



**Member Booklet for the defined contribution component of  
the Pension Plan for Employees of the Canadian Tourism  
Commission**

**Policy Number: 10001170**



**All Employees**

**OSFI**

## Table of Contents

Introduction .....	3
What tools and resources are available to help me manage my Member account? .....	4
When can I join the Plan?.....	5
How can I get help selecting investment options? .....	5
How much will be contributed to my Member account? .....	6
What happens if I terminate employment prior to my normal retirement age? .....	7
What happens when I retire? .....	8
What happens if I die before I terminate employment or retire? .....	9
What fees may apply to me? .....	10
Questions? and Answers.....	11

## Introduction

The defined contribution component of the Pension Plan for Employees of the Canadian Tourism Commission (the “DC Plan”), sponsored by Canadian Tourism Commission (your “Plan Sponsor”) has been established with Manulife. The purpose of the DC Plan is to offer you a group retirement program as part of a total compensation program and to provide you with a convenient, tax-effective method of saving for retirement.

The DC Plan is only intended to provide a portion of your overall retirement savings. You are encouraged to seek independent financial advice to ensure overall savings strategies will meet your individual retirement income needs.

The defined benefit component was established January 2, 2004. The DC Plan was established August 1, 2005. Manulife began administering the DC Plan on August 1, 2005.

### How the DC Plan works:

- The DC Plan is a defined contribution registered pension plan (RPP)
- Your Plan Sponsor contributes to the DC Plan on a regular basis
- A Member account is set up in your name under the DC Plan. All contributions are kept in your Member account
- The amount available for your retirement depends on the total contributions made and the investment returns they earn
- You will receive regular statements and have access to information and tools to help you manage your Member account
- This booklet provides information about what happens when you terminate your employment, die or retire

This booklet is a summary of the DC Plan. If after reading this summary you have questions, more information is available through the sources listed on the next page, or you may ask your Plan Sponsor to view the Plan provisions in full (plan text).

The assets within your Member account are held under a group annuity insurance contract between Manulife and your Plan Sponsor. Any action or proceeding that may arise against Manulife by you for the recovery of any, or all of your assets within your Member account payable to you, is absolutely barred unless it is commenced within the time period set out in the *Insurance Act* of your jurisdiction, or other applicable laws. In accordance with the *Insurance Act* Manulife must upon your request provide you with a copy of your enrolment form, and in a reasonable time frame, provide access to, or a copy of, the group annuity insurance contract issued by Manulife to your Plan Sponsor if requested by you.

If any inconsistencies exist between this booklet and the plan text, the information in the plan text will prevail.

Your Plan Sponsor reserves the right to amend or terminate the DC Plan. Any amendments to the DC Plan cannot reduce the benefits you have earned.

### Your personal information:

Your Plan Sponsor and Manulife require personal information to administer your Member account. By enrolling in the DC Plan, you will have authorized access to this information. Details are available on the back of your enrolment form and in the Manulife privacy policy.

## What tools and resources are available to help me manage my Member account?

You will have access to the following tools and resources to help you manage your Member account:

- The secure Member Internet site @ [www.manulife.ca/GRO](http://www.manulife.ca/GRO) ,
- The Interactive Voice Response (IVR) @ 1-888-727-7766, operational 24 hours a day, seven days a week,
- Client Service Representatives are also available at the same number to answer your questions from 8AM to 8PM ET, Monday to Friday or by email at [gromail@manulife.com](mailto:gromail@manulife.com),
- Member investment and retirement newsletters, and
- Member statements.

Through the secure Member Internet site you will be provided with an electronic Member statement on a semi-annual basis. In addition, you will be provided with a summary Member statement mailed to the address on file at Manulife. You may elect to have all of your Member statements provided electronically by making such an election on the secure Member Internet site. Reviewing your Member statement will help you track your savings.

All of your Member account information is always available on the secure Member Internet site at no additional cost to you.

You may request an interim paper Member statement at any time through the Interactive Voice Response (IVR) or Client Service Representative at any time. A fee will apply, please refer to the ***“What fees may apply to me?”*** section of this booklet.

### Contact Information

For assistance or additional information, please contact your Plan Administrator or Human Resources:

## When can I join the DC Plan?

### Eligibility Requirements

If you are a full-time permanent employee, you are required to join the DC Plan immediately upon becoming employed by your Plan Sponsor.

If you are a full-time term employee, you are eligible to join the DC Plan following the completion of 6 month(s) of continuous employment with your Plan Sponsor.

If you are a part-time permanent employee working at least an average of 12 hours per week, you are required to join the DC Plan immediately upon becoming employed by your Plan Sponsor.

If you are a part-time term employee working at least an average of 12 hours per week, you are eligible to join the DC Plan following the completion of 6 months of continuous service with your Plan Sponsor.

