my money @ work

Capital Power

Sun Life Financial

Welcome to my money @ work

It's never too early or too late to take charge of your financial future. And Capital Power is committed to helping you save for the future you've been dreaming about.

Capital Power is proud to provide you with the opportunity to participate in a Savings Plan offered through Sun Life Financial. You make contributions directly through payroll and you decide how these contributions are invested among a range of professionally managed investment options.

This guide has everything you need — it will help you understand how to enrol online, the advantages of participating in the plan and how to choose an investment approach that works for you.

You'll also learn about the Sun Life Financial tools available to help you take charge of your **Capital Power Savings Plan**. For example, you have access to one-on-one assistance to help you understand how the plan works, select your investment choices and guide you through the enrolment process.

We hope you'll take the time now to get started on your path to achieving your short- and long-term goals by learning how the **Capital Power Savings Plan** can help.

Need help?

Call one of Sun Life Financial's Customer Care Centre representatives at **1-866-896-6984** from 8 a.m. to 8 p.m. ET any business day.

go green go online!

Your plan balances, investment information, financial tools – and everything else related to your plan including this guide – are all online at sunlife.ca. Your access ID and password are your tickets to a world of information.

Three easy steps...

my money @ work

There is no better way to save for your future than through your Capital Power Savings Plan. It makes saving and investing easy.

Why save now?

Ready to enrol?
Skip ahead to page 17.

Your future wealth and lifestyle depend on the savings you make today:

- when you save through a registered plan, the benefit of tax-free earnings growth (called compounding) over time is significant; and
- nothing can grow your money like time – saving now rather than saving later can significantly increase the amount of money you have for your future.

Make saving money for your future a priority. Your **Capital Power Savings Plan** is the best place to start.

DID YOU KNOW?

Saving two dollars a day – one less coffee – can add up to $3,700 in five years. (This assumes a 4.5 per cent annual rate of return.)

Matt

24, utility worker, single

I just graduated and with paying back student loans and monthly expenses, I don't have a lot of extra money to save for the future. I learned the importance of saving from my parents, so I do try to put as much away as I can.

When I heard about my Capital Power Savings Plan, I enrolled immediately. With this benefit, I feel that my company is giving me more than a paycheque.

I keep crazy hours – I work during the day and play in a band at night. My plan's online tools and mobile applications let me manage my account when it's convenient for me.

Once you enrol in your Capital Power Savings Plan with Sun Life Financial, you'll have access to a full suite of online account management tools. The my Sun Life Mobile app is also available free of charge through the BlackBerry and iPhone app stores. To learn more about the app, visit sunlife.ca/mobile.

What's in it for me?

Access to information	You can learn about the funds offered under your plan and determine what kind of investor you are by signing in to **sunlife.ca** using your company's generic access ID and password (access ID: 25553; password: 259300).
Convenience	Easy to contribute: Payroll deductions make saving easy and ensure that you pay yourself first. You'll be amazed by how much you can save just by making regular contributions. Easy to access: You have 24-hour access to your account through **sunlife.ca** or by phone at **1-866-896-6984**. You can also call Sun Life Financial's Customer Care Centre at this number any business day from 8 a.m. to 8 p.m. ET.
More money	Lower management fees: Because of the combined buying power of Capital Power and Sun Life Financial, you pay fees that are generally lower than what an average person would pay at a bank or mutual fund company for similarly managed funds. When you pay lower fees, more of your hard-earned money is invested and growing for you. Instant tax savings: If you're contributing to a registered plan (other than a Tax-Free Savings Account) by payroll deduction, your contributions are invested on a before-tax basis – so every cent gets directed to your savings. You won't need to wait until the spring to receive your tax deduction – it happens immediately on each pay. No fees to transfer between investments: You can transfer money between investments at any time. There is no charge for transfers unless you make a transfer into a fund followed by a transfer out of the same fund within 30 calendar days (called short-term trading). Your plan is designed to give you a competitive advantage in saving for your future – so make the most of what it has to offer!

DID YOU KNOW?

Living longer – more money. On average, a man who retires at age 65 today can expect to live until age 83. A woman can expect to live until age 86. And that's just the average. Many people are spending 20 to 30 years in retirement. With these expectations for a long retirement, you need to save money now to live and enjoy your later years.

DID YOU KNOW?

Lower fees matter! Wherever you invest your money, you pay fees. And all funds in which you invest (other than guaranteed funds) charge annual management fees. These fees reduce the money that you would otherwise have earned. These fees are usually lower when you invest through the **Capital Power Savings Plan**. You may not think these lower fees make much of a difference, but you'll be surprised at the impact over the long term.

The table below shows the difference in the total amount you would save under different management fee rates, assuming you invest $4,000 each year and your plan account earns 5.75 per cent annually before the management fee* reduction.

YEARS OF CONTRIBUTION	TOTAL CONTRIBUTIONS TO YOUR PLAN ACCOUNT	MANAGEMENT FEE*				
		3%	2.5%	2%	1.5%	1%
10 years	$40,000	$46,132	$47,512	$48,936	$50,406	$51,923
20 years	$80,000	$105,634	$112,026	$118,870	$126,201	$134,054
30 years	$120,000	$182,379	$199,625	**$218,814**	$240,176	**$263,972**

$45,158

Over a 30-year career, a 0.5 per cent difference in fees (1.5% vs. 2%) means an extra $21,362 for your long-term savings. And a one per cent difference (1% vs. 2%) adds an extra $45,158 to your nest egg!

