

All Employees



# Group Retirement Savings Plan for Canadian Church of God Ministries

Amended effective November 1, 2014  
Policy/Plan Number 43441

## *Dear plan member,*

To help you\* achieve financial security during your retirement years, Canadian Church of God Ministries has established a group registered retirement savings plan (RRSP). We work closely with Great-West Life\*\*, a premier service provider for group retirement and savings plans. The more you understand about the plan, the more likely you'll be successful in saving for your retirement.

This member booklet outlines the benefits available to you and contains important information including:

- how much you contribute to your retirement savings
- what happens to your retirement savings when you retire
- what happens if you pass away before you retire
- where you can find answers to your retirement and savings questions

We want to help you have a long and rewarding retirement after all of your years of hard work. So please make sure that you read this booklet, contact Great-West with any questions you may have, and file it away for easy reference.

While every effort has been made to ensure the accuracy of this booklet, your rights and benefits as a member of the group RRSP are governed by the terms of the certificate.

Canadian Church of God Ministries, as your plan sponsor, provides this plan to you under the Capital Accumulation Plan guidelines and applicable legislation. These guidelines are a national standard for employer-sponsored savings plans. They help ensure your plan is properly established and maintained, and you're provided with ongoing education and information about your plan. For more information on your rights and responsibilities, please see the *Additional information* section of this booklet.

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*\*Note that in this booklet "you" means a person entitled to benefits in accordance with the terms of the registered documents.*

*\*\*Services for this plan are provided by The Great-West Life Assurance Company (Great-West). The group retirement and savings products and investments described in this booklet are issued by London Life Insurance Company (London Life). London Life is a subsidiary of Great-West.*

# TABLE OF CONTENTS

<b>Your retirement plan</b> .....	<b>3</b>
How to get information .....	3
Statements .....	3
<i>GRS Access</i> — <a href="http://www.grsaccess.com">www.grsaccess.com</a> .....	3
<i>Access Line</i> — 1-800-724-3402.....	4
Eligibility.....	4
Spousal or common-law partner plans .....	4
How to join the plan .....	4
Contributions.....	4
How to contribute to your group RRSP .....	4
Lump-sum contributions.....	4
What you contribute .....	5
What Canadian Church of God Ministries contributes .....	5
Transfers into the plan .....	5
Tax information .....	5
Tax deductions .....	5
Tax receipts .....	5
Excess contributions .....	5
Investment options.....	6
Frequent trading .....	6
Default investment option.....	6
<b>Your retirement</b> .....	<b>7</b>
When you can retire under the plan .....	7
Your retirement income options at a glance .....	7
Receiving retirement income.....	7
Annuities.....	7
Registered retirement income fund (RRIF).....	8
Not ready to select a retirement income option? .....	9
<b>What happens if</b> .....	<b>9</b>
... your employment terminates? .....	9
Transfer options.....	9
... you want to withdraw contributions while you're still employed? .....	10
... you want to use your benefits as collateral? .....	10
... you go through a marriage breakdown or relationship breakdown? .....	10
... you die before retirement? .....	10
Your plan beneficiary .....	10
Designating a beneficiary.....	10
If your plan beneficiary is a minor.....	10
If your spouse or common law partner is your plan beneficiary .....	11
... the plan terminates? .....	11
<b>Additional information &amp; resources</b> .....	<b>12</b>
Your rights and responsibilities .....	12
Assuris coverage .....	12
Legal actions.....	12
Administration and investment expenses .....	12

Contact information.....	13
Protecting your personal information.....	14
A message concerning privacy from Great-West .....	14
Glossary of terms.....	15

# Your retirement plan

Welcome to *Your retirement plan*. This section will help you understand some basics about your retirement plan including eligibility, how contributions work and more. This section may refer to materials found in the enrolment material you received which you can review for further information.

The enrolment material you received was created by our service provider, Great-West, to help you make your retirement dream a reality.

If you haven't received a copy of the enrolment material yet, get in touch with your human resources department.

Let's start by looking at the plan. Your plan is a group RRSP. Here are a few details you should know about your plan:

- you choose how much you want to save for your retirement
- you can track how much money is in your account
- you may make contributions to your account at least monthly
- the exact amount of your retirement income can only be determined when you retire

If you'd like more information on your plan rules or how your plan operates, contact us. For any other information, contact Great-West.

## How to get information

You want to keep up to date with your retirement plan and know that you're on track to achieving your retirement goals. We, along with Great-West, want to help you get that information quickly and easily.

## Statements

Semi-annually, you'll receive a statement from Great-West showing the activity of your account.

This statement includes information that can help you make informed decisions for retirement. Your statement will include *Smart messages*, customized information that speaks directly to you and is based on the dynamics of your account.

You'll also receive customized retirement income illustrations on your year-end statement. These retirement income illustrations don't just show if you're on track towards your retirement income goal, they also provide several scenarios to help you set realistic expectations.

## **GRS Access — [www.grsaccess.com](http://www.grsaccess.com)**

Secure and easy to use, Great-West designed the *GRS Access* website with your needs in mind. When you log onto *GRS Access*, you can:

- find your account balance
- determine your investment personality
- learn about retirement planning
- create your own personal retirement plan
- print statements when you need them
- view and change the investment direction of future contributions and maturing investments
- transfer between investment options

*GRS Access* is also the place to find:

- information on the investment options in the plan
- rates of return on your investment options

Once you become a member, and you have provided your email address, Great-West will send you an invitation by email to register for *GRS Access*. When you register, you'll be able to create an Access ID and password of your choice, which you can use to access your information online.

