

RRSP/DPSP/TFSA

Sponsor Administration Guide



Group Retirement Services are provided by Sun Life Assurance Company of Canada, a member of the Sun Life group of companies.
© Sun Life Assurance Company of Canada.

Table of Contents

Your company's group savings plan	3
Administrative services that we provide	4
Employee support that we provide	5
Communicating the plan features to plan members	6
Enrolling a new plan member	7
Submitting contributions	8
Withdrawals from the plan	10
Important transfer options: Group Choices Plan for former members	11
Changing or updating member information	12
Fees	13
How to reach us	15

SunAdvantage™

— MY SAVINGS —

Your company's group savings plan

Administration made easy:
a guide for employers



As a 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 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'll 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
- Provide 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 an electronic newsletter - **Group Retirement News (GR News)**.

GR News is a round-up of all the information we're excited to share with you about other products and services, as well as plan-related information, such as investment news, legislative updates and other topics that could potentially impact you and your plan members.

You can also visit the GR News [website](#) 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 confirm the plan has been implemented, provide your log in details for the sponsor site, and provide you with next steps. 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 guide

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

The guide 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
- Steps to complete the online registration and enrolment.

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 on the my Sun Life mobile app!

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, at 1-877-SUN-LIFE, will be processed the same day. Requests received by 4 p.m. ET through the plan member site will be processed the same day.



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, DPSP and TFSA) works
- The role that each account can play in saving for the future
- The member-required contribution level
- The employer matching contribution
- When contributions to the DPSP will be vested
- What happens to DPSP contributions that are not vested when a member terminates employment
- How frequently member contributions will be deducted from their pay
- Any withdrawal restrictions.

While the **my savings** employee guide 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. We have created a plan @ a glance document that you or your advisor can complete to provide plan level details to your members.

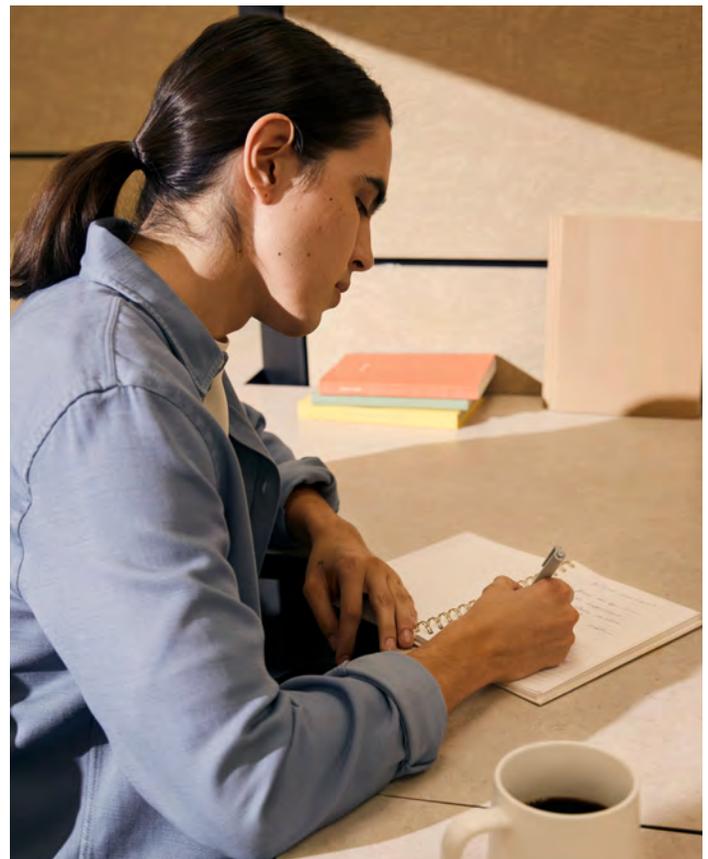
Note: In the event of conflict between the terms of the employee booklet and the terms of the Group Annuity Policies and Group Retirement Savings Plan, Deferred Profit Sharing Plan and Tax-Free Savings Account documents issued for **my savings**, the terms of the Group Annuity Policies and Plan documents will prevail. To access these documents online, visit sunlife.ca/SunAdvantagemysavings.



*You, as plan sponsor, will determine those employees who are eligible to join the DPSP. You may not designate for membership in the DPSP any individual excluded from membership by paragraph 147(2)(k.2) of the Income Tax Act (Canada). Such individuals excluded from membership include, but are not limited to, individuals who are:

- related to the Company;
- specified shareholders* or individuals related to specified shareholders of the Company or a related corporation;
- related to a partner, if the Company is a partnership;
- related to a beneficiary, or is a beneficiary under the trust, if the Company is a trust.