* Assuming fees charged annually at year-end and contributions are made on January 1.

Read the more information section of this guide to learn even more details about the features and benefits of your plan at work.

go green go online!

Your plan balances, investment information, financial tools – and everything else related to your plan including this guide – are all online at sunlife.ca. Your access ID and password are your tickets to a world of information.

my investments

Choosing the investments in your Capital Power Savings Plan is an important decision. In a few easy steps, you're on your way.

Ready to enrol? Skip ahead to page 17.

While saving your money is the first step, investing your savings is important to making your money grow. Invested money earns interest and dividend income, and can generate capital growth, like the growth in the value of a home. These earnings are needed to keep your savings a step ahead of inflation and to ensure you have enough money for your future.

Gordon

47, mining engineer, married

With one kid in university and another finishing high school, my wife and I don't have a lot of disposable income. And we certainly can't afford to waste money.

When I learned that the fees I pay through my plan at work are competitive, and in many cases lower than other financial institutions, I transferred most of my assets to my Capital Power Savings Plan. Lower management fees can add up to significant savings over time.

With our children leaving home soon, I'm starting to think more and more about the future. We need to concentrate on paying off the mortgage and making some solid retirement plans. The online tools offered through my plan have helped me move forward.

A one per cent difference in your management fees sounds small, but lower fees mean more of your money is working for you by adding thousands of dollars to your nest egg over the years. Take the time to learn all the advantages of your workplace plan.

Choose your investment approach

Under your **Capital Power Savings Plan**, you have a variety of investments to choose from, with two distinct investment approaches: **built FOR me** and **built BY me**. To help decide what investment approach is best for you, use the following chart as a guide. Based on what is important to you, the suggested investment approach is check marked.

CHOOSE WHAT IS IMPORTANT TO YOU FROM THE FOLLOWING STATEMENTS	BUILT FOR ME	BUILT BY ME
My priority is ease of decision-making.	✓	
I am looking for an approach that is 100 per cent maintenance-free.	✓	
I don't want to manage the investments in my account or I don't feel I have the expertise to manage my own investments.	✓	
I am interested in selecting my own funds.		✓
I will take the time to read the fund pages online and understand the risks involved.		✓
I want an approach that fits with my personal risk profile and I will manage the investments in my account as necessary.		✓

Built FOR me

Target risk funds

Let's explore the hands-off investment option called **target risk**.

Target risk funds (sometimes called asset allocation funds) are designed to match your comfort level with investment risk. Target risk funds take care of the active investment decision-making for you. Each target risk fund is designed to match a particular level of investor risk tolerance – and is re-balanced regularly to ensure that its target asset mix is maintained on an ongoing basis

You can invest in one of the **BlackRock Balanced Index Segregated Funds** under your plan at work. To find the fund that's right for you, take your Investment risk profiler score and match it to one of these funds:

62 or less – BlackRock Conservative Balanced Index Segregated Fund: With 60 per cent invested in fixed income assets, this fund is for investors with a lower tolerance for risk but looking for the growth potential of having exposure to equities.

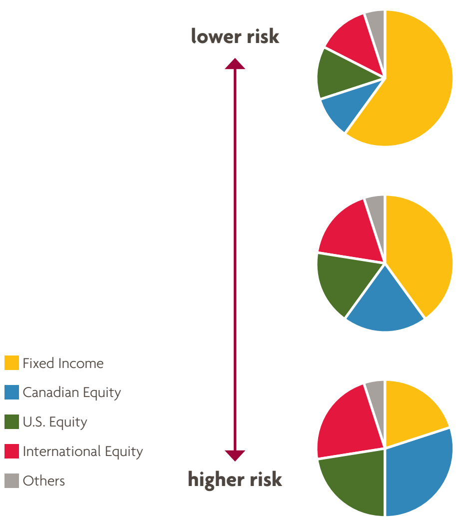
63 to 160 – BlackRock Moderate Balanced Index Segregated Fund: With a 60 per cent exposure to equities, this fund is for investors comfortable with moderate volatility.

161 or more – BlackRock Aggressive Balanced Index Segregated Fund: This fund is for investors who seek growth, but appreciate the reduced volatility offered by a 20 per cent exposure to fixed income.

BlackRock Balanced Index Segregated Funds help you invest based on your comfort level with investment risk by taking care of the active investment decision-making process for you. Each fund's asset mix matches a particular investment risk tolerance – and the fund manager re-balances the fund's asset mix regularly to keep it that way. These funds invest in index funds designed to track various market indices.

DID YOU KNOW?

The term "risk" in target risk funds refers to investment risk. Knowing how comfortable you are with investment risk is important because the value of these funds goes up and down with changes in the markets.



62 points or less

BlackRock Conservative Balanced Index Segregated Fund:
This fund emphasizes providing more income than capital growth.

63 to 160 points

BlackRock Moderate Balanced Index Segregated Fund:
This fund provides a mix of income and capital growth, with more emphasis on providing growth.

161 points or more

BlackRock Aggressive Balanced Index Segregated Fund:
This fund emphasizes providing more capital growth than income.

