until the date of payment. The benefit is paid in a single amount and is subject to the ITA. However, the member's spouse may elect to transfer all or part of this amount to a pension plan provided for in the third paragraph of section 5.1.2 of the plan. Such transfer will take place on a tax-deferred basis.

Upon receipt of due proof of the death of a member, Sun Life Financial will pay the death benefit to, or in respect of, the person(s) entitled to the benefit as soon as is practicable after the death of the member.

A person who is legally separated from bed and board with respect to the member on the day preceding the member's death is not entitled to any benefit unless the person is the member's successor.

The member's spouse may waive entitlement to the death benefit before the benefit is received, by notifying Sun Life Financial of the fact in writing.

The spouse may revoke such a waiver by notifying Sun Life Financial of the revocation in writing before the member's death.

The member may designate a beneficiary to receive the death benefit upon the member's death, using the form for the designation of a beneficiary available from Sun Life Financial. The member may also designate a beneficiary by sending written notice to Sun Life Financial.

If the member has a spouse, the spouse takes precedence over the beneficiary for payment of the death benefit, notwithstanding the beneficiary designation, unless the spouse has waived entitlement to the benefit.

## 12 Transfer of benefits between spouses

The member and his or her spouse are entitled, upon application in writing to Sun Life Financial, to obtain a statement of the benefits accumulated by the member under the VRSP:

- upon the introduction of an application for:
  - separation from bed and board,
  - divorce,
  - annulment of marriage,
  - dissolution of a civil union,
  - annulment of a civil union,
  - payment of a compensatory allowance;
- on the occasion of family mediation;
- during a joint procedure before a notary for the dissolution of their civil union;
- in the event of cessation of the conjugal relationship between the member and his or her spouse.

The benefits accumulated by the member under the VRSP are, upon application in writing to Sun Life Financial, partitioned between the member and his or her spouse in the following situations:

- divorce;
- marriage annulment;
- separation from bed and board;
- annulment of civil union;
- court judgment or a notarized declaration of dissolution of a civil union.

Benefits are partitioned to the extent determined in the *Civil Code* or by a court judgment or a notarized declaration of dissolution of a civil union.

The benefits accumulated by the member under a VRSP are, upon application in writing to Sun Life Financial, transferred to the spouse where the court or the notarized declaration awards such benefits to the spouse in payment of a compensatory allowance, to the extent provided by the court judgment or by the notarized declaration.

In the event of cessation of the conjugal relationship between a member and his or her spouse, the member and the spouse may, in the ensuing year, agree in writing to a partition of the benefits accumulated by the member under the plan.

The benefits are partitioned to the extent provided for in the agreement between the member and the spouse; such an agreement cannot, however, confer on the spouse more than 50% of the value of the member's benefits.

In the case of the partition of the member's benefits or to pay a compensatory allowance, Sun Life Financial must make the settlement to the spouse in accordance with the Regulation. The sum paid to the spouse must be deducted from each of the locked-in and not locked-in portions of the member's account by the proportion the sum represents of the value of these two portions on the date of partition.

### **13 Benefits exempt from assignment and seizure**

Unless otherwise provided by the Act, the following are unassignable and unseizable:

- all contributions remitted or to be remitted to the plan, with accrued interest;
- all amounts refunded or benefits paid under the Act;
- all amounts awarded to the spouse of a member following a transfer of benefits effected under section 12 of the plan, with accrued interest, and the benefits deriving from such amounts;
- any of the above amounts, when locked in, that are transferred out of the plan, the accrued interest, and any refunds of such amounts.

In addition, a person's rights under the plan may not be assigned, charged, anticipated, given as security, surrendered or seized, unless it is:

- an assignment made as a result of an order or judgment of a competent tribunal or a written agreement to share property between the member and his or her spouse, as defined above, in settlement of rights arising out of the breakdown of their marriage or common-law partnership;
- an assignment made by the legal representative of a deceased individual, upon settlement of the estate.