*“Specified shareholder” generally means a person who owns, directly or indirectly, at any time in the year, not less than 10% of the issued shares of any class of the capital stock of the company or of any other related company. The official definition is found in subsection 248(1) of the Income Tax Act (Canada). If you wish, you may contribute to the RRSP for those employees who are not eligible to join the DPSP instead.



Enrolling a new plan member

When employees become eligible to join **my savings**, they simply complete the online enrolment.

To enrol a new plan member:

1. Transmit member information.
 - a. Demographic file upload (via plan sponsor website) allows you to upload an excel file containing member information directly onto the plan sponsor website. Contact your Sun Life representative for further details.
 - b. Enrol a member (via plan sponsor website) allows you to input demographic information for new employees directly on the plan sponsor website.
2. Members will then have to complete their online enrolment.

Online and mobile app enrolments are processed throughout every business day. The time of day an online enrolment is processed will be used to determine its effective date. If a request is submitted:

- before 4:00 p.m. ET on a Sun Life business day, the enrolment will be effective the business day on which the request is submitted.
- after 4:00 p.m. ET, on a weekend or holiday, the enrolment will be effective on the next Sun Life business day.

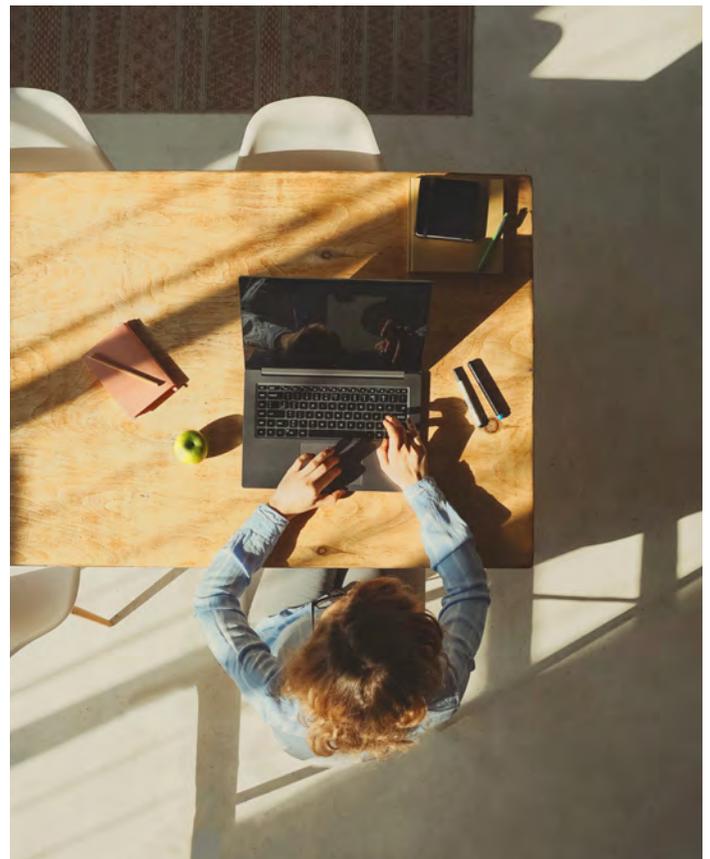
Members who encounter difficulties while using the online enrolment functionality are welcome to contact the Sun Life Client Care Centre (CCC). One of our CCC representatives will be pleased to help them.

3. You can use the payroll deduction form (available on the public site and in the enrolment guide) to record their contribution amounts and keep that record.

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. Once generated, ensure you keep the member ID for future reference. 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 Dayforce through payroll provider submission, the Member ID must be the same as the Employee ID on the Dayforce payroll system.



Submitting contributions

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

- Record the amount to be deducted for employee contributions from the 'Payroll deduction authorization' form.
- 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 to the RRSP, and any employer contributions to the DPSP. Contributions to the DPSP must be made in the tax year or within 120 days after year end in order to be tax deductible in that tax year.

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'll 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 to the RRSP on behalf of your employees, the 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.



DPSP forfeitures

You'll need to monitor your Sun Life statements for any forfeiture. Forfeitures occur when employer contributions to the DPSP are forfeited after a member terminates service, retires or dies before becoming fully vested in the plan. Forfeitures are shown in a separate section of the monthly statement and should be handled quickly to reduce the balance.