YOU SHOULD CONSIDER A TARGET RISK FUND IF YOU:

- have little or no interest in actively managing your portfolio, or lack the knowledge or experience to manage your portfolio; and
- want the assurance that you will always be comfortable with the investment risk level of your portfolio.

IF YOU DECIDE TO INVEST IN ONE OF THE TARGET RISK FUNDS, ALL YOU HAVE TO DO IS:

1. complete the **Investment risk profiler** found in this guide. It provides you with an investment risk profile/score based on your answers to the questions – and it only takes a few minutes to complete;
2. invest in the fund that most closely matches your investment risk profile/score; and
3. review your risk tolerance at least once each year – or when a major life event occurs – to ensure that the target risk fund that you're invested in continues to meet your needs. If it doesn't, you can switch to another fund that better matches your risk tolerance.

Investment options – built FOR me

FUND CLASS	FUND NAME	FUND MANAGEMENT FEES*
Target risk	BlackRock Aggressive Balanced Index Segregated Fund	0.44%
	BlackRock Conservative Balanced Index Segregated Fund	0.42%
	BlackRock Moderate Balanced Index Segregated Fund	0.43%

* Fund management fees (FMFs) as at January 31, 2016. The FMFs displayed in this document do not include the applicable sales tax. However, these taxes are charged to your account. Fund management fees 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 professional investment managers to select the underlying fund's investments and build the fund's portfolio. These fees also pay for keeping records of your account and member servicing costs. Operating expenses both for the segregated fund and underlying fund, are generally made up of expenses relating to the operation of a fund, including legal, audit, trustee, custodial and safekeeping fees, interest, operating and administrative costs (other than advertising, distribution and promotional expenses), member servicing costs and costs of financial and other reports used by the fund. In some funds, operating expenses also include embedded fees of the underlying fund.

DID YOU KNOW?

When you choose a **built FOR me** investment, the fund manager takes care of the diversification for you. That means you can invest 100 per cent of your assets in one of these funds.

Built BY me

Your plan lets you build your own portfolio with funds from a variety of investment fund asset classes.

YOU SHOULD CONSIDER BUILDING YOUR OWN PORTFOLIO IF YOU:

- are comfortable choosing your own investment funds;
- are able to actively manage your portfolio; and
- will monitor and make any needed changes to your portfolio to ensure it continues to reflect your investment goals.

TO BUILD YOUR OWN PORTFOLIO, YOU WILL NEED TO:

1. review the investment fund asset classes;
2. complete the **Investment risk profiler** on page 15;
3. choose and invest in a mix of funds to match the target percentage for each asset class, based on your risk profile/score;
4. review your portfolio regularly, ideally at least once a year, and make any adjustments needed to maintain your target asset mix percentages; and
5. review your risk tolerance at least once each year – or when a major life event occurs. If your risk tolerance has changed, you will need to adjust your mix of funds.

Fund classes

Ready to enrol? Skip ahead to page 17.

As part of the plan, Capital Power has chosen a variety of investment funds from the following fund asset classes:

Guaranteed funds: Guaranteed funds are investments offered by insurance companies. They are similar to Guaranteed Investment Certificates, which are offered by banks and trust companies. When you invest in a guaranteed fund, you earn a set rate of interest that is guaranteed for a specific term, and you receive a promise from the insurance company to return your original contribution plus this interest at the end of the agreed upon term, so it is a very low-risk investment. In many plans, there are a variety of terms available.

DID YOU KNOW?

There are no fees, charges or penalties (other than applicable withdrawal fees) for redeeming your guaranteed funds early. A Market Value Adjustment (MVA) may apply if funds are withdrawn prior to the end of the specific term. If money is withdrawn from a guaranteed fund before the maturity date, Sun Life Financial will calculate the value of the original deposit, plus any compound interest (called the book value). If a MVA applies to early redemption, this amount is then adjusted to reflect any changes in market interest rates (called the market value). The MVA is simply the difference between the market value and the book value.

Money market funds: These invest primarily in short-term investments – under one year – which are issued mostly by the government or high-quality businesses. They are considered liquid investments and earn a low rate of return (compared to other riskier fund classes over long periods).

Bond (fixed income) funds: These invest in bonds issued by governments and corporations. While they have the potential to earn higher returns than money market funds, they are also generally riskier when interest rates change. Bond fund values go down as interest rates go up, and vice versa.

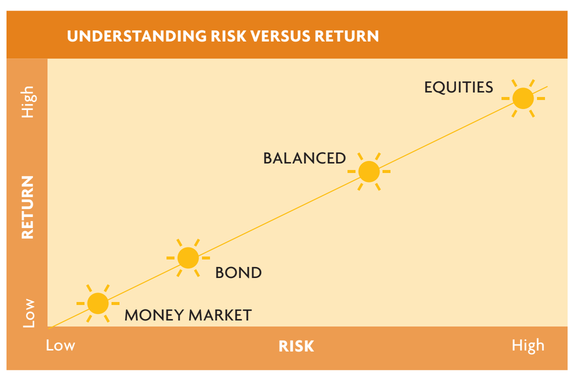
Equity funds: These invest mainly in stocks. When you buy a stock, you are buying an equity ownership share in a company. Equities tend to be more volatile than other types of investment funds, but have historically provided the best returns. Equity funds will often specialize in different parts of the world, different geographic areas or different economic sectors, or use a particular investment strategy, all of which affect their risk level.