### Enrolment

To become a Member of the DC Plan, you must complete and sign an enrolment form. Once Manulife receives the completed and signed enrolment form, contributions can begin to the DC Plan.

### What are my rights and responsibilities under the DC Plan?

- Understanding how the DC Plan works
- If permitted under the Plan, deciding how much you will contribute
- Reviewing the investment choices available to you, making decisions on the investment(s) you will invest in, and how much you will allocate to each investment(s)
- Determining whether you need to make investment changes
- Deciding whether or not to get investment advice from a professional
- Continually assessing whether your retirement needs and goals will be achieved
- Taking advantage of the information and tools available to you
- Keeping Manulife and your Plan Sponsor up to date on your address and personal information changes
- Ensuring your beneficiary is aware of the DC Plan and knows where your estate related documents are kept
- Reviewing the options available to you if you terminate membership in the DC Plan, and providing Manulife and your Plan Sponsor with the documents required to have the applicable transaction completed

## How can I get help selecting investment options?

You can choose from a number of professionally managed investment options selected by your Plan Sponsor to be available under the DC Plan.

Details about the investment options available under the DC Plan are included in your enrolment kit and are available on the secure Member Internet site. On this site you can take advantage of tools like the Investment Strategy Worksheet and STEPs.

If you do not select an investment option, all contributions will be deposited into the DC Plan default fund as selected by your Plan Sponsor and identified on the secure Member Internet site, until you make a decision.

You can change your investment options or complete an inter-fund transfer at any time by accessing the tools as outlined in the “**What tools are available to me to help me manage my Member account?**” section of this booklet. A fee may apply to you to complete an inter-fund transfer, refer to the “**What fees may apply to me?**” section of this booklet.

## **How much will be contributed to my Member account?**

### **Required Member Contributions**

You are not required to contribute to the DC Plan.

### **Plan Sponsor Contributions**

Each year, your Plan Sponsor will contribute to the DC Plan on your behalf a 100% match of the Member required contribution you make to the group RRSP, sponsored by your Plan Sponsor.

### **Voluntary Member Contributions**

You may not make Member voluntary contributions to the DC Plan at any time.

You may transfer amounts from another registered plan at any time. If the transfer contains locked-in amounts, the amount must remain locked-in. Such amounts will be subject to applicable provincial legislative requirements.

Phone the customer service line for assistance.

### **Contribution Limits and Tax**

Contributions made to the DC Plan or any other registered plan by you or on your behalf may not exceed the overall tax assisted retirement savings maximum allowed under the *Income Tax Act* (Canada). In general, this amount will be a maximum of 18% of your employment income for the year, subject to a maximum dollar limit.

Contributions made to the DC Plan in the current year will reduce your registered retirement savings plan (RRSP) contribution room in the next year. Canada Revenue Agency (CRA) will inform you of your available RRSP contribution room each year on your Notice of Assessment.

Your Plan Sponsor will report a Pension Adjustment yearly on your T4 tax slip reflecting the contributions made to your Member account.

## What happens if I terminate employment prior to my normal retirement age?

You will receive a detailed option statement outlining the current value of your Member account and the options that may be available to you.

Vested means you are entitled to the value of the contributions. Locked-in means the value of the contributions that must be used for a pension benefit at retirement.

### Vesting

Your Plan Sponsor contributions made to the DC Plan on your behalf will be vested immediately.

### Locking-In

Your vested Member account will be locked-in following the completion of 2 years of continuous membership in the DC Plan.

### What can I do with the vested value of my Member account that is locked-in?

If you terminate employment you may have the following options available to you for the vested and locked-in value of your Member account:

1. Transfer to the Manulife Personal Plan Locked-in Retirement Savings Plan (RSP),
2. Transfer on a locked-in basis to another registered plan at a financial institution of your choice, if the plan allows such transfer,
3. Leave the vested and locked-in value in your Member account under the DC Plan (***leaving in the Member account under the Plan is not applicable to a death benefit payable to the spouse***), or
4. Purchase a deferred annuity.

If you are within 10 years of your normal retirement date (defined below under “***When can I retire?***”), you will also be able to choose any of the options available at retirement.

### What can I do with the value of my Member account that is not locked-in?

If you terminate employment you may have the following options available to you for the value of your Member account that is not locked-in:

1. Transfer to the Manulife Personal Plan (RRSP),
2. Transfer to another registered plan at a financial institution of your choice, if that plan allows such transfer,
3. Purchase an immediate or deferred annuity with a financial carrier licensed in Canada to provide annuities that commences payment no later than the end of the calendar year in which you reach age 71, or such other age in accordance with the *Income Tax Act*,
4. Receive a lump sum cash payment, subject to withholding tax, or
5. Leave the value of your Member account that is not locked-in under the DC Plan (***not applicable to a death benefit payable to the spouse***).

Direct transfers allow the amounts being transferred to continue to be tax sheltered. All amounts subject to locking-in will continue to be locked-in.