## **Access Line — 1-800-724-3402**

For information about your account, you can call *Access Line* at 1-800-724-3402 to speak with a bilingual client service representative. *Access Line* is available weekdays between 8 a.m. and 8 p.m., ET. Call *Access Line* to:

- find your account balance
- transfer between investment options
- change the investment direction of future contributions
- obtain current interest rates and net unit values
- review one-year gross rates of return

## **Eligibility**

You may join the plan at any time.

### **Spousal or common-law partner plans**

You and your spouse or common-law partner can establish a spousal or common-law partner plan at any time. This type of plan allows you to make contributions to your spouse or common-law partner's plan. You receive the tax relief for those contributions.

A spousal or common-law partner plan can be useful if your current income, or anticipated retirement income, is significantly higher than your spouse's or common-law partner's.

When funds are withdrawn from a spousal or common-law partner plan, your spouse or common-law partner claims the withdrawal as income, as long as you haven't contributed to any spousal or common-law partner plan in the year the funds are withdrawn or in either of the two preceding years.

If you have, you (the contributor to the plan) must include the withdrawal amount in your income. For further details, refer to the Canada Revenue Agency (CRA) guide, *T4040-RRSPS and Other Registered Plans for Retirement*.

In addition, your spouse or common-law partner can apply for their own plan.

Your human resources department can provide further details on how to establish a spousal or common-law partner plan and/or your own plan.

## **How to join the plan**

Joining is easy. We'll provide you with an enrolment package and a guide from Great-West that explains how to enrol. It also has information to help you plan for your retirement.

Due to government regulations, Great-West can't accept contributions until they receive your signed RRSP application(s), so send in your application(s) as soon as possible.

## **Contributions**

### **How to contribute to your group RRSP**

Your contributions will be directed to your group RRSP. You can make contributions by payroll deductions and/or by lump-sum.

### **Lump-sum contributions**

To make a lump-sum contribution, simply write a personal cheque payable to "London Life Insurance Company" for the amount you wish to contribute and indicate your policy/plan number on the cheque.

Then, complete the *Lump-sum contributions* form available from *GRS Access* (Change your portfolio > Printable forms) or from your human resources department and attach it to your cheque. Mail the cheque and form directly to Great-West or send them through your human resources department.



If you contribute to a plan for yourself and a plan for your spouse or common-law partner, indicate on the cheque how much should go to each plan.

## **What you contribute**

You choose how much to contribute to the plan. These contributions can be made through payroll deduction or through lump-sum contributions.

Contributing through payroll deduction is convenient and easy. The amount you direct to the plan will be withheld from your pay and then remitted, by us, on your behalf. This convenient method of making contributions allows us to reduce the amount of income tax deducted from your pay.

If you want to adjust your contribution amount, send your human resources department a written request.

## **What Canadian Church of God Ministries contributes**

We don't contribute to the group RRSP.

## **Transfers into the plan**

Certain types of payments may be transferred to your group RRSP. Refer to the CRA guide, *T4040-RRSPS and Other Registered Plans for Retirement* or visit their website at [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca) for more details.

## **Tax information**

### **Tax deductions**

Your RRSP is registered with the CRA. This means the contributions you make are deductible from your taxable income and payment of tax is deferred as long as you don't exceed your RRSP deduction limit. The Notice of Assessment form you receive from the CRA after filing your previous year's income tax return will indicate your limit for the current year.

However, payment from the plan is generally considered taxable income (unless a tax-sheltered transfer is made). Any cash withdrawal is taxable in the year received and subject to withholding tax at the time of withdrawal.

### **Tax receipts**

Tax receipts for contributions made to the plan will be issued twice a year and sent directly to your home address. Receipts are issued every:

- January (covers contributions made in March to December of the previous year)
- March (covers contributions made during the first 60 days of the current year).

A tax deduction for contributions made during the first 60 days of the current calendar year may be claimed on either your current or previous year's income tax return.

The CRA requires you to attach a copy of the appropriate receipt to your income tax return in order to support your claim for deductions. If you make contributions during the first 60 days of a calendar year and you don't claim them as a deduction on your tax return for the previous calendar year, you're still required to notify the CRA of these contributions.

The CRA includes instructions on how to report contributions, along with the appropriate forms, in the income tax package they send to you.

### **Excess contributions**

In any taxation year, contributions that exceed your annual RRSP deduction limit won't be eligible for a tax deduction in that year.

As well, excess contributions may be subject to penalty tax until withdrawn from the plan if your cumulative excess contributions are above the limits set by the Income Tax Act (Canada). Contact your local taxation office for more information.

## Investment options

This plan offers two types of investment options. Contributions may be invested in a guaranteed investment where the interest rate is guaranteed, and/or in a variable fund investment where the rate of return isn't guaranteed. All contributions are credited with interest and/or investment gains or losses.

Your options are listed in your *Investment menu* which can be found in the enrolment material you received from us.

We or Great-West may add or remove investment options at any time. Additionally, withdrawals or transfers from investment options may be delayed, suspended or restricted for a period of time by Great-West or the manager of the investment option. You'll be notified if either of these events occurs.

You'll receive information about the investment returns in the statement mailed to you. You can also access descriptions of the investment options and investment return information by visiting [www.grsaccess.com](http://www.grsaccess.com) and going to the Investment section.