Real estate funds: The Canadian Real Estate Plus fund provides exposure to a diversified portfolio of direct commercial real estate investments, with higher liquidity than direct real estate investing. It enables plan members to have exposure to direct real estate investments with significantly less exposure to general stock market conditions than a Real Estate Investment Trust (REIT).

DID YOU KNOW?

The investment funds in your plan at work are segregated funds. The money invested in segregated funds is held by an insurance company for investment either by the insurance company or by a professional fund manager. Your workplace savings are held in a separate account and are "segregated" from Sun Life Financial's other assets. The value of your segregated fund assets and their rates of return are not guaranteed.

Risk vs. return



To help you balance your exposure to risk, you can choose from a range of investments, also known as diversification (or not putting all your eggs in one basket). By diversifying, you offset poor performance in some funds with better performance in other funds.

Investment options —built BY me

You can create your own portfolio from the list of funds below, and by selecting a mix of investment funds that match your investment risk profile.

FUND CLASS	FUND NAME	FUND MANAGEMENT FEES*
Guaranteed	SLA 1 Year Guaranteed Fund	N/A
	SLA 3 Year Guaranteed Fund	N/A
	SLA 5 Year Guaranteed Fund	N/A
Money market	Sun Life Financial Money Market Segregated Fund	0.24%
Bond (fixed income)	TDAM Canadian Bond Index Segregated Fund[1]	0.41%
Canadian equity	Capital Power Stock Fund[1]	N/A
	Fidelity True North® Segregated Fund	0.84%
	TDAM Canadian Equity Index Segregated Fund	0.41%
	TDAM Low Volatility Canadian Equity Segregated Fund[1]	0.58%
Foreign equity	Beutel Goodman American Equity Segregated Fund	0.69%
	MFS International Equity Segregated Fund	0.89%
	TDAM Global Equity Index Segregated Fund[1]	0.53%
	TDAM Global Equity Shareholder Yield Pooled Trust Segregated Fund[1]	1.35%
	TDAM International Equity Index Segregated Fund[1]	0.53%
	TDAM U.S. Market Index Segregated Fund[1]	0.42%
Real state	Bentall Kennedy Canadian Real Estate Plus Segregated Fund[1]	1.40%

[1] Not available in the Defined Contribution Pension Plan.

* Fund management fees (FMFs) as at January 31, 2016. The FMFs displayed in this document do not include the applicable sales tax. However, these taxes are charged to your account. Fund management fees 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 professional investment managers to select the underlying fund's investments and build the fund's portfolio. These fees also pay for keeping records of your account and member servicing costs. Operating expenses both for the segregated fund and underlying fund, are generally made up of expenses relating to the operation of a fund, including legal, audit, trustee, custodial and safekeeping fees, interest, operating and administrative costs (other than advertising, distribution and promotional expenses), member servicing costs and costs of financial and other reports used by the fund. In some funds, operating expenses also include embedded fees of the underlying fund.

Understanding my responsibilities

You're responsible for making investment decisions for the **Capital Power Savings Plan.** We've provided tools and information to help you make these decisions. You should decide if seeking investment or tax advice from a qualified individual makes sense.

go green go online!

After you enrol, you can get detailed information about all of your investment options through Morningstar®, a leading provider of investment news and analysis. Simply sign in to sunlife.ca using your access ID and password, select my financial centre › Accounts › Investment performance.

View your funds online!

You can also view all your investment options online through **sunlife.ca**. You have access to detailed information about each fund through **Morningstar®**, a leading provider of investment news and analysis. You can find information like:

- the fees you pay on each fund;
- the overall fund performance;
- historical rates of return;
- fund manager descriptions;
- the risk level and fund asset class; and
- the underlying makeup of each fund.

To view your up-to-date funds online, sign in to **sunlife.ca** using your company's generic access ID (25553) and password (259300). Select **my financial centre**, and choose **Investment performance** from the **Accounts** drop-down menu.

Next, select:

- **Rates of Return and Unit Values** to see the performance of funds available in your plan; or
- **Fund Report** to access tools and information about your funds.

You can view the fees you pay by selecting **Account fees** from the **Accounts** drop-down menu.

And once you register for your own personal access ID and password, you will also have access to a wealth of tools to help you plan and manage your retirement.

WHAT	DETAILS	WHERE ON MY FINANCIAL CENTRE
Learn about retirement planning and investments	View everyday financial planning videos whenever you want. Topics include things like approaches to investing and setting financial goals.	**Resource centre › my learning centre**
Determine your tolerance for investment risk	The **Asset allocation tool** (also known as the **Investment risk profiler**) will help determine your tolerance for investment risk.	**Resource Centre › my money tools › Continue**
Envision your retirement	The **Retirement planner** helps you create a retirement goal and track your progress towards it.	**Resource Centre › my money tools › Retirement planner**
View your statements online	You can review all of your statements from the past 7 years online.	**Accounts › Statements**
View RRSP receipts/ Print tax slips	These can be used to complete your tax return when filing electronically.	**Requests › Tax slips & RRSP info**
Various financial calculators to help answer common financial questions	You have access to a: • Withdrawal calculator • Capital gains vs. RRSP tax comparison calculator • Mortgage vs. savings calculator • RRSP loan calculator • Tax calculator for non-residents • Old Age Security (OAS) claw back calculator • Annuity premium calculator • Registered Retirement Income Fund (RRIF) calculator	**Resource centre › my money tools › tools**

Investment risk profiler

A quiz that matches your personality to your money.