### **14 Contract**

The contract between Sun Life Financial and an employer or a member who joined the VRSP other than through his or her employer, as the case may be, must be in conformity with the plan and contain the information set out in section 6 of the Regulation.

## **PART II – Special provisions where an employer subscribes to the VRSP**

### **15 Subscription and enrolment**

Sun Life Financial may not refuse an employer's application to join the VRSP unless the employer's name appears on the list referred to in section 83.05 of the *Criminal Code* or if, in the last seven years, the employer has been found guilty of an offence under section 380 or 462.31 of that Code.

An employer within the meaning of subparagraph 7 of the first paragraph of section 1 of the *Act respecting labour standards* (chapter N-1.1) having an establishment in Quebec may offer a VRSP to its employees.

However, any employer who is required to subscribe to a VRSP pursuant to section 45 of the Act must automatically enrol in the plan eligible employees and any employee who applies to join the plan unless they:

- have the opportunity to make contributions, through payroll deductions, to a designated registered retirement savings plan (RRSP) or a designated tax-free savings account (TFSA) within the enterprise of the employer;
- belong to a category of employees who benefit from a registered pension plan (RPP) within the meaning of the *Income Tax Act* (R.S.C. 1985, chapter 1, (5th Supplement)) to which the employer is party.

An employer has 30 days to enrol the eligible employees and any other employee who so requests in the plan.

The employer must send to Sun Life Financial the following personal information concerning each eligible employee and each employee who applies to join the plan:

- his or her name, address and telephone number;
- his or her date of birth;
- his or her social insurance number;
- his or her language preference.

An "eligible employee" of the employer means an employee who:

- is 18 years of age or over;
- is an employee within the meaning of subparagraph 10 of the first paragraph of section 1 of the *Act respecting labour standards* (chapter N-1.1) and works in Quebec, or is described in paragraph 1 or 2 of section 2 of that Act; and
- is credited with one year of uninterrupted service within the meaning of subparagraph 12 of the first paragraph of section 1 of the *Act respecting labour standards*.

### **16 Deemed contract**

An employer and Sun Life Financial are deemed to have entered into a contract if the employer has entered into an agreement with a professional order, an association or another group that allows the employer's employees to become members of the Sun Life Financial VRSP subscribed to by the professional order, the association or the other group. Sun Life Financial and the employer are in that case subject to the same rights and obligations under the Act as they would be if the employer had subscribed to the plan.

## **17 Notice**

Within 30 days after the contract is signed by the employer or after an employee has enrolled in the plan, Sun Life Financial must send to each employee:

- a written notice confirming his or her membership in the plan;
- a written summary of the plan that describes, in particular, the rights and obligations of the member and the employer, the investment options and the costs related to the plan;
- a form for the designation of beneficiaries in case of the death of the member.

Sun Life Financial must inform the employer without delay of the date the written notices confirming the employees' membership are sent to them.

## **18 Employee opt-out**

An eligible employee may opt out of the plan by notifying the employer in writing within 60 days after the date on which Sun Life Financial sent the notice confirming his or her membership in the plan.

When an eligible employee opts out of the plan, the employer must:

- keep the notice of opting out for the full duration of the employment;
- notify Sun Life Financial in writing within 30 days.

The employer must offer the plan to any eligible employee who has opted out of the plan and offer any eligible employee who has set his or her rate of contribution at 0% the possibility of resuming contributions to the plan. The employer must do so in the month of December every two years following the date the employee opted out of the plan or set the rate of contribution at 0%.

Sun Life Financial must destroy the personal information provided by the employer within 60 days after receiving the notice sent by the employer that an employee is opting out of the plan.

## **19 Change of VRSP**

An employer may change voluntary retirement savings plans. The plan member may elect to leave the amounts he or she has accrued in the plan or transfer the amounts to the new plan.

After a change of plans, the member's contributions are applied to the new plan.

The employer is required to pay the costs related to the transfer of the accounts of its employees. However, Sun Life Financial is not required to proceed with the transfer if the employer does not pay these costs.