You decide where contributions to the plan are invested by selecting from the investment options available under the plan. You can change your investment options by visiting [www.grsaccess.com](http://www.grsaccess.com) and going to Change your portfolio, calling *Access Line* or completing the *Member investment instructions* form, which we can provide to you.

Contributions invested in a guaranteed investment will mature at the end of the month coinciding with, or following, the end of the investment term. For example, if contributions are invested into a one-year guaranteed investment on Jan. 15 of this year, it will mature on Jan. 31 of next year.

At the end of your guaranteed investment's term, it will be reinvested into another guaranteed investment for the same term. If you don't want it to be reinvested, you must inform Great-West before the end of the term.

If contributions are invested in a guaranteed investment, the interest rate is guaranteed and compounded daily. However, if you withdraw money before the end of the term, a calculation may be done to determine the amount you'll receive and early withdrawal fees may be charged. See the member schedule of fees for more information.

If contributions are invested in a variable investment, neither the principal nor any investment gain is guaranteed.

If you'd like more information, call *Access Line* or visit [www.grsaccess.com](http://www.grsaccess.com). Additional information can be found in the enrolment material you received.

### Frequent trading

Frequent trading is an investment strategy that's detrimental to other members invested in the same variable fund investment options. Great-West monitors this activity. If it's determined that excessive trading is occurring, a frequent trading fee may be charged (currently up to two per cent of the amount exchanged) or a transfer may not be allowed in accordance with administrative rules.

### Default investment option

As a member of the plan, you're responsible for selecting the investment options for the contributions, reviewing them regularly and making changes you feel are needed.

If you don't make a decision, we've chosen the Daily Interest Account as the default investment option. This investment option generally isn't appropriate for medium- or long-term investing.

Despite selecting this default fund, we don't recommend any particular investment option, nor do we suggest this default option is the right investment option for every plan member.

Great-West provides a wide range of tools and information to help you make investment decisions. To find out what types of investments are best for you, complete the *Investment personality questionnaire* in the enrolment material you received or on [www.grsaccess.com](http://www.grsaccess.com).

You'll receive statements semi-annually. These will be an ongoing source of information on your account and they'll also show which investment option(s) your contributions are invested into. You can find information and make changes at any time by visiting *GRS Access* or by calling *Access Line*.

## Your retirement

Welcome to *Your retirement*. This section provides you with information about your options when you prepare to retire.

You can find the *Smart retirement guide* on [www.grsaccess.com](http://www.grsaccess.com). This guide offers important information and practical insights into a number of key factors, including:

- important investment considerations
- milestones as you count down to retirement
- ways to reduce your investment risk
- information on how to turn your savings into retirement income
- tax implications that you'll encounter

## When you can retire under the plan

Retirement in this booklet refers to converting your retirement savings into retirement income.

Subject to any withdrawal restrictions that may apply under “...*you want to withdraw contributions while you're still employed?*”, you can retire from the plan at any age, as long as you retire no later than Dec. 31 of the calendar year of your 71st birthday or any other time or date required by applicable legislation.

## Your retirement income options at a glance

As you approach retirement, you have a number of retirement income options to consider. Remember, it's your choice – and not one that you should take lightly. What you do with your retirement savings and when you do it can have a dramatic impact on your financial situation.

While you can postpone your retirement, you must transfer your retirement savings from the plan into a retirement income option by Dec. 31 of the calendar year in which you turn 71 or any other time or date required by applicable legislation.

### Locked-in funds

Locked-in funds, unlike money you contribute to your RRSP, must be used to fund a retirement income. If you transfer pension funds that are locked-in (cannot be received as a cash refund) under pension legislation into your plan, they'll continue to be locked-in and will be administered according to the applicable legislation.

## Receiving retirement income

### Annuities

An annuity is a retirement income option where, in exchange for a sum of money, you're provided with a guaranteed income that's unaffected by market conditions for as long as you live. Generally, when an annuity contract is purchased, no changes can be made during the purchaser's life time.

These payments are made up of interest and principal and may be determined by:

- the type of annuity you purchase
- your age, and in some cases, your spouse's age
- the interest rates in effect when you purchase your annuity

the length of time your annuity payments are guaranteed

the amount of money you used to purchase your annuity

## TYPES OF ANNUITIES

The chart below includes some popular annuities that are available to you and details of how these annuities work.

Type of annuity	How it works
Life annuity	This annuity provides you with an income for as long as you live. Convenient and practical, a life annuity ensures you'll never outlive your money.
Life annuity with guarantee	With this annuity, you receive a specified income for life and if you die before the guaranteed period ends, payments will continue to your beneficiary until the end of the guaranteed period.
Joint and last survivor annuity	This annuity is payable while either you or your spouse is living. Generally, after the annuitant (the person who purchased the annuity) dies, the survivor continues receiving the same or a reduced income.

Before purchasing an annuity, it's important to understand that you're making an irreversible commitment. If you'd like more information about annuities, call *Access Line*.

## Registered retirement income fund (RRIF)

Like an annuity, a RRIF can provide you with a regular retirement income. However, unlike an annuity, you make all the investment decisions concerning your RRIF. As a result, your RRIF is subject to market fluctuations and the investment choices you make can affect the amount of your retirement income.

Although a RRIF offers more flexibility than an annuity, there's an annual minimum payment that you must receive from your RRIF. You can choose your retirement income as long as it's over the minimum amount.

