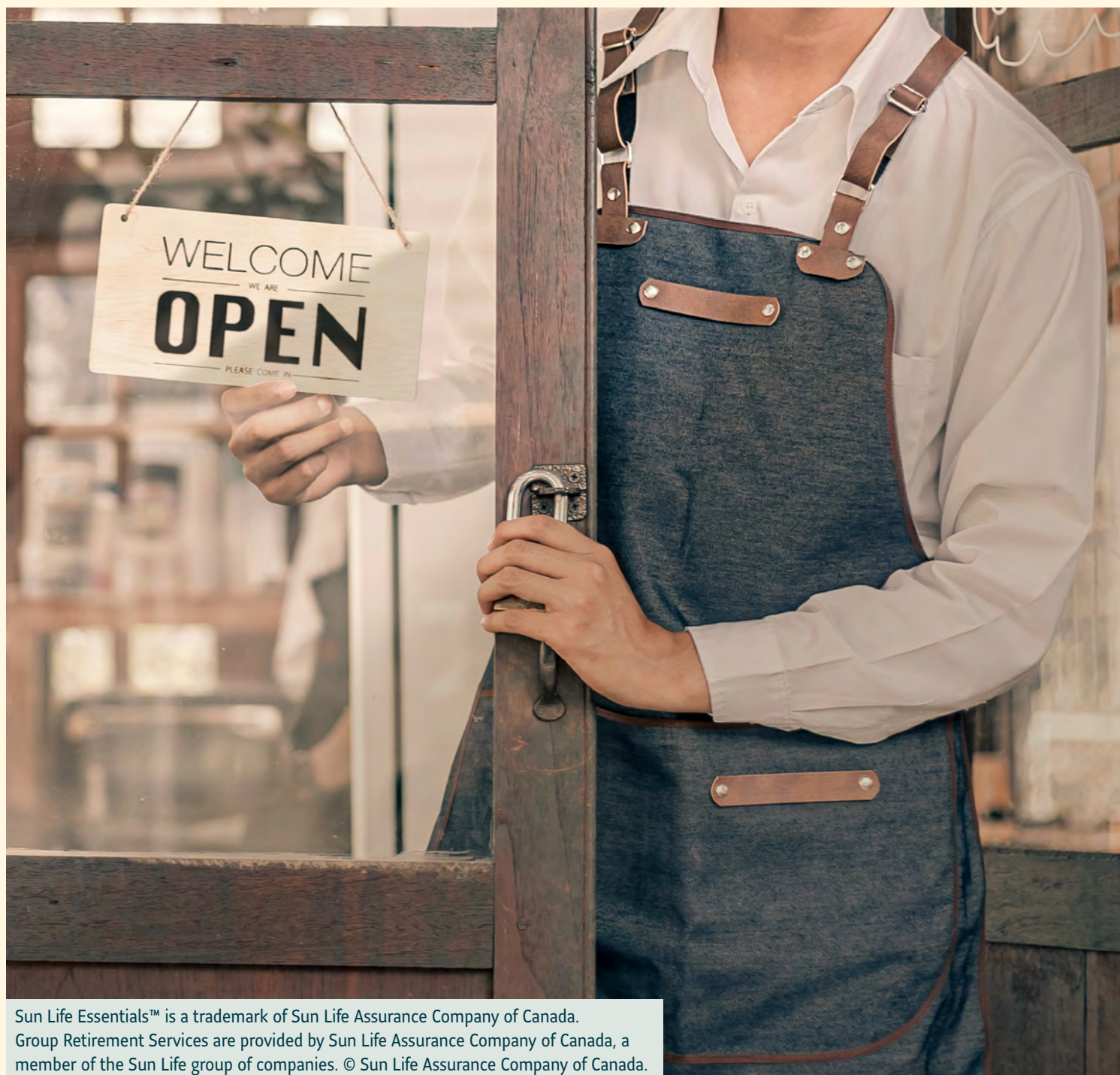


## RRSP/TFSA

Sponsor Administration Guide



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# Sun Life Essentials™, 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 **Sun Life Essentials**. 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 **Sun Life Essentials**.*

**Everything you need to manage your plan can be found on the Sun Life Plan Sponsor Services website!**

You can make plan-related transactions through the Sun Life Plan Sponsor Services website at [sunlife.ca/sponsor](https://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. You can set up additional users and delegate access to them. 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 digital enrolment guides that you are responsible for sharing with each eligible employee. These guides are available on the website. 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](https://mysunlife.ca), our plan member services website.