The fee charged to the employer by Sun Life Financial is \$50.00 per member transferred to the new VRSP.

Sun Life Financial must transfer the accounts of the members upon expiry of a period of 60 days after the date on which the new administrator sends written notice informing each employee concerned by the transfer of the employee's membership in the new plan and of the fact that the employee must inform the new administrator of the investment option he or she has chosen.

## **20 Documents and information**

The employer must provide Sun Life Financial with all documents and information Sun Life Financial requests and that are required by it to comply with the Act.

The employer must make available to members on request and free of charge:

- a copy of the contract between the parties;
- the annual statement and the financial report.

## 21 Information about investment options

Sun Life Financial must send to each employee enrolled the information specified in section 14 of the Regulation. Sun Life Financial must send this information on paper or in electronic format, at the option of the employee, or provide in real time the directions or instructions the employee needs to be able to consult the information on a website, no later than 30 days after the contract is signed by the employer or after the time an employee is enrolled in the plan.

## 22 Termination of employment

The employer must notify Sun Life Financial that employment of an employee who is a member of the plan is terminated within 30 days after the date of termination of employment.

Sun Life Financial provides a statement to the member concerned within 30 days following receipt of the notice of termination of employment.

## 23 Employer contribution

The employer is not required to contribute to the plan on behalf of employees but may do so where employees are members of the plan.

An employer who contributes to the plan may change the contribution the employer has agreed to pay, subject to any clause to the contrary in an agreement within the meaning of subparagraph 4 of the first paragraph of section 1 of the *Act respecting labour standards* (chapter N-1.1). The employer must in that case send a written notice to Sun Life Financial and the members concerned.

The change cannot take effect until the thirtieth day following the date on which the notice is sent to the members concerned if it means the employer contribution is reduced.

The employer contribution limit for the member is based on the member's RRSP contribution limit (as defined in subsection 146(1) of the ITA) unless the payment is made on the direction of the member.

The employer's contribution is a contribution made during the tax year, which begins on January 1 and ends December 31.

## 24 Member contribution

The member must determine his or her contribution within 60 days after the date on which Sun Life Financial sent the notice confirming his or her membership in the plan, failing which the contribution rate is set at:

- 2% of gross salary, from July 1, 2014 to December 31, 2017;
- 3% of gross salary, from January 1, 2018 to December 31, 2018;
- 4% of gross salary, as of January 1, 2019.

Member contributions are made through payroll deduction. A member may also make a lump sum contribution at any time in the form and manner required by Sun Life Financial.

The member may set his or her contribution rate at 0% if he or she has contributed to a plan offered by the employer for at least 12 months following his or her enrolment or before that time period:

- if under the fiscal rules he or she is no longer permitted to make contributions to the plan; or
- if he or she makes an additional contribution to the plan equal to or greater than the contribution set for that period; or
- if the employer contributes on his or her behalf.

Contributions made by the member cannot exceed the limits permitted by the ITA.

An employee who is a member of a plan provided by his or her employer may not change his or her contribution more than twice per 12-month period, unless the employer agrees that the member may do so more often.

The employer has 30 days in which to give effect to a member's request to change his or her contribution.

The employer must remit to Sun Life Financial the contributions collected and those the employer agreed to pay before it received the member's request.

## **25 Collection of contributions**

As of the first pay that follows the sixty-first day after the notice is sent by Sun Life Financial confirming membership in the plan, the employer must collect the members' contributions for each pay period from their salary.

## **26 Remittance of contributions**

The employer must remit member contributions to the plan on or before the last day of the month that follows the day on which they are collected, along with the contributions the employer pays on behalf of the members.

If the employer fails to pay the contributions to the plan within the time limit set, the employer must pay interest on the contributions due.

Contributions bear interest at the rate set in accordance with section 28 of the *Tax Administration Act* (chapter A-6.002) from the last day of the month that follows the month for which they should have been paid to the plan until they are paid to the plan.

Until the contributions and interest accrued are remitted to the plan, an employer is deemed to hold those amounts in trust.