While growing your money is important, it's equally important that you're able to sleep at night. This tool will help you determine your tolerance for investment risk, and, in turn, help you select the investment options that are right for you. Answer each of the following questions, keeping your objective in mind.

1. Which statement best describes your comfort level with fluctuations in the value of your investments?
   - **a.** I'd be very upset if my investments dropped in value over any period of time. **1 point**
   - **b.** I'm willing to accept a lower, more predictable rate of return as long as fluctuations in the value of my investments are small. **10 points**
   - **c.** I'm willing to accept some fluctuations in the value of my investments as I'm seeking a higher rate of return. **20 points**
   - **d.** I want the highest rate of return possible, and understand the value of my investments can fluctuate significantly. **30 points**

2. How long will you leave this money invested before you'll need a significant portion of it for your stated objective?
   - **a.** Less than five years. **1 point**
   - **b.** Five to 10 years. **10 points**
   - **c.** Eleven to 20 years. **20 points**
   - **d.** More than 20 years. **30 points**

3. How likely is it that you'll need access to a large portion of this money earlier than expected? (For example, taking early retirement.)*
   - **a.** Very likely. **1 point**
   - **b.** Somewhat likely. **10 points**
   - **c.** Unlikely. **20 points**
   - **d.** I won't need access to any of the money in this plan early. **30 points**

* Early retirement is defined by pension legislation and can vary by jurisdiction.

4. Which of the following patterns of returns would you be most comfortable with? Assume an initial amount of $5,000 invested for 10 years.
   - **a.** Your investment grows without losses to $8,100. However, in one of the years the value of your portfolio does not increase. **1 point**
   - **b.** Your investment grows to $10,100 in year 10, but slightly declines in value in two of the years. **10 points**
   - **c.** Your investment grows to $12,400, but significantly declines in value in three of the years and was worth only $3,500 after the first year. **20 points**

5. With the four results below, how would you invest $10,000?
   - **a.** A guaranteed return of $500. **1 point**
   - **b.** The potential of earning $800 but the risk of earning only $300. **10 points**
   - **c.** The potential of earning $1,200 but the risk of earning nothing. **20 points**
   - **d.** The potential of earning $2,500 but the risk of losing $1,000. **30 points**

6. If your investment dropped in value by 20 per cent in one month, how would you react?
   - **a.** I'd cash in my investment immediately. **1 point**
   - **b.** I'd make no changes until the value recovers and then re-evaluate. **10 points**
   - **c.** I'd do nothing. I understand my investments will fluctuate from day to day, but believe they will grow over the long term. **20 points**
   - **d.** I'd invest more while the prices are low. **30 points**

7. How would you describe your investing personality?
   - **a.** I don't like risk and can only tolerate moderate losses. **1 point**
   - **b.** I'm willing to take some risk and can tolerate one year of poor returns. **10 points**
   - **c.** I can tolerate more than one year of poor returns. **20 points**

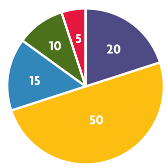
8. Which of the following statements best describes your investment knowledge?
   - **a.** I'm a novice investor. **1 point**
   - **b.** I have some knowledge. **10 points**
   - **c.** I have good working knowledge. **20 points**
   - **d.** I consider myself an investment pro. **30 points**

Add up your points for your total score.

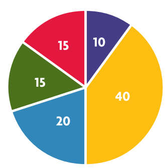
My total score is ____________

Your risk profile

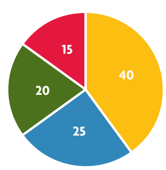
Match your total score from the **Investment risk profiler** to one of the risk profiles below.



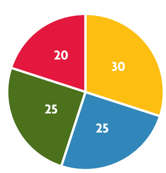
A score of 35 points or less — Conservative
You have a need for a predictable flow of income or have a relatively short investment horizon. Your tolerance for volatility is low and your primary goal is capital preservation.



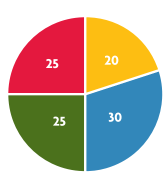
A score of 36 to 85 points — Moderate
You seek a regular flow of income and stability, while generating some capital growth over time. Your tolerance for volatility is moderate and your primary goal is capital preservation with some income.



A score of 86 to 145 points — Balanced
You're looking for long-term capital growth and a stream of regular income. You're seeking relatively stable returns, but will accept some volatility. You understand that you can't achieve capital growth without some element of risk.



A score of 146 to 190 points — Growth
You can tolerate relatively high volatility. You realize that, over time, equity markets usually outperform other investments. However, you're not comfortable having all your investments in equities. You're looking for long-term capital growth with some income.



A score of 191 points or over — Aggressive
You can tolerate volatility and significant fluctuations in the value of your investment because you realize that, historically, equities perform better than other types of investments. You're looking for long-term capital growth and are less concerned with shorter-term volatility.

Cash equivalents
Bonds (fixed income)
Canadian equity
U.S. equity
International equity

go green go online!

Once you enrol, you can access the Investment risk profiler on sunlife.ca. Simply sign in using your access ID and password then select my financial centre › my money tools › Continue.

enrol now – it's easy

Now that you understand the key features and benefits of your Capital Power Savings Plan and you're familiar with your investment options, it's time to enrol. Get started on your financial future today.