## Not ready to select a retirement income option?

If you're ready to retire but aren't ready to select a retirement income option, transferring your group RRSP account to one of the following may be an option for you:

- another RRSP
- a registered pension plan (RPP)

Money that's placed in any of these plan types grows on a tax-deferred basis.

When or how you choose to convert any of these plan types depends on factors such as your:

- age
- termination of membership in the RRSP, or RPP (as applicable)
- need for regular retirement income or for payment flexibility
- concern about inflation
- ability and interest in managing your own investments

You can decide when to convert any of these plan types to a retirement income option such as an annuity or RRIF. This must be done no later than Dec. 31 of the year in which you reach age 71 or any other time or date required by applicable legislation. If you do not make an election by the deadline, a registered retirement income fund will be provided on your behalf.

## What happens if...

Welcome to *What happens if*. This section provides information on events or milestones that you may encounter as you save for your retirement, including other major life events.

In addition to this booklet, you'll receive an information package and forms outlining all of your options when any of the following events take place:

- retirement
- your employment terminates
- termination of the plan

### The value of contributions

In this section, the term "value of your contributions" refers to your contributions, plus interest and any gains or losses, and includes any fees and/or adjustments as indicated in your member schedule of fees.

## ... your employment terminates?

Your group RRSP is yours to transfer to another plan or to withdraw.

### Transfer options

Instead of receiving the value of your contributions as a cash refund, you can choose to receive an annuity or transfer the value of your group RRSP to:

- another RRSP
- a RRIF
- an RPP
- an insurance company to purchase an annuity

Regardless of the above, if you transferred locked-in funds under pension legislation into your plan those funds must be used to provide a retirement income. You can't withdraw these locked-in funds as cash.

If you do not make an election regarding your RRSP account within the time period indicated in your certificate, the value of your account may be transferred to a registered retirement savings plan on your behalf.

If your employment terminates, contact your human resources department for more information on your options.

Usually, any cash payment you receive from your plan (or any cash withdrawal you make from your plan) is taxable income. Any amount you withdraw from your account will be taxed in the year you received it and is subject to withholding tax (an amount deducted and remitted to the CRA on your behalf) when you make the withdrawal.

### **... you want to withdraw contributions while you're still employed?**

Withdrawing contributions while you're employed is permitted at any time.

Any withdrawn contributions may be subject to fees and/or adjustments in accordance with the provisions of your schedule of fees.

### **... you want to use your benefits as collateral?**

You aren't allowed to use the value of your plan as collateral for a loan.

### **... you go through a marriage breakdown or relationship breakdown?**

If you go through a marriage breakdown or a relationship breakdown, the benefits under your plan may be affected. Consult a lawyer about the laws concerning this situation and the options available.

### **... you die before retirement?**

Your plan beneficiary will receive an information package outlining his/her options.

## **Your plan beneficiary**

Your plan beneficiary is your designated beneficiary or estate.

## **Designating a beneficiary**

You may designate one or more beneficiaries to receive all or part of the amount payable when you die.

To designate a beneficiary, complete a *Designation of revocable beneficiary/trustee appointment* form. You can get a copy of this form by calling *Access Line* or contacting your human resources department. You can also get a copy of this form on *GRS Access* by going to [Change your portfolio > Printable forms](#).

Designating a beneficiary will help ensure your benefits are paid as you wish, if you die before you start receiving retirement income.

If you designate a beneficiary, benefits are paid directly to your beneficiary which avoids the delays associated with processing an estate. Estate taxes (sometimes referred to as probate fees) are also avoided, although income tax may be payable on your death benefit.

Without a beneficiary, any benefits will be paid to your estate.

If you name your minor child or grandchild as your plan beneficiary for your RRSP and that person is financially dependent on you (as defined by CRA), the plan beneficiary can receive payment as an annuity certain. This annuity will provide payments until the child turns 18. Alternatively, the plan beneficiary can transfer the benefit to a registered disability savings plan as permitted under the applicable legislation.

## **If your plan beneficiary is a minor**

If your plan beneficiary is a minor, or a person who otherwise lacks legal capacity, you may also wish to name a trustee to receive the benefit on behalf of the plan beneficiary.

Before naming a minor as your plan beneficiary, we recommend you consider the implications of this decision by discussing it with a legal professional.

Your plan beneficiary is entitled to the total value of your account as a cash payment.

### **If your spouse or common law partner is your plan beneficiary**

If your plan beneficiary is your spouse or common-law partner, instead of receiving a cash payment, funds may be:

- transferred to your spouse's or common-law partner's RRSP
- transferred to your spouse's or common-law partner's RRIF
- used to purchase a life annuity

as permitted under the applicable legislation.

However, if you transferred locked-in pension funds (according to pension legislation) to the plan, those funds may not be available as a cash payment, and may continue to be locked-in and subject to the locking-in requirements of the applicable legislation.

### **... the plan terminates?**

We expect to continue the plan indefinitely, however we reserve the right to amend or terminate the plan at any time.

If the plan is terminated, you'll be entitled to the value of your contributions.

## **Additional information & resources**

### **Your rights and responsibilities**

It's your responsibility to inform yourself about the plan and your rights under it, using tools provided both by us and by Great-West. You also have the right to request a paper statement of your account, a copy of your application for membership, a copy of the group policy and any other documentation to which you are entitled to receive under the applicable legislation. Some of these rights are also available to your plan beneficiary or another claimant. You're also responsible for the investment decisions you make, including any investment decisions you allow others to make for you, regardless of any advice or recommendation that you may have been given by us or any of our service providers. The decisions you make will impact the amount of money accumulated for your retirement. To help you make those important decisions, you should consider obtaining investment advice from qualified individuals in addition to the information you may obtain from us.