The workplace plan can help members reach their financial goals. In addition to the support provided by your Plan Advisor, Sun Life 360 Plan Advice supports your members' financial journey with personalized advice at no additional cost. With 360 Plan Advice, they get:

- Help to build a financial roadmap, powered by Sun Life One Plan, a simple, easy-to-follow, goal based planning tool.
- Ongoing support from our dedicated team of licensed consultants.
- One-on-one personalized advice to help maximize your workplace savings plan.



## 24/7 account access

Plan members have 24/7 access to their accounts and their investments – either online, using our interactive website, [mysunlife.ca](https://mysunlife.ca), or on the my Sun Life mobile app!

This allows them to manage many account administration tasks on their own. 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 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

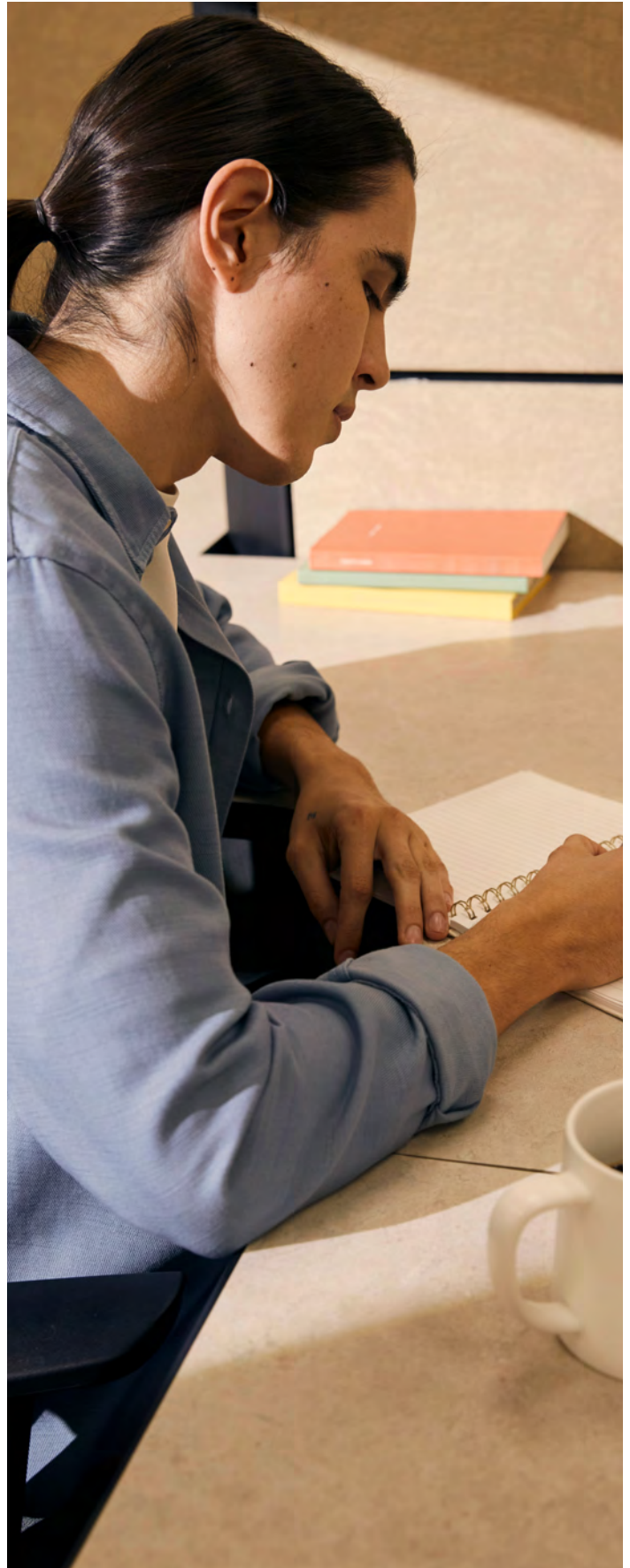
One of your key roles under the Guidelines for Capital Accumulation Plans (CAP Guidelines) is communicating the overall purpose and operation of **Sun Life Essentials** to your eligible plan members. These communications should cover (as applicable):

- 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 contribution level
- The employer matching contribution if applicable
- How frequently member contributions will be deducted
- Any withdrawal restrictions

To help you, you can leverage the Plan at a Glance.