DPSP forfeitures can be:

- refunded to the plan sponsor by December 31st of the year following the year in which the amount is forfeited (Tax consequence: tax slip may be issued and income may need to be reported on Corporate Income Tax Return);
- used to reduce the cost of future employer contribution remittances;
- reallocated to other active members, subject to maximum contribution limits.

Reduce your costs with forfeitures by deducting the forfeiture amount from the Pre-authorized Withdrawal (PAW) owed against your DPSP contributions. Be sure to show this on your contribution summary if you are submitting contributions online through the Plan Sponsor Services website.

Allocate DPSP forfeitures to other plan members by:

- ensuring the forfeiture is distributed fairly and equally to all plan members;
- calculating the distribution using a pro-rata or other formula;
- including the allocated amounts in the applicable box provided on each DPSP member's T4;
- adding the allocated amount to the DPSP regular contribution amount;
- providing Sun Life with the allocated forfeiture amounts by member in your contribution remittance.

Contact Sun Life if you wish to receive your DPSP forfeitures in cash and we'll prepare a cheque, net of withholding tax, and send it to you within three to five business days.



Reporting Pension Adjustments (PAs) and Pension Adjustment Reversals (PARs)

You'll need to calculate plan members' PAs for the calendar year and include:

- employer contributions made to the DPSP;
- forfeitures allocated to the member in the year.

You must report the PAs in the applicable box provided on each plan member's T4 tax reporting slip.

Sun Life will calculate PARs for non-vested members who forfeit employer contributions when they terminate their service with you and their account is brought down to \$0. PARs will be reported to members on a T10 tax reporting slip.

Member lump sum contributions

Plan members can make lump sum contributions to their RRSP or TFSA 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

You can set up PAW to process your contributions automatically overnight. To do this, you just need to connect your bank account to your profile. Once the implementation complete, you'll be able to go on sunlife.ca/sponsor and update the banking details on the **Administration** page, under the **Add/change banking information** tab.

Withdrawals from the plan

You, as plan sponsor, will determine if withdrawals are permitted from the RRSP and DPSP. Withdrawals from the TFSA cannot be restricted. Plan members can request withdrawals through the Client Care Centre or sign in to mysunlife.ca, the plan member services website using their access ID and password. Plan members will need to supply the following information:

- The Client ID and their account number or access ID
- 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);
- submit this non-financial change through our Request Centre and track its status online.

It is critical to notify us of the termination date as soon as possible as it may affect processing time lines. The employee leaving your workplace plan will automatically be enrolled into **Sun Life Group Choices Plan**.

When we're asked to process a **withdrawal, transfer or termination benefit**, we determine the value of a member account when we receive the request and the required information to process the request. We'll 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 account using the current unit value
- Determining the market value of the guaranteed funds in the member 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 **Sun Life 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.*

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.



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've left the plan will have their funds automatically transferred from **my savings** to the Group Choices Plan. We'll transfer both the member's RRSP and DPSP to the Group Choices Plan RRSP and their TFSA assets to the Group Choices Plan TFSA.

In the Group Choices Plan, we'll invest their savings in the same funds they were invested in just before their termination. Plan members can access Sun Life's plan member services website to update the investment options in their retirement portfolio at any time with no additional charge.

For more information about the Group Choices Plan, visit sunlife.ca/choices.

** 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 **1-866-733-8612** or by accessing mysunlife.ca. Plan members can also contact the Plan Advisor for assistance.