### **Assuris coverage**

The Great-West Life Assurance Company and London Life Insurance Company are members of Assuris. Assuris is a not-for-profit corporation, funded by the life insurance industry that protects Canadian policyholders against loss of benefits due to the financial failure of a member company.

Details about the extent of Assuris' protection are available at [www.assuris.ca](http://www.assuris.ca) or in its brochure, which can be obtained from [info@assuris.ca](mailto:info@assuris.ca) or by calling 1-866-878-1225.

### **Legal actions**

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

### **Administration and investment expenses**

Administration expenses, investment expenses and other reasonable expenses related to the plan will be payable by you. For detailed information on the fees payable by you, please refer to the member schedule of fees.



## Contact information

When you want to...	GRS Access www.grsaccess.com	Access Line* 1-800-724-3402	Your human resources department	Other sources of Information or related forms
Plan for your retirement savings	✓			
Enrol in the plan	✓		✓	
Transfer between investment options/change where assets are invested	✓	✓	✓	• <i>Member Investment Instructions</i> form
Review your account balance	✓	✓		
Create a statement	✓			
Receive investment education and information	✓	✓		
Request a withdrawal	✓	✓	✓	• <i>Request for Withdrawal</i> form
Change your address	✓	✓	✓	
Find a form to designate or change your beneficiary	✓		✓	• <i>Designation of revocable beneficiary/trustee appointment</i> form
Change the amount of your contributions			✓	
Learn more about other retirement planning topics	✓	✓		

\*To speak with a client service representative, call Access Line Monday to Friday between 8 a.m. and 8 p.m. ET.

## Protecting your personal information

Our service provider, Great-West recognizes and respects every individual's right to privacy. Great-West wants to ensure that you understand your rights as a plan member and encourages you to read and understand the message below which explains how your personal information will be used.

### A message concerning privacy from Great-West

Services for this plan are provided by The Great-West Life Assurance Company (Great-West). The group retirement and savings products and investments described in this booklet are issued by The Great-West Life Assurance Company and London Life Insurance Company. London Life is a subsidiary of Great-West.

A confidential information file that contains personal information concerning the member will be created. By submitting a written request, the member may exercise rights of access to, and correction of, the file.

Personal information will be collected, used and disclosed to:

- process the application and provide, administer and service the plan applied for (including service quality assessments)
- advise the member of products and services to help the member plan for financial security
- investigate, if required, and pay benefits under the plan
- create and maintain records concerning our relationship as appropriate
- fulfill such other purposes as are directly related to the above points

Service providers from within or outside Canada may be used.

Personal information concerning the member will only be available to the member, plan sponsor (Canadian Church of God Ministries), applicable government authorities, the issuer, the trustee, their affiliates and any duly authorized employees, agents and representatives of the issuer or their affiliates, for or related to the purpose of the plan, except as otherwise may be required, authorized or allowed by law or legal process or by the member.

Personal information is collected, used, disclosed or otherwise processed or handled in accordance with governing law, including applicable privacy legislation and the member's personal information may be subjected to disclosure to those authorized under applicable law within or outside Canada.

From information provided to you on your application form(s) and/or this member booklet, you understand the reasons your personal information is required, and the purposes for which it will be used, and your consent is given explicitly on a member application form(s) or implicitly by your participation.

For more information about our privacy practices, please ask for a copy of our *Privacy guidelines* brochure.

## Glossary of terms

### **Applicable legislation**

Applicable legislation refers to the Income Tax Act (Canada) and regulations, and any other legislation governing the administration of the plan.

### **Common-law partner**

Common-law partner means an individual with whom you cohabit in a conjugal relationship and:  
has so cohabited with you for a continuous period of at least one year, or you and that individual are the natural or adoptive parent of a child  
the individual is recognized as a Common-law partner under the *Income Tax Act* (Canada).

### **Earnings**

Earnings mean your basic salary.

### **Income Tax Act**

*Income Tax Act* refers to the *Income Tax Act* (Canada) and regulations, as amended.

### **Locked-in**

When the value of contributions is locked-in by pension legislation, you must use them to provide retirement income and the value of locked-in contributions can't be withdrawn as cash.

### **Spouse**

A spouse is an individual who is married to you and is recognized as a spouse under the *Income Tax Act* (Canada).



## Group Retirement Savings Plan - Member's Certificate Policy/Plan No. 43441

London Life Insurance Company will pay benefits in accordance with this certificate.

### Section 1. Interpretation

#### In this Plan:

“**Administrative Rules**” means the rules and procedures of the Issuer relating to the operation of the Plan.

“**Applicable Legislation**” means the Income Tax Act and any other federal or provincial legislation affecting retirement savings plans or locked-in endorsements.

“**Common-law Partner**” has the meaning given to it under the Income Tax Act.

“**Contributions**” means amounts paid to the Issuer on behalf of a Member and, where permitted by the Plan Sponsor, includes direct transfers from other registered plans.

“**Head Office**” means the head office of the Issuer, located in London, Ontario, Canada, or such other administration office of the Issuer servicing the Plan, as may be communicated to the Plan Sponsor.

“**Income Tax Act**” means the *Income Tax Act* (Canada) and regulations, as amended.

