



Registered Retirement Savings Plan (RRSP) and/or Locked-In Retirement Account (LIRA)/locked-in RRSP information

Your options

Different options are available to you, depending on a number of factors, such as:

- your age at the time you leave your employer,
- whether the funds are "locked-in" or "non-locked-in", and
- if the funds are "locked-in", the pension jurisdiction under which your locked-in assets are governed.

Please read the covering letter carefully regarding your options and then complete the Settlement Option Form(s) you've received.

"Locked-in" versus "Non-locked-in"

"Locked-in": Assets held under a LIRA/locked-in RRSP are locked-in meaning that they cannot be taken in cash. These assets must be used to provide you with a lifetime retirement income. Depending on the pension legislation under which they are governed, your locked-in assets may be transferred to:

- a pension plan (if that plan allows),
- a life income fund (LIF),
- a locked-in retirement income fund (LRIF),
- a prescribed retirement income fund (PRIF), if the locked-in funds originated in Saskatchewan,
- another locked-in retirement account (LIRA)/locked-in RRSP, and/or
- an immediate or deferred Life Annuity.

"Non-locked-in": Any assets that may be taken in cash are referred to as non-locked-in. If you have non-locked-in assets and choose to take a cash refund, tax will be deducted. If you do not wish to take cash, you may transfer these assets on a tax-free basis to:

- a pension plan (if that plan allows),
- another registered retirement savings plan (RRSP),
- a registered retirement income fund (RRIF),
- an immediate or deferred Life Annuity, and/or
- a term certain Annuity payable to age 90.

The LIF, LRIF, PRIF, LIRA, locked-in RRSP, RRSP, RRIF and/or Annuity can be established with Sun Life Financial or with another financial institution of your choice.

You should be aware that if you take a cash refund of your non-locked-in assets, and you elect to receive an immediate or deferred Annuity with any of your remaining funds, the value of your Annuity will be lower.

The following pages contain information to help you understand Annuities. If you have any questions on Annuities or any of the other products mentioned above, please call the telephone number(s) on the covering letter.

Annuities

An Annuity is a contract that provides income payments at regular periodic intervals (usually monthly), for a specified period or for the lifetime of the annuitant. Under an immediate Annuity, payments begin immediately. Under a deferred Annuity, payments are postponed to begin at a future date.

The periodic payment you receive is calculated using a formula and depends on:

- your account balance,
- your age at the date your Annuity payments are scheduled to begin,
- the type of Annuity you choose,
- the Annuity rates in effect at that time, and
- your gender.

You can choose to have your Annuity payments guaranteed for periods of 5, 10 or 15 years. Alternatively, you can choose to have no guarantee period, which means that Annuity payments will stop when you die.

Once the Annuity payments begin, no redemption/commutation can be made unless permitted by pension legislation.

Annuities and "locked-in" assets

Under pension legislation, "locked-in" assets must generally be used to provide a retirement income for your life. A Life Annuity provides regular periodic payments for your lifetime.

Joint and Survivor Annuity

For locked-in assets, if you have a spouse* your Annuity must be a Joint and Survivor Annuity. If your spouse agrees to sign a waiver form waiving his or her right to a survivor benefit, you may choose a Single Life Annuity. A Joint and Survivor Annuity provides you with payments for as long as both you and your spouse

live. You may choose a guaranteed period up to 15 years with this type of Annuity. This means that your named beneficiary is entitled to a death benefit if both you and your spouse die before the guaranteed period ends. If you or your spouse live beyond the end of the guaranteed period, payments will continue for the remainder of both your lives. Payments stop when the surviving annuitant dies. No death benefit is paid to your named beneficiary after the guaranteed period ends.

If your spouse decides to waive the Joint and Survivor Annuity, the waiver must be in the form and manner required by pension legislation and must be filed with the plan administrator before any Annuity payments are scheduled to begin. It is recommended that independent professional advice be obtained before waiving a Joint and Survivor Annuity.

* If you require the definition of spouse for the pension jurisdiction under which your assets are governed, please call the telephone number(s) on the covering letter.

Single Life Annuity

For locked-in assets, you may elect a Single Life Annuity if you do not have a spouse, or your spouse has agreed to waive his or her right to a survivor benefit. A Single Life Annuity provides you with payments for as long as you live. You may choose a guaranteed period up to 15 years with this type of Annuity. This means that your named beneficiary is entitled to a death benefit if you die before the guaranteed period ends. If you live beyond the end of the guaranteed period, your payments will continue for the remainder of your life. No death benefit is paid to your named beneficiary after the guaranteed period has expired.

Annuities and "non-locked-in" assets

"Non-locked-in" assets are not required to be used to provide a lifetime retirement income, however you may elect to receive an Annuity with these assets. A term certain Annuity does not have a lifetime contingency. You can elect to have the Annuity payments for only a specific period of time and then the payments will stop, even if you are still alive at the time, provided the period does not exceed 15 years.

General Information:

- If you die before you begin receiving a retirement income, your spouse, if applicable, or your named beneficiary will receive any amount payable from your account. Refer to your plan booklet for details of the benefit payable.
- As required by the Income Tax Act (Canada), you must convert any assets held under your registered retirement savings plan and/or locked-in retirement account/locked-in RRSP to a retirement income by the end of the calendar year in which you reach age 71. If you do not select an option Sun Life Financial will begin making payments to you as a Single Life Annuity with a guaranteed period of 10 years.
- In the event of bankruptcy or marriage breakdown, some adjustments may have to be, or have been, made to your account due to the execution of a seizure, transfer or partition of benefits. If you have any questions, please call the telephone number(s) on the covering letter.

For further information, please call Malinka Financial at (604) 688-0300.