While the **Sun Life Essentials** 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:** 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 **Sun Life Essentials**, the terms of the Group Annuity Policies and Plan documents will prevail. To access these documents online, visit [sunlife.ca/sunlifeessentials](https://sunlife.ca/sunlifeessentials).



# Day to day tasks, made easy!

The secure Plan Sponsor site is an entire workspace to manage your plan online. Once logged in, you'll be able to:

- Enrol a new member
- Upload a demographic file, in a few easy steps.
- Update your member's employment status when it changes.
- Change your member's non-financial information with the "View or Update member information" function.
- Submit member contributions or upload a contribution file

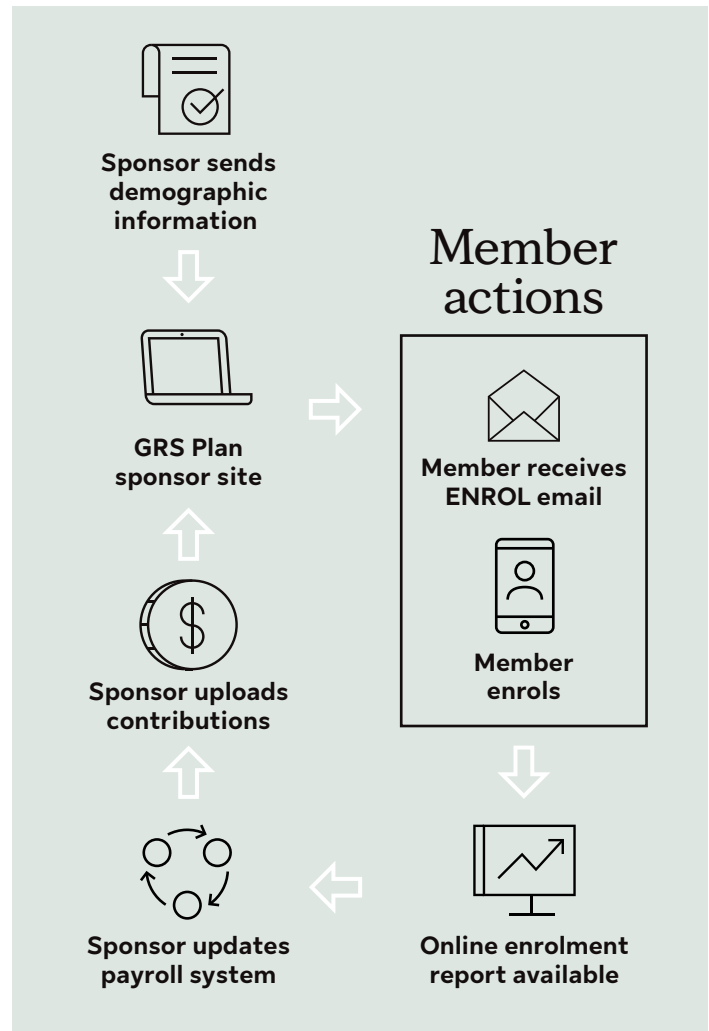
Get the reporting that you need:

- Member details,
- Sponsor summaries,
- Usage statistics,
- Various governance reports (including the Segregated Funds Annual Report, the GRS Report on Controls, fund manager reports) and much more!

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.



## 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).

# 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:

- Refer to the enrolment report for the percentage to be deducted for your employee contributions.
- Adjust your payroll file and deduct the employee contributions percentage from their salary at the frequency you've determined for your plan
- Calculate the percentage of employer matching contributions if applicable.

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

1. Upload a Microsoft® Excel contribution file on the Plan Sponsor Services website\*.
2. 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

You must 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](https://sunlife.ca/sponsor) and update the banking details on the **Administration** page, under the **Add/change banking information** tab.

# Withdrawals from the plan

Withdrawals are permitted from the RRSP and the TFSA. Plan members can request withdrawals through the plan member services website. 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.

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 12 of this guide.

\* Except for plan terminations



## Sun Life Choices Flex

Plan members will have exclusive access to additional products for their unique financial goals. Choices Flex offers an easy way to add additional savings accounts, such as a non-registered savings account (NREG) and a First Home Savings Account (FHSA) that are not offered in the workplace plan.

We offer Choices Flex automatically to your plan members. There is no added administrative or fiduciary responsibility for you.

The decision to enrol in any of the available Choices Flex savings products, is up to each plan member. It's their opportunity, their choice!

# 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 **Sun Life Essentials** are similar to the ones available in the Group Choices Plan, with additional options. Funds selected by a plan member under **Sun Life Essentials** can simply be transferred to similar funds in the the Group Choices Plan.