“**Investment Option**” means any of the guaranteed investments and variable investment funds available under the Plan.

“**Investment Rules**” means the rules and regulations of the Issuer relating to the management of an Investment Option.

“**Issuer**” means London Life Insurance Company.

“**Locked-in Endorsement**” means the locked-in retirement account endorsement or locked-in retirement savings plan endorsement, as applicable, which forms part of the Plan.

“**Maturity Date**” of this certificate means December 31st of the calendar year in which the Member attains the maximum age for maturity provided under the Income Tax Act.

“**Member**” means an employee of the Plan Sponsor or a member of an association (where the Plan Sponsor is an association), or if included by the Plan Sponsor, that person's Spouse or Common-law Partner, for whom benefits are to be provided under the Plan. The Member is the applicant as stated on the application for membership and is the annuitant/owner as defined under the Applicable Legislation.

“**Plan**” means the Plan Sponsor's Group Retirement Savings Plan.

“**Plan Sponsor**” means the employer or association sponsoring this Group Retirement Savings Plan, and as applicable, includes any other employers authorized to participate in the Plan.

“**Spouse**” means an individual who is recognized as a spouse under the Income Tax Act.

### Section 2. Group Plan

This certificate describes the rights and benefits of a Member of the Plan.

#### Section 3. Plan sponsor as Agent

The Plan Sponsor is required to provide the Issuer with any information or instructions required by the Issuer to administer the Plan.

The Issuer is entitled to rely on any information or instructions provided to it by the Plan Sponsor respecting a Member or on behalf of a Member as if such information or instructions were provided to the Issuer directly by the Member. Upon joining this Plan, the Member appoints the Plan Sponsor as the Member's agent for all purposes in connection with the provision of information or instructions to the Issuer respecting the Plan until such time as the Issuer receives notice that the Member is no longer a Member of the Plan.

#### Section 4. Investment Rules

The Issuer has established Investment Rules relating to the management of the guaranteed investments and variable investment funds available under the Plan. The operation of the Plan and the rights of the Members will be subject to the Investment Rules. The Issuer may amend the Investment Rules at any time and will provide the Plan Sponsor with prior notice of material changes wherever possible. From time to time changes to the Investment Rules may be imposed on the Issuer by fund managers and in those circumstances prior notice may not be possible.

#### Section 5. Contributions

The Issuer will establish separate accounts for each Member and Contributions received on behalf of each Member will be allocated to the Member's account. All Contributions must be within the limits permitted under the Applicable Legislation.

In the event of an overpayment, on written request, the Issuer will refund to the contributor any amount as provided in paragraph 146(2)(c.1), or any successor provision, of the Income Tax Act. The amount refunded cannot be greater than the value of the funds held under this certificate.

#### Section 6. Investment Options

Contributions will be invested in one or more of the various Investment Options which the Issuer makes available to the Plan from time to time, as directed by the Member and/or Plan Sponsor, as applicable, and will be allocated to the Member's account. If no election has been made by the Member, new Contributions will be invested in the default Investment Option(s) selected for the Plan. Contributions invested in an Investment Option will be subject to the Investment Rules. The Issuer may amend the terms of any Investment Option or add or withdraw any Investment Option at any time. The Issuer will provide 60 days notice to the Plan Sponsor of any material change to an Investment Option.

##### a) Guaranteed Investments

Contributions may be invested in guaranteed investments of various durations at guaranteed interest rates. Investments in the guaranteed investments described in this certificate are guaranteed both as to principal and interest. Contributions invested in a guaranteed investment will earn interest in the manner and at the rate applicable to that investment in accordance with the Investment Rules. The interest rate on any such investment is compounded daily and guaranteed until the end of the month in which the selected interest guarantee period expires.

At the end of the interest guarantee period of any guaranteed investment, the Member and/or Plan Sponsor, as applicable, may select any new interest guarantee period the Issuer is then offering, so long as it does not extend beyond the Maturity Date of this certificate. Alternatively, the Member and/or Plan Sponsor, as applicable, may select any other Investment Option the Issuer is then offering. If no selection has been made, the Contributions and interest will be reinvested for the same term, at the guaranteed interest rate in effect at the time of reinvestment.

Subject to the terms of this certificate, the Member may withdraw amounts from any guaranteed investment before the end of the interest guarantee period. If Contributions are withdrawn from a guaranteed investment, the value withdrawn will be calculated in accordance with the Schedule of Fees applicable to the Plan.

##### b) Variable Investment Funds

Contributions may be invested in variable investment funds. These funds are segregated funds offered and administered by London Life Insurance Company. Contributions invested in a variable investment fund are not guaranteed either as to earnings or as to principal. The value of the Member's account in a variable investment fund will fluctuate with the financial experience of the fund.

The assets of a variable investment fund belong to the Issuer but they are available only for the benefit of unit holders of the fund. If the Member invests a Contribution in a variable investment fund the Member will acquire units in the fund equal to the value of the Member's Contribution on the date the investment is made.

The Issuer determines the value of the units of a variable investment fund on each valuation date of that fund and investments into and withdrawals from a fund can only be made on a valuation date. Most funds offered by the Issuer are valued on a daily basis but the Issuer may value funds less frequently in accordance with the Investment Rules. The unit value of a fund on a valuation date is determined by dividing the value of the assets of the fund, less the investment management fee described below, by the number of units in the fund immediately before the valuation date.

