

# GROUP RETIREMENT SAVINGS PLAN

Information Booklet

for

University of The Fraser Valley

Policy/plan # 11361

# C O N T E N T S

	<u>Page</u>
INTRODUCTION.....	1
INFORMATION AT YOUR FINGERTIPS .....	1
Group Retirement Services Access Line.....	1
Group Retirement Services transactional website.....	1
WHEN YOU CAN JOIN THE GROUP RRSP .....	2
Spousal plans .....	2
CONTRIBUTIONS.....	3

## INTRODUCTION

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University of The Fraser Valley has established a Group Retirement Savings Plan ( ) to assist you in meeting your retirement goals.

Under the Group RRSP, individual member plans are established for each person joining the plan. Records for each member plan include contribution allocations, investment earnings and personal member data as required. At retirement, the value of your account may be used to provide retirement income.

This booklet is intended to help you understand the main provisions of the Group RRSP for University of The Fraser Valley . In the case of any discrepancy, the registered plan documents will prevail. Your ***Group retirement savings plan member's certificate*** and the ***Schedule of fees for members of the group retirement savings plan***

## WHEN YOU CAN JOIN THE GROUP RRSP

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You are eligible to join the Group RRSP immediately upon becoming employed by University of The Fraser Valley .

In order to participate, you are required to complete an . Your plan administrator can provide you with an application form, and assist you in completing it.

### Spousal plans

If you wish, you can set up a spousal RRSP to make contributions on your spouse's behalf. A spousal RRSP can be advantageous in a situation where your current income, or anticipated retirement income, is significantly higher than your spouse's.

In this situation your spouse is the applicant/member, but you make the contributions and receive the tax relief. When the funds are withdrawn, your spouse must claim the withdrawal as income, subject to certain . Attribution rules can come into play if a withdrawal is made, and you have contributed to your spousal RRSP in the current or two previous calendar years. You can learn more about the attribution rules associated with Spousal RSPs by contacting Canada Customs and Revenue Agency (CCRA) and obtaining their guide entitled .

See your plan administrator for additional information on how to set up a spousal plan.

## CONTRIBUTIONS

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You may contribute to the Group RRSP by payroll deduction, as well as by making lump sum deposits.

### Payroll Deduction

Through payroll deduction, you can make contributions to the Group RRSP on a regular basis. By contributing through payroll deduction, the dollar amount or percentage of earnings you direct to the Group RRSP will be withheld from your pay and remitted directly to Group Retirement Services on your behalf. This convenient method of making contributions also allows University of The Fraser Valley to reduce the amount of income tax deducted from your pay (tax will be calculated based on your earnings less the amount of your Group RRSP contribution). This means that you save tax dollars right away, rather than waiting for a tax refund after you file your Income Tax Return.

### Lump sum deposits

You can make contributions to the Group RRSP in addition to those made by payroll deduction. To contribute a lump sum deposit, simply make out a personal cheque payable to London Life Insurance Company for the amount you wish to contribute. Be sure to indicate your Group Retirement Services policy/plan # 11361 on the cheque. If you contribute to both a personal plan, and a plan for your spouse, be sure to indicate which plan the contribution is for. You can either mail the cheque directly to your Group Retirement Services administration office, or send it in through your plan administrator.

### Transfers from existing plans

Transfers from existing registered plans are also permitted. Check with your plan administrator if you are contemplating a transfer of funds from another registered plan.

## INVESTMENT CHOICES

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Consult the \_\_\_\_\_ included in \_\_\_\_\_ for a list of the funds available under your Group RRSP.

Group Retirement Services will send you statements on a regular basis providing you with up to date information on your investments, including your personal rate of return for assets in the Group RRSP. Up to the minute fund information is also available through our transactional website and through the Group Retirement Services Access Line.

When considering your investment fund choices, you must always be aware that variable







## TAX DEDUCTIONS

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Contributions to your Group RRSP will be tax deductible provided you do not exceed your for the year. The Notice of Assessment form you receive from Canada Customs and Revenue Agency (CCRA) after filing your previous year's Income Tax Return will indicate your personal limit for the current year. CCRA limits the age for making contributions to your Group RRSP - you will not be permitted to contribute after December 31st in the year in which you attain age 69 (or such other limit as may be imposed by CCRA). In addition, CCRA stipulates that you must remove the funds from your Group RRSP by that time.

### Tax receipts

Tax receipts for contributions made to the Group RRSP will be issued twice each year and sent directly to your home address. Receipts are issued:

- in January of each year, covering contributions made in March to December of the previous year; and,
- in March of each year, covering 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 the current or previous year's Income Tax Return. CCRA requires that you attach a copy of the appropriate receipt to your Income Tax Return in



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, including without limitation, rules relating to the manner, frequency and timing of contributions and any applicable minimum, rules relating to the processing of withdrawal and transfer requests, and any other matter which the issuer considers appropriate for the efficient 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;

"contributions" means amounts paid to the issuer on behalf of a member and 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 fund" means any of the guaranteed and variable investment funds available under the plan;

"investment fund rules" means the rules and regulations of the issuer relating to the management of an investment fund, including without limitation, rules relating to the assets of the fund, ownership of assets of the fund, investment of assets, delegation, valuation, units, issue of units, valuation of units, redemption of units, limitation of liability, indemnification and interpretation;

"issuer" means London Life Insurance Cso A; (s)8.4 -0.6 (s)8.4 -0.6 (s)8.4 n-0.6.7 (e)-0 Tf 0.008 TTc 0.00 36 489.96 Tm ( )Tj78MC /P <</MCID 19 >>BDC /TT025 Tf -0.00

Section 8. Benefits - income at maturity

If the member is living on the maturity date the issuer will liquidate all the member's investments under this certificate and will apply the funds to provide a life annuity to the member under which periodic payments will be paid to the member for the member's lifetime with payments guaranteed for 10 years. If the member prefers, by notice to the issuer, the member may elect another form of annuity settlement option that the issuer is offering at that time and which is permitted for a retirement savings plan.

Annuity payments will be 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 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 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.

Section 9. Withdrawal of funds

Subject to the terms of this certificate, on or before maturity, the member may withdraw all or part of the funds held by the issuer under this certificate 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 fund rules.

Section 10. Termination of plan or membership

If the group policy 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 or transfer the funds held for the member under this certificate 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, the issuer may, without accepting any obligation or responsibility to do so, appoint itself as the member's agent for the purpose of completing an alternate retirement savings plan application on the member's behalf or withdrawing the member's funds from the plan, as it considers appropriate.

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