

Sun Life  
Financial  
**VRSP**

# SELF EMPLOYED

GUIDE ←





FOR ALL THINGS  
**FINANCIAL**

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**SUN LIFE FINANCIAL**



## **VRSP - A savings solution for all!**

Until now, two million Quebec workers did not have access to a group retirement plan in their workplace. The VRSP was created for them, to make saving for retirement easier for everyone. This will be the first tangible savings experience for some of these workers and, more importantly, will be a key step on the road to a brighter financial future. Now it's your turn!

Participating in the Sun Life Financial VRSP gives you all the benefits of a traditional workplace savings plan, and you don't have to be an expert, we'll provide the tools and support you need to make the most of your plan.

In this brochure you'll find the information you need to understand how VRSPs work.

## **WHO IS ELIGIBLE?**

Any self-employed person or employee whose employer is not offering a VRSP can participate. It's a golden opportunity to take charge of your financial future.



## A simple solution

### THREE REASONS TO PARTICIPATE IN A VRSP

For many Quebecers, the major sources of retirement income will be :

- Old Age Security (OAS)
- Québec Pension Plan (QPP)
- Personal savings (and other sources of income)
- Income from workplace retirement savings plan

To date, self-employed workers and individuals whose employer has not offered a retirement savings plan have had no way to reap the benefits of an affordable group plan. The VRSP is a simple, tax-effective way for you to add to your retirement security.

#### REASON NO 1 : TAX ADVANTAGE

Your contributions to the VRSP are tax-deductible, while benefitting from **potentially significant tax sheltered earnings growth over time.**

#### REASON NO 2 : LOWER FEES

Regardless of where you invest your money, you pay fees to cover fund management and operating costs. Because of the combined buying power of participants such as yourself and Sun Life Financial (Sun Life), your **fees will be lower** than what you would pay on your own at a bank or mutual fund company. And bottom line – lower fees means more of your hard-earned money stays in your account and is working for you.

#### REASON NO 3 : ALL THE HELP YOU NEED

As a VRSP participant, you'll no longer be investing alone – you'll become part of the Sun Life **community of investors.** And you can count on our reputation and 150-year tradition of prudence, strong governance and oversight to manage your VRSP effectively.



## VRSP OVERVIEW

### WHAT ABOUT CONTRIBUTIONS?

The minimum contribution you can make is \$50 per month. You can increase this amount at any time, and as often as you wish, making sure not to exceed your RRSP contribution limit, which is the lesser of :

- 18 % of your previous year's earned income; or
- The RRSP dollar limit for the year in which you are making your contribution

#### GOOD TO KNOW



**Contributions to your VRSP are counted against your RRSP contribution limit – as are contributions you make to an RRSP or your spouse's RRSP. Note that you may consolidate all your registered plans in the VRSP without further reducing your RRSP contribution room.**

**Your contributions will be withdrawn monthly from your bank account, as agreed to in the Automatic Cheque Plan section of your application, and invested according to your instructions.**

# RETIRING, LEAVING THE PLAN OR WITHDRAWING MONEY

If you retire, you can begin taking a retirement income right away or postpone it until no later than the end of the year in which you turn 71. If you do not choose a retirement income option by that date, we will begin making annuity payments to you for life, for a guaranteed minimum of 10 years. The amount of retirement income you receive will depend on the contributions to your account, the investment income, and the interest rates in effect at the time of your retirement.

You may leave the plan at any time. Your contributions, plus any investment income earned, can be withdrawn in cash or transferred to:

- An RRSP
- A registered retirement income fund (RRIF)
- Another VRSP
- A pension plan, if the plan permits
- A life annuity

## DID YOU KNOW...



**If you withdraw money from the plan, that amount will be included in your taxable income for that year and taxed at your marginal tax rate.**

**If you should die, the money in your VRSP goes to your spouse. If there is no spouse, it goes to your beneficiary. If you did not name a beneficiary, it goes to your estate.**



## WHAT ARE THE INVESTMENT OPTIONS?

We've developed simple, low-cost investment solutions exclusively for the Sun Life Financial VRSP. They provide built-in, well-monitored diversification, so you can feel comfortable about your investments. You can count on Sun Life's reputation and strength.