In the event of the winding-up of the plan, the employer must pay contributions into the plan until the date the assets are transferred to the new plan.

Within 60 days after the time limit for remittance of contributions, Sun Life Financial must notify the Régie of any contributions not remitted by the employer and the measures taken to ensure remittance.

## **27 Contributions due paid after refund or transfer**

If contributions due in respect of a member are paid after a transfer or refund of the balance in the member's account, Sun Life Financial must transfer or refund those contributions as it did for the portion of the account into which the contributions were to be paid.

## **28 Transfer of locked-in portion of the member's account out of the plan**

The member is entitled to transfer all or part of the locked-in portion of his or her account in any of the following situations:

- the member's employment is terminated;
- the member reaches the age of 55;
- the member's employer establishes an RRSP, a TFSA or an RPP within the meaning of the *Income Tax Act* (R.S.C. 1985, chapter 1, (5th Supplement)) to which the employer is party.

The locked-in portion of the account may be transferred to one of the following plans:

- a supplemental pension plan governed by the *Supplemental Pension Plans Act* (chapter R-15.1) or governed by an Act emanating from a legislative authority other than the Parliament of Quebec and granting entitlement to a deferred pension;
- a supplemental pension plan established by an Act emanating from the Parliament of Quebec or from another legislative authority;
- a LIF registered as a RRIF under which the member is the annuitant;
- a LIRA registered as an RRSP under which the member is the annuitant;
- an annuity contract under which the member is the annuitant;
- the locked-in portion of the member's account of another VRSP governed by the Act;
- the locked-in portion of the member's account of an equivalent VRSP, also referred to as a PRPP, emanating from a legislative authority other than the Parliament of Quebec, provided the member joins that plan as part of his or her employment.

However, where a member is entitled to a refund of the locked-in portion of his or her account pursuant to section 5.1.1 of the plan, the amounts may be transferred to one of the following plans:

- a supplemental pension plan governed by the *Supplemental Pension Plans Act* (chapter R-15.1) or governed by an Act emanating from a legislative authority other than the Parliament of Quebec and granting entitlement to a deferred pension;
- a supplemental pension plan established by an Act emanating from the Parliament of Quebec or from another legislative authority;
- a RRIF under which the member is the annuitant;
- an RRSP under which the member is the annuitant;
- an annuity contract under which the member is the annuitant;
- the not locked-in portion of the member's account of another VRSP governed by the Act;
- the not locked-in portion of the member's account of an equivalent VRSP, also referred to as a PRPP, emanating from a legislative authority other than the Parliament of Quebec, provided the member joins that plan as part of his or her employment.

Sun Life Financial must make the transfer within 60 days after the member's request.

## **29 Refund and transfer of not locked-in portion of the member's account**

A member is entitled, upon a request to Sun Life Financial, to a lump sum refund or transfer of all or part of the not locked-in amounts in the member's account at any time.

Furthermore, in the event of termination of employment and in situations 3, 4 and 5 set out in section 5.1.1 of the plan, the member is entitled at any time to the refund or transfer of all or part of the not locked-in portion of his or her account.

### 30 Inducement

An employer may not demand, accept or agree to accept any inducement from Sun Life Financial, or offer or agree to offer Sun Life Financial any inducement, with a view to entering into a contract with Sun Life Financial in respect of a voluntary retirement savings plan for its employees.

Sun Life Financial may not give, offer or agree to give or offer an employer any inducement to enter into a contract with Sun Life Financial in respect of a voluntary retirement savings plan.

However, an inducement is authorized, to the extent that it complies with the provisions of the *Act respecting insurance* (chapter A-32), the *Act respecting the distribution of financial products and services* (chapter D-9.2) and the *Securities Act* (chapter V-1.1), in the following cases:

- an incentive, whether it be a product or service, is to the benefit of the members and the benefit is the same for each member connected to the employer;
- a monetary incentive that is not more than the employer's costs is offered for the transfer of assets from one plan to another.