We're with you

Whether you're just starting your career, building a family, getting back on track or planning your retirement, **my money @ work** and Sun Life Financial are with you for the long term. We can show you how to take advantage of everything your plan has to offer and help you plan for tomorrow. From time to time, we'll reach out to you to make sure your savings plan is on track. And when new plans and services become available, you'll be the first to know.

For questions, call **1-866-896-6984** to access Sun Life Financial's automated telephone system 24-hours-a-day, seven-days-a-week or talk to one of our Customer Care Centre representatives any business day from 8 a.m. to 8 p.m. ET. Service is available in more than 190 languages.

Carol

55, account manager, married

I'm so close to retirement that I think about it all the time – I'm trying to understand what it will mean for me – I guess you can say I'm a bit obsessed!

When I retire, I'm planning to spend more time with my family, and lend a hand to our two daughters by helping to look after our grandchildren. I'm really looking forward to spending more time with them and helping my daughters – they're both so busy these days.

My husband and I have always been smart about our money, and now it's paying off. We both have workplace plans and we both take full advantage of every savings opportunity we're offered. The lower management fees really add up over time.

A one per cent difference in your management fees sounds small, but lower fees mean more of your money is working for you by adding thousands of dollars to your nest egg over the years. Take the time to learn all the advantages of your workplace plan.

Take action!

In order to enrol in the Capital Power Savings Plan you'll need an Access ID and Password. If you already have a Sun Life Financial account, you can simply log in as usual and move to step 2.

Step 1: Refer to your welcome letter for your account number, go to **sunlife.ca**, select **Register › Register - retirement plan**, and follow the instructions provided.

Step 2: Select **my financial centre** from **my financial future** on the Home page

Step 3: Select **Enrol** from the **Requests** drop-down menu

Step 4: Select **Let's get started!**

Need help with choosing investments that are right for you? Use the 'my investment advice' feature through Sun Life Financial by calling **1-866-896-6984** to get investment advice from an Investment Advice Specialist.

Congratulations! You are now enrolled in your plan. You can manage your account(s) online or by phone.

Who's your retirement plan beneficiary?

Designate a beneficiary today!

Designating a beneficiary ensures that your plan assets are distributed according to your wishes in the event of your death.

Designate a beneficiary for your retirement and savings plans, or review and update your beneficiary information, quickly and simply.

No more paper forms to print, sign and submit! Simply sign in to **sunlife.ca** using your access ID and password, then go to **my Financial Centre**, click on **Quick Links**, and select **Beneficiary info**.

Take action today and be sure this important information is up to date!

more information



Advice – only a phone call away!

Here's what you know: You have a workplace savings plan, and that's a powerful way to invest in your future. You also realize that your company and Sun Life Financial combine their efforts to offer a selection of high quality funds with competitive fund management fees.

But what **you may not know** is how to make the investment choices that are right for you? You want to feel comfortable with your investment decisions and you want to make sure you're getting all you can out of your plan.

Sound familiar? A lot of us feel this way. As a group plan member you don't need a background in investing to make sound decisions. That's because your plan offers you **my investment advice** from Sun Life Financial.

my investment advice – what sets it apart?

- **One-on-one personalized service from fully licensed specialists** – All Investment Advice Specialists are licensed in their home province and have non-resident life licenses for all other provinces and territories. Their annual license renewal process requires continued education, and all specialists have completed a Canadian Securities Course (CSC) or Investment Funds Institute of Canada (IFIC) designation.
- **Service in 190 languages** – Our service is available in English and French, and our Investment Advice Specialists are happy to work with our more than 190 languages service to help you.
- **One easy call** – Call any time between 9:30 a.m. to 5:30 p.m. ET any business day. If the Investment Advice Specialists are speaking with other plan members when you call, you'll have access to voicemail and your call will be returned within 24 hours. Some evening appointments are available.
- **You can check back in with us** – You can call back any time to ensure you are still in the right investments for your situation. This kind of check-up is especially important when you've had a big change in your life, such as marrying, having a baby, or experiencing new financial circumstances.

How does it work?

1. You can call Sun Life Financial's Customer Care Centre from 9:30 a.m. to 5:30 p.m. ET, each business day for personal, unbiased, one-on-one advice from an Investment Advice Specialist. Each call starts with determining your risk tolerance. So, if you haven't already done so, you can complete the **Investment risk profiler** questionnaire on your own before calling, or complete it with the help of the Investment Advice Specialist while on the phone.

2. Once you and the Investment Advice Specialist know your risk tolerance, the specialist will work with you to pick the investments offered under your plan that are most appropriate for you based on your particular situation. That includes:
   - reviewing your risk tolerance and how that might fit particular asset mixes;
   - reviewing your plan's investment options;
   - providing advice on which funds fit your profile and situation, and
   - completing any transactions over the phone, with your consent.

How you can prepare

Have your account information handy

Have your personal access ID and password ready when you call. If you don't have one:

- Refer to your welcome letter or your statement for your account number;
- go to **sunlife.ca**;
- select **Register**;
- select **Register – retirement plan**; and
- follow the instructions provided.

To retrieve your access ID and/or password at any time, follow the steps below.