## Auto-transfer to the Group Choices Plan

Auto-transfer is included as a feature under your **Sun Life Essentials** plan. With auto-transfer, former plan members who've left the plan will have their funds automatically transferred from **Sun Life Essentials** to the Group Choices Plan. We'll 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'll invest their savings in similar 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](https://sunlife.ca/choices).

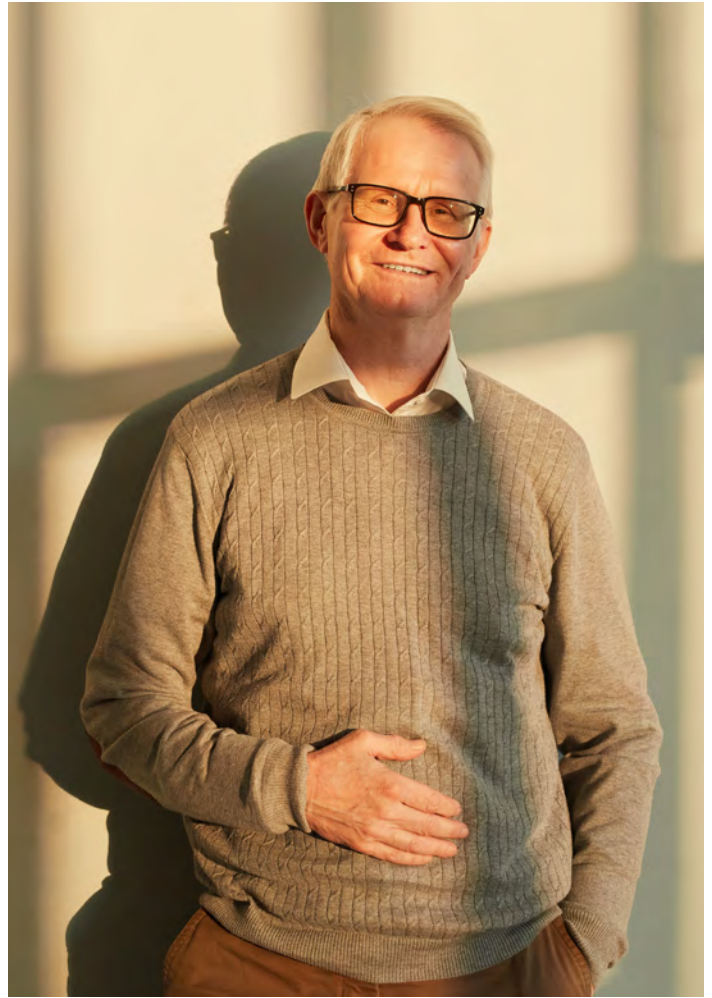
*\* Based on market research conducted by Sun Life on publicly listed management fees for funds offered by the top six Canadian banks through financial advisors or their branch network, as of January 2016. The savings amount represents average management fees compared across similar asset categories (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 accessing [mysunlife.ca](https://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](https://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've access to the information you require to administer your plan.

For RRSP 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](https://sunlife.ca/privacy).

# Fees

As with any savings and investment program, there are fees and expenses associated with both providing and managing **Sun Life Essentials**. 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. Our fees are competitive, offering excellent value for the services provided.

## 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.

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](https://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.

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

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](https://mysunlife.ca).

# How to reach us

If you've 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"> <li>• Submit an Inquiry to ask a question or notify us of an issue</li> <li>• General Inquiries</li> <li>• Contributions</li> <li>• Withdrawals</li> <li>• Plan Sponsor Website Support</li> <li>• Plan Level Changes</li> <li>• Amendments</li> <li>• Legislation Update</li> </ul>	<p>Plan Sponsor Services website (<a href="http://sunlife.ca/sponsor">sunlife.ca/sponsor</a>)</p> <p>&gt; <b>Request Centre</b></p>	<p><a href="#">Sponsor Request Centre Guide (PDF)</a></p>
<ul style="list-style-type: none"> <li>• Change in Employee Address</li> <li>• Change Employment Status (e.g. terminations)</li> </ul>	<p>Plan Sponsor Services website (<a href="http://sunlife.ca/sponsor">sunlife.ca/sponsor</a>)</p> <p>&gt; Administration &gt; Manage Members &gt; <b>View or Edit Member Information</b></p>	<p><a href="#">View or Update member information feature Guide (PDF) &amp; Video</a></p>

### **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