An investment management fee is charged and includes a fee for managing the variable investment funds, a fee for providing other services under the Plan and may include an amount for administrative expenses and other services under the Plan in accordance with the Schedule of Fees applicable to the Plan. This fee may either be deducted from the value of the assets of the fund (as part of the calculation of the unit value of a fund), or with the consent of the Issuer, the Plan Sponsor may elect to pay this fee separately.

#### **Section 7. Benefits - Income at Maturity**

If the Member is living on the Maturity Date the Issuer will liquidate the value of funds held in the Member's account and apply the value to provide a retirement income fund for the Member from the issuers of retirement income funds, including its affiliates, as the Issuer in its sole discretion may select, and the Member hereby appoints the Issuer as the agent for this and any related purpose. The Issuer will not be liable for any resulting loss. If the Member prefers, by notice to the Issuer, the Member may elect another form of retirement income that the Issuer is offering at that time and which is permitted for a retirement savings plan.

If an annuity is selected as the Member's retirement income, the Issuer undertakes to provide an annuity that provides for annuity payments in equal periodic amounts payable yearly or more frequently. The annuity will be issued in accordance with the Issuer's rules and issue rates for annuities which are then applicable. The Member must provide the Issuer with satisfactory proof of the date of the Member's birth and sex on or before the Maturity Date. If there has been any misstatement, the Issuer will make any adjustments it considers equitable.

Any annuity provided must comply with subsection 146(1), or any successor provision, of the Income Tax Act. Annuity benefits payable to the surviving Spouse or Common-law Partner of a Member following the death of the Member may not exceed the annuity payments which were being made to the Member before the Member's death, except for increases due to indexing as permitted under subparagraphs 146(3)(b)(iii)(iv) and (v), or any successor provision, of the Income Tax Act. If the beneficiary under the annuity is not the Spouse or Common-law Partner of a Member at the date of the Member's death, the present value, as determined by the Issuer, of any remaining payments will be paid in one sum and the annuity will be terminated.

If this certificate is governed by laws of the province of Quebec, the group policy was established on or after March 1, 2006 and a single life annuity guaranteed for a period of 10 years is selected as the Member's retirement income on the Maturity Date, the amount of the annuity payments will be determined by multiplying the value of the Member's account (less any applicable fees and charges) by the greater of i) the Issuer's then current annuity rate for a single life non-participating annuity with a guaranteed period of 10 years; and ii) \$3.47 for each \$1,000 of that value, if the Member is male, or \$3.23 for each \$1,000 if the Member is female. However, if an annuity or another settlement option is not selected by the Maturity Date, the value of the Member's account will be used to purchase a retirement income fund for the Member. Payments under the retirement income fund will commence in accordance with the terms of the retirement income fund contract. The retirement income fund contract will mature on the date the Member attains 100 years of age but not later than the 28th day of that month (the RIF Maturity Date). If the Member attains age 100 after the 28th of the month, the Member will be deemed to have attained age 100 on the 28th of the month. An annuity will commence on the RIF Maturity Date; however, the Member may elect to commence annuity payments prior to the RIF Maturity Date on the then current terms and conditions. When annuity payments commence, they will be equal monthly amounts and will be payable to the Member for life and cease on the Member's death. The amount of the annuity payments will be determined by multiplying the value of the funds held in the retirement income fund for the payment of the Member's annuity (less any applicable fees and charges) one month before the date annuity payments are to commence) by the greater of.

- i) the Issuer's then current annuity rate for a single life non-participating annuity with no guarantee period; and
- ii) for each \$1,000 in the retirement income fund:
  - if the Member is male and the Member elects to commence annuity payments
    - in the month next following the month the Member attains the age of 80 years, \$5.89;
    - in the month next following the month the Member attains the age of 90 years, \$8.55; or
    - if an election is not made the rate will be \$8.61 in the month next following the RIF Maturity Date when the Member attains age 100.

if the Member is female and the Member elects to commence annuity payments

- in the month next following the month the Member attains the age of 80 years, \$5.37;
- in the month next following the month the Member attains the age of 90 years, \$8.36; or
- if an election is not made the rate will be \$8.61 in the month next following the RIF Maturity Date when the Member attains age 100.

#### **Section 8. Withdrawal of Funds**

Subject to the terms of this certificate, on or before maturity, the Member may withdraw all or part of the value of the Member's account by giving notice to the Issuer and may elect:

- i) to purchase any form of annuity that the Issuer is offering at that time and which is permitted for a retirement savings plan with payments commencing no later than the Maturity Date;
- ii) to transfer the funds directly to a retirement income fund, another retirement savings plan or a registered pension plan as permitted under the Income Tax Act; or
- iii) to receive payment in cash.

The value of the Member's account will be reduced by the amount of any withdrawals.

All such elections will be completed in accordance with the Administrative Rules and the Investment Rules.

#### **Section 9. Termination of Plan or Membership**

If the group policy of this Plan is terminated or if the Member ceases to be eligible to participate under the group policy, no further Contributions may be made under this certificate. When the Issuer receives notice that such an event has occurred, the Plan Sponsor will cease to be the Member's agent and the Issuer may, without accepting any obligation or responsibility to do so, withdraw (for Quebec, make a single annuity payment) or transfer the value of the Member's account from the Plan. The Issuer may exercise this right at any time. The Member will be given 60 days from the date the Issuer receives notice of the occurrence of the event to provide the Issuer with withdrawal or transfer instructions. If the Member does not provide such instructions within the 60 day period and the Plan Sponsor does not permit the Member to remain in the Plan, the Member will be deemed to have instructed the Issuer to transfer the value of the Member's account to another retirement savings plan as the Issuer deems appropriate, and hereby appoints the Issuer to be the Member's agent for this and any related purpose and the Issuer hereby accepts such appointment. In the alternative, if another retirement savings plan is deemed to not be appropriate, the Issuer will pay the proceeds to the Member in cash.