Simply go to **sunlife.ca**, and under **Sign-in help**:

- For your access ID, select **I forgot my Sign-in/Access ID**.
- For your password, select **I forgot my password**.

Know (or be ready to discuss) your risk tolerance and plans for the future

Choosing the fund(s) that are right for you starts with understanding how comfortable you are with investment risk. The more your specialist knows about your mindset on risk and your plans for the future, the better match you'll have with your investments. We use our online **Investment risk profiler** as a starting point, and we encourage you to use it too:

- sign in to **sunlife.ca** using your personal access ID and password;
- on the **Home** Page, click the **my financial centre** link under **my financial future**;
- under the **Resource Centre** drop-down menu, choose **my money tools**; and
- choose **Continue** to begin.

KNOW WHAT TO EXPECT

Expect excellent support, but it's your money and you know yourself best, so the decision on which funds to invest in is yours.

Our Investment Advice Specialists will not provide personal opinions, analysis on company stock or personal financial planning; they are simply there to coach you on how the funds are made up, how they work, and in what situations they tend to fit. They know the investment funds inside and out, and are there to help you know them better too – especially identifying which funds fit with your tolerance for risk.

RRSP or TFSA – Do I have to choose?

Only if you want to. The great thing about Registered Retirement Savings Plans (RRSPs) and Tax-Free Savings Accounts (TFSAs) is that you can either choose between them or you can take advantage of them both.

The big picture. RRSPs and TFSAs are built for saving (through contributions and investments). Each of these plans tax-shelter your earnings, and each of them offer you some tax relief. They differ in the way they provide tax relief, and this is because each account is designed for different purposes.

REGISTERED RETIREMENT SAVINGS PLANS (RRSPs)	TAX-FREE SAVINGS ACCOUNTS (TFSAs)
RRSPs are designed to save specifically for retirement savings, so the outlook is long term, which shows in the way you get tax breaks. You are assumed to be in a higher tax bracket while contributing (think peak work years) and a lower tax bracket when withdrawing (think retirement). So you get the tax break early – you are not taxed when you contribute, but you are taxed when you withdraw, because the assumption is that you have waited until retirement to do so, and are now in a lower tax bracket.	TFSAs are savings accounts that can work both in the short term and long term, which means there is flexibility for withdrawals – and that's where you get your tax break. So the TFSA works almost opposite to the RRSP. You don't get tax breaks for contributing, but you can make withdrawals without being taxed at all. Another handy feature of the TFSA is that any withdrawals you make can be re-contributed in later years without affecting that year's contribution limit.

IF YOU'RE COMPARING RRSPS AND TFSAS

If you are making a decision between an RRSP and a TFSA, you're looking essentially at these factors: the stage of life or career you are in, the level of contributions you intend to make, and when you can best use your tax break (which will depend on what you want to use the money for and when). **See the comparison on the next page for the main differences between RRSPs and TFSAs.**

If you're using them together

- Say you are a high income earner and you have maxed out your RRSP contribution room. You can also contribute to your TFSA that year and still be saving – with tax-sheltered investment income.
- Say you are close to retirement but you still want the chance to save – maybe for an upcoming trip. You can use a TFSA for specific savings goals alongside your regular retirement income (from RRIFs, government benefits or your company plan).
- Say you want to top up your overall retirement savings while avoiding reductions in your government benefits (such as Old Age Security, the Guaranteed Income Supplement, or the Canada Child Tax Benefit). Top up what you've already saved in your RRSP and/or your company plan with a TFSA and it won't affect your government benefits.

COMPARING ACCOUNTS	RRSP	TFSA
Are contributions tax deductible?	yes	no
Is there an age limit to participate?	yes – you must withdraw your funds by December 31 of the year you turn 71	no (but you do need to be 18 or older to contribute)
What's the maximum yearly contribution?	depends on the tax year – for example, in 2015 it was $24,930, and for 2016 it is $25,370	$5,500 plus unused contribution room from previous years and re-contributions of previously withdrawn amounts
Will contribution maximums increase with inflation?	yes	no
Can I get matching contributions from my company?	yes, if your company's plan offers it	no
Can I carry forward unused contribution amounts?	yes	yes
Do I pay tax on capital gains or on the income from my investments?	no	no
Am I taxed when I withdraw funds?	yes (but you can withdraw for education or home buying as long as you pay the amount back)	no – any withdrawals you make are tax-free
Will my withdrawals give me back contribution room?	no	yes – and this is in addition to any unused contribution room you have from previous years
Does income from this account affect my government benefits?	yes – it could reduce the government amounts you are eligible for in retirement	no
Can I make contributions on behalf of my spouse?	yes	no
Is there a penalty for extra contributions?	yes – after the allowable excess contribution amount of $2,000 (lifetime maximum) has been reached, you'll be charged 1 per cent monthly on the excess amount	yes – 1 per cent monthly on the excess amount
Do I get a group plan advantage?	yes – the main advantage with a group RRSP is competitive investment fees (think buying in bulk for investment management services)	yes – the main advantage with a group TFSA is competitive investment fees (think buying in bulk for investment management services)

WHAT ELSE?

Keep track of your contribution limit

It's your responsibility to stay within Canada Revenue Agency (CRA) limits when contributing to your accounts:

RRSP CRA limits apply to your total contributions in all your retirement savings plans, including any contributions made to your pension plan (including employer contributions). Refer to the Notice of Assessment you received from the CRA to confirm your RRSP contribution limit.