The plan offers the Sun Life Target Date Segregated Funds (commonly referred to as "life cycle funds"). You select the one fund whose maturity date most closely matches your planned retirement date. As you approach your retirement, the asset allocation and risk level of the fund adjust automatically to become more conservative. You'll also be able to choose to create a portfolio from among four other funds, i.e., three segregated funds and a 1-, 2-, 3-, 4- or 5-year guaranteed fund with interest rates that are enhanced by 0.25% over Sun Life Financial's regular rates.

If you do not choose a fund on your application, the plan offers a default option, which is a target date fund with a maturity date just prior to your 65th birthday. Please ensure that this fund is suitable for you. You are encouraged to assess the other options available based on your risk profile and planned retirement age.

You may change your fund selection at any time on our Plan Member Services website at [mysunlife.ca](https://mysunlife.ca), or by calling our **Customer Care Centre at 1-866-733-8612** any business day from 8:00 a.m. to 8:00 p.m. EST.

For more information on the VRSP investment options, please refer to VRSP Investments @ a glance on [sunlife.ca/VRSP](https://sunlife.ca/VRSP).





# WHAT IS SUN LIFE FINANCIAL'S ROLE?

Sun Life is the plan administrator. We are responsible for making all decisions concerning the plan, its maintenance and for providing retirement benefits. Our goal is to help you make the most of your plan.

Our responsibilities include:

- **Investment lineup** – selecting the lineup of funds you can choose from and investing contributions according to your instructions.
- **Staying in touch with you** – sending you account statements, updates, reminders and other important information.

- **Education** – offering you a suite of tools on our Plan Member Services website, [mysunlife.ca](https://mysunlife.ca), including the Investment Risk Profiler, which will help you match your investment style to the most appropriate funds in the plan, and the Retirement Planner which will show you what your retirement income might look like based on your contribution rate, and much more.





## READY TO START? HOW DO I ENROL?

Our online form makes it easy for you to apply for our VRSP.  
Three steps and you're done :

- 1** Visit [sunlife.ca/VRSP](https://sunlife.ca/VRSP)
- 2** Complete the form
- 3** Sign it and mail to :  
Sun Life Financial,  
Group Retirement Services  
Attention: Administration Unit 8  
PO Box 11001 Stn CV, Montreal QC H3C 3P33

Once you've enrolled in the plan, you will receive a welcome letter from Sun Life with information on how to access your account online at [mysunlife.ca](https://mysunlife.ca).



*All the  
help you  
need*

You can register for an Access ID and Password for our Plan Member Services website at [mysunlife.ca](https://mysunlife.ca) where you can :

- Change your investment selection
- Find detailed information about the VRSP investment options
- Review details of the plan
- Access award-winning retirement planning tools, information and educational material to help you prepare for retirement

Or, you can call our **Customer Care Centre** at **1-866-733-8612** any business day from 8:00 a.m. to 8:00 p.m. EST for help on all aspects of your VRSP.





### **YOUR FINANCIAL FUTURE JUST GOT BRIGHTER!**

At Sun Life, we strive to make retirement savings plans more accessible to all Quebecers. As the leading provider of group retirement services in Canada<sup>1</sup>, we know that the key to making that happen lies in making it easier for you to save. For all but a very few of us, retirement means planning wisely and saving diligently. So, be sure to take advantage of all your Sun Life Financial VRSP has to offer, and let us offer a simple and effective savings solution just for you.

**Sun Life  
Financial  
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<sup>1</sup> Benefits Canada, 2013 - Sun Life Financial Group Retirement Services' share of assets under management in the 10 largest defined contribution pension plans in Canada.





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**sunlife.ca/VRSP**  
**Life's brighter under the sun**

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