The Issuer may, on its own or at the request of the Plan Sponsor, resign as issuer, and allow for the appointment of a successor issuer. The Plan Sponsor will advise the Issuer of the identity of the successor issuer within 60 days of such resignation, and upon the transfer of all Plan assets to the successor issuer, the Issuer will be discharged from any further liability under the Plan.

#### **Section 10. Limitation of Liability**

The provision of a life annuity, or another form of annuity settlement option, or a withdrawal or transfer of the value of the Member's account, will constitute a full and final settlement of the rights of the Member or beneficiary, as applicable, with respect to the Plan, as against the Plan Sponsor, any employers authorized to participate in the Plan, any agents of the Plan Sponsor, the Issuer and any agents of the Issuer.

#### **Section 11. Legal Actions**

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or other Applicable Legislation.

#### **Section 12. Death of the Member**

The Member may designate a person to receive all amounts payable to a beneficiary under this certificate. The Member may change or revoke a revocable beneficiary designation as permitted by law. If the Member dies before the value of the Member's account has been applied to provide an annuity or have been withdrawn or transferred, the Issuer will pay that value to the beneficiary in one sum in accordance with the Issuer's then current practices. If the Member dies and had named his or her Spouse or Common-law Partner as beneficiary, the Spouse or Common-law Partner may transfer the value of the Member's account into another registered retirement savings plan, purchase an annuity, elect a lump sum payment, or transfer the funds to a registered retirement income fund in accordance with the Applicable Legislation. The beneficiary designated by the Member under this certificate will also serve as the beneficiary

designation under any alternate retirement savings plan issued to the Member by the Issuer to replace this certificate upon the termination of the group policy or the Member's eligibility to participate under the group policy, until and unless the Member changes or revokes such beneficiary appointment.

**Section 13. Registration under the Income Tax Act**

The Issuer will apply to register each Member's plan as a retirement savings plan under the Income Tax Act and any similar provincial legislation. The Issuer has the right to amend, at any time and without notice, the terms of this certificate as the Issuer considers necessary so that the Plan will continue to qualify for registration.

All rights of a Member are subject to the requirements of the Income Tax Act, any similar provincial legislation and, if locked-in funds are held under this certificate, to the requirements of the relevant provincial or federal pension legislation.

Except as specifically permitted under the Income Tax Act, no benefit, loan or indebtedness that is conditional in any way on the existence of the Plan or this certificate may be extended to the Member, contributor or a person with whom the Member does not deal at arm's length. A Member may not engage in any transaction, investment, payment or transfer which is or may be an advantage, an RRSP strip or a swap transaction under Part XI.01 of the Income Tax Act. The Issuer will not make any payments under the Plan except those specifically permitted by the Plan or the Income Tax Act or required by law. The Issuer reserves the right to prohibit any transaction, investment, payment or transfer, whether an advantage, an RRSP strip or a swap transaction under the Income Tax Act, or such other payment or transfer which is or may be prohibited or penalized under the Income Tax Act.

**Section 14. Locked-in Pension Funds**

If locked-in pension funds are transferred to the Plan, such funds will be governed by the provisions of the Locked-in Endorsement. To the extent of any inconsistency between the endorsement and this certificate, the Locked-in Endorsement will override the terms of this certificate.

**Section 15. Taxes**

All fees and charges payable to the Issuer are net of any applicable taxes and any such taxes will be payable or recoverable in the same manner as the fees and charges to which they relate.

**Section 16. General Provisions**

Any notice to the Issuer must be in writing or such other form as may be agreed upon between the Issuer and the Plan Sponsor. Such notice will be effective when received at the Head Office of the Issuer.

Any notice to the Plan Members will be in writing and will be effective on the date it is received. Notice to the Plan Sponsor will be considered notice to each Member.

The Issuer may amend the terms and conditions of the certificate issued to Members upon 60 days notice to the Plan Sponsor, unless otherwise specified. Continuation in the Plan after the effective date of such amendment will constitute acceptance of such amended terms.

If the Issuer agrees to amend or waive any provision of this certificate the amendment or waiver is effective only if it is in writing and signed on behalf of the Issuer by an authorized officer of the Issuer.

This certificate and the Member's rights and benefits under this certificate are not assignable, except to the extent permitted under the Income Tax Act and any similar provincial legislation upon marriage breakdown.

A Member or claimant may request copies of documents to which the individual is entitled to receive under the Applicable Legislation.

All payments to or by the Issuer will be in legal Canadian currency.

The Issuer may delegate some or all administrative functions to an agent. Notwithstanding any delegation to an agent, the ultimate responsibility for administering the Plan in accordance with the Plan's terms lies with the Issuer.

The Plan is subject to the Applicable Legislation. To the extent of any inconsistency between the Plan and the Applicable Legislation, the Applicable Legislation will override the terms of the Plan.



Paul A. Mahon  
President and Chief Executive Officer



J. Dave Johnston  
President and Chief  
Operating Officer, Canada