TFSA CRA limits apply to all TFSA accounts you may have. Sign up for the CRA service called My Account for Individuals to check your available TFSA contribution room for the year online: www.cra.gc.ca.

Know your responsibilities

As a member of a group retirement savings plan with more than one investment option, you are responsible for making investment decisions regarding your plan. We provide tools and information to assist you in making these decisions.

You should also decide if seeking investment advice from a qualified financial professional makes sense for you.

Questions

If you have any questions about RRSPs or TFSAs, we're here to help!

Call Sun Life Financial's Customer Care Centre any business day from 8 a.m. to 8 p.m. ET. Service is available in more than 190 languages.

Fees?
What fees?

Regardless of where you invest your money (your workplace plan, a bank or a mutual fund company), you pay fees. But when you contribute to your plan @ work, the fund management fees (FMFs) you pay are often more competitive.

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 your investment. The yearly percentage is deducted in daily amounts from the gross value of the fund. (The exceptions are expense based funds and the Sun Life Financial Milestone Segregated Funds, where the fee is based on your asset holdings and calculated monthly.)

In addition, FMFs pay for keeping records of your 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 require little research or active management.

Foreign equity funds typically charge the highest fees. 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.

Your fund information

Your fund and fee information is always available. Simply sign in to **sunlife.ca** using your access ID and password and select the **Accounts** drop-down menu. That's where you'll find **Account fees**, which will give you all your account fee information. You can also find fee information on your member account statement.

A final word... Yes, fees matter. But it's just as important to choose funds that are right for you and will allow you to meet your long-term financial goals. If you're deciding between two similar funds, though, the difference in their fees is worth considering.

notes

notes

Privacy

At Sun Life Financial, protecting your privacy is a priority. Sun Life Financial maintains a confidential file containing personal information about you and your contract(s) with Sun Life Financial. Sun Life Financial's files are kept for the purpose of providing you with investment and insurance products or services that will help you meet your lifetime financial objectives. Access to your personal information is restricted to those employees, representatives and third party service providers who are responsible for the administration, processing and servicing of your contract(s) with Sun Life Financial, our reinsurers or any other person whom you authorize. In some instances these persons may be located outside Canada, and your personal information may be subject to the laws of those foreign jurisdictions. You are entitled to consult the information contained in Sun Life Financial's file and, if applicable, to have it corrected by sending a written request to Sun Life Financial. To find out about our Privacy Policy, visit our website at **sunlife.ca**, or to obtain information about our privacy practices, send a written request by e-mail to privacyofficer@sunlife.com, or by mail to Privacy Officer, Sun Life Financial, 225 King St. West, Toronto, ON M5V 3C5.

More choice means better communication

Sun Life Financial is committed to providing you with the information you need to stay informed and get the most out of your plan. We're also committed to using electronic channels for more communications so that together, we'll reduce the amount of paper we use, making us even greener!

We have introduced new contact preferences to allow you to specify how you would like to receive information from us. These changes support our ability to comply with new anti-spam legislation (Bill C-28), which impacts all electronic communications.

We have also updated our Privacy Policy to describe the choice you have about receiving information regarding other products and services from Sun Life Financial. Please visit **sunlife.ca/privacy** to view our Privacy Policy.

If you wish to change your preferences regarding the information you receive from us, you can let us know by visiting the Contact Preferences page under the Profile section of the **sunlife.ca** web site or by calling the Sun Life Financial Customer Care Centre.

Tax implications

There are no tax implications when assets are transferred in the registered portion of your retirement savings plan. However, trading/transfer activity in the non-registered portion of your plan will result in a capital gain or loss. If the investments in a fund grow in value, the unit price of the fund will rise. If you redeem your units at this higher price, a capital gain is realized. If you redeem your units at a lower price, a capital loss is realized. Capital gains or losses can also be reported to you if the fund has realized gains or losses due to trading in the fund and its underlying investments.

Unrealized capital gains/losses can also arise from fund gains or losses based on trading by the fund manager. Capital gains must be reported in the year the trading/transfer activity was completed. You can use any capital losses to offset capital gains realized from other sources during the year, offset capital gains that you have reported in the past three years or reduce future capital gains.

Disclaimer

This material is intended as a general guideline for information purposes, and is current as of the date indicated on the last page. Market conditions and other factors change over time, and this will affect either positively or negatively one or more asset classes. The investment assumptions we've used are based upon historical investment returns, and past returns may not reflect future investment performance. In order to identify an asset allocation model, which is appropriate for your individual circumstances, you should consult a qualified financial planner who is familiar with your personal financial circumstances and understands your tolerance for risk.

The term "fund" as used in this document is meant to imply segregated funds, mutual funds or asset allocation models/portfolios that may be available in your plan.

Even though we use the term "my money" throughout this guide, contributions and returns invested in guaranteed or segregated funds while under a group annuity policy with Sun Life Assurance Company of Canada (Sun Life Financial) are the property of Sun Life Financial.

Contact Sun Life Financial's Customer Care Centre any business day from 8 a.m. to 8 p.m. ET if you have any questions about your plan at work.

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Contact Sun Life Financial's Customer Care Centre at **1-866-896-6984** if you have any questions about your **plan at work**.

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Life's brighter under the sun

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