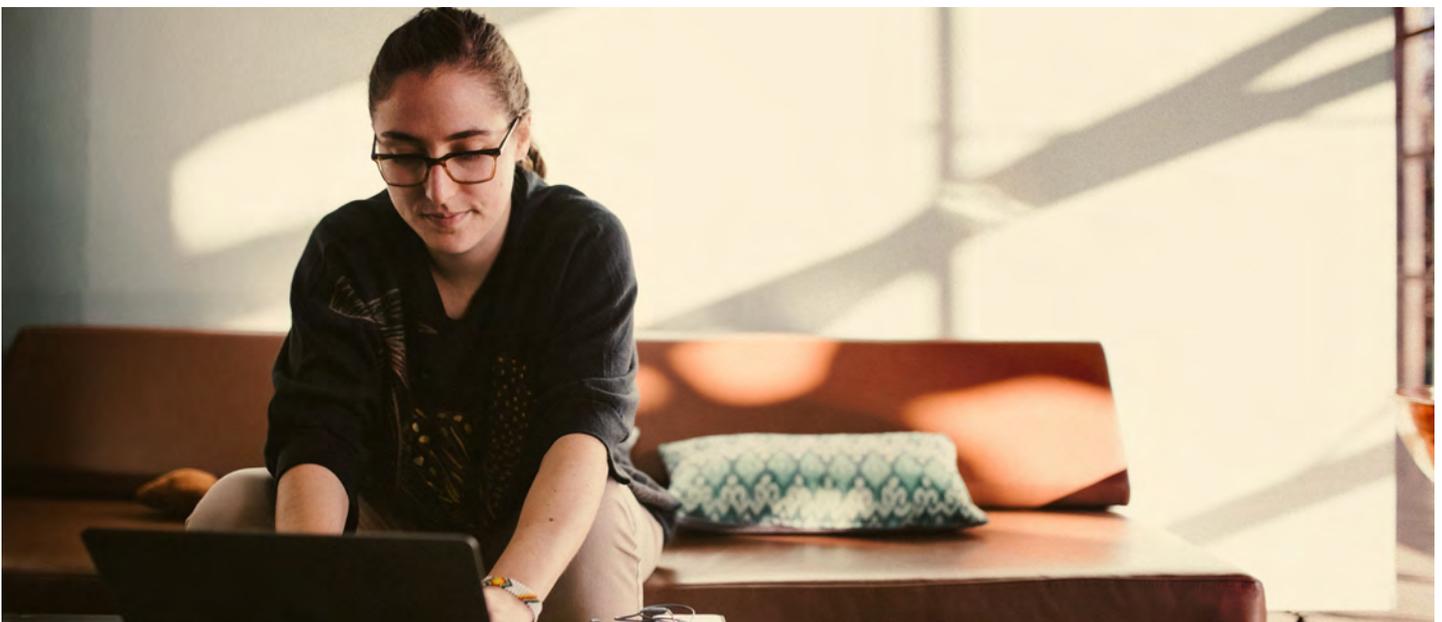
If a plan member wants to change their beneficiary, they can do so online:

1. Using their sign-in ID and password, they can sign in to mysunlife.ca.
2. Go to **Manage plan**, then select **my plan**.
3. Go to **Make a change**.
4. Select **Manage beneficiaries** to update their beneficiary information

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, DPSP and TFSA accounts, you'll 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

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 at 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 find their fees online any time by signing in to mysunlife.ca then selecting **Manage plan**, followed by **my plan**. At the top of the page they need to click **Plan overview** and select **Account fees**.

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 \$50 fee for each withdrawal, including RRSP withdrawals under a Home Buyers' Plan or a Lifelong Learning Plan. If you permit withdrawals of members' vested DPSP account balances, a \$50 fee will apply to each withdrawal.

The first withdrawal from a plan member's TFSA in each calendar year is free. A \$50 fee will apply for any additional withdrawals during the year.

We charge a fee of \$125 within the first 90 days after termination or retirement. 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

SunAdvantage **my savings** has an annual \$1,200 fee, which Sun Life waives the first three years after implementation of your plan, allowing you to set yourself up for success. We'll also waive this fee any year thereafter in your annual contributions meet the annual \$15,000 requirement.

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.

Additionally, if you terminate your contract with Sun Life we'll charge \$25 per member terminating, with a minimum of \$250, up to a maximum of \$750.

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.

Sun Life Directory for plan sponsors

<ul style="list-style-type: none"> Submit an Inquiry to ask a question or notify us of an issue 	Plan Sponsor Services website (sunlife.ca/sponsor) > Request Centre	Sponsor Request Centre Guide (PDF)
<ul style="list-style-type: none"> Change in Employee Address Change Employment Status (e.g. terminations) 	Plan Sponsor Services website (sunlife.ca/sponsor) > Administration > Manage Members > View or Edit Member Information	View or Update member information feature Guide (PDF) & Video
<ul style="list-style-type: none"> General Inquiries Contributions Withdrawals 	Client Services Team > 1-833-292-5400 > Sunnet25@sunlife.com	Monday to Friday 8:30 a.m. to 4:30 p.m. ET
<ul style="list-style-type: none"> Plan Sponsor Website Support Plan Level Changes Amendments Product Add Legislation Update 	Client Relationship Centre > 1-800-387-7262 > CR.Centre@sunlife.com	Monday to Friday 8:30 a.m. to 4:30 p.m. ET

Sun Life Directory for plan members

<ul style="list-style-type: none"> Contact Information for Plan Members 	Client Care Centre > 1-877-SUN LIFE Plan Member website > mysunlife.ca	Monday to Friday 8 a.m. to 8 p.m. ET
--	---	---

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.



Life's brighter under the sun