If you choose to receive a lump sum cash payment, you may choose to transfer that amount to a registered retirement savings plan in accordance with the *Income Tax Act*, and if that plan allows for such transfer.

If you do not elect an option(s) the value of your Member account will remain in the Plan, however a benefit must be paid when you reach the maximum retirement age in accordance with the *Income Tax Act*.

## **What happens when I retire?**

You will receive a detailed option statement outlining the current value of your Member account and the options that may be available to you.

Vested means you are entitled to the value of the contributions. Locked-in means the value of the contributions that must be used for a pension benefit at retirement.

### **When can I retire?**

Your normal retirement age is 65. At your normal retirement age you can begin receiving a pension benefit(s).

You may choose to retire and begin receiving a pension benefit(s) up to ten (10) years preceding your normal retirement age. Your employment with your Plan Sponsor must cease prior to electing early retirement.

On or after you have reached your normal retirement age, your Plan Sponsor contributions made to the DC Plan on your behalf will be vested and locked-in. Any Member required contributions you have made to the Plan will be locked-in and must be used for a pension benefit(s).

You can defer your retirement until December 31<sup>st</sup> of the year in which you reach age 71 or such other age in accordance with the applicable legislation.

### **What are my retirement income choices?**

If you have a spouse, The Federal Pension Benefits Act requires that your retirement income be payable for your lifetime and the lifetime of your spouse. A waiver, signed by your spouse, is required prior to pension commencement if you elect an alternative form of pension payment.

#### **1. Annuity Income Option**

An annuity is a contract to receive a series of payments bought with all or part of the assets under the Plan. Monthly payments are the most commonly selected option. However, payments may also be made quarterly, semi-annually or annually. The annuity income options are:

##### **a) Life Annuity**

A life annuity is an equal periodic amount paid to you for your entire lifetime. You may select a guaranteed period. If you die before the guaranteed period expires, the value of the remaining guaranteed payments would be paid in a lump sum to your beneficiary. If your spouse is the beneficiary, he or she may elect to continue receiving the annuity payments for the balance of the guaranteed period.

##### **b) Joint Life Annuity**

A joint and survivor life annuity is an equal periodic amount paid to you for your lifetime and your spouse. There are a number of choices you can make to add a guaranteed period. You may have all or portion(s) of income continue if one of you dies. The payments continuing cannot be less than the amount defined by provincial legislation.



## 2. Transfer Option

You may choose to transfer the value of your funds to the Manulife Personal Plan Locked-in Retirement Savings Plan (RSP), or another registered pension plan or Locked-in RRSP with another financial carrier, if the plan allows for such transfer. Direct transfers allow the amount being transferred to continue to be tax sheltered. All amounts subject to locking-in will continue to be locked-in.

## 3. Life Income Fund (LIF) Option

You may choose to purchase a Manulife Group Life Income Fund (LIF) or transfer to another Life Income Fund (LIF) with another financial carrier. A Life Income Fund (LIF) provides a series of payments for a specified period of time, subject to legislated minimum and maximum amounts. Within the minimum and maximums payable, you are able to adjust how much income you receive, how often you will receive it and how it will be invested. Your spouse may be required to sign a waiver form.

When you are nearing retirement, or thinking about retiring early, contact Manulife to receive detailed descriptions of these options.

If you do not elect an option(s) the value of your Member account will remain in the Plan, however a benefit must be paid when you reach the maximum retirement age in accordance with the *Income Tax Act*.

## What happens if I die before I terminate employment or retire?

If you die before you terminate employment or retire, Manulife will pay a death benefit to your spouse if you have one, or, otherwise, to your designated beneficiary. More information regarding the amounts and options available will be provided to your spouse or beneficiary upon request.

Plan Sponsor contributions made to the DC Plan on your behalf will be vested immediately.

If the benefit is paid to your spouse, the benefit will be locked-in in accordance with the locking-in provisions under the ***“What happens if I terminate employment prior to my normal retirement date?”*** section of this booklet. Any benefit paid to another beneficiary or estate must be paid as lump sum payment, less income tax withholding.

### Who is your beneficiary?

If you do not have a spouse, or your spouse has waived their entitlement to the death benefit, you may name a beneficiary to receive any death benefit payable from the DC Plan. Your beneficiary may be changed at any time, subject to any legal restrictions. If you do not name a beneficiary, any death benefit will be payable to your estate.

## What fees may apply to me?

Fees that may apply to you:

- **Replacement Tax Forms/Receipts** – You may request a replacement tax form/receipt free of charge on the secure Member Internet site. A charge of \$10 per request will apply to paper receipts. This fee will be deducted from your Member account.
- **Inter-Fund Transfer Fee (where the DC Plan allows – see the “How can I get help selecting investment options?” section of this booklet)** – Inter-fund transfer requests made through the secure Member Internet site or the Interactive Voice Response (IVR) are free. There is no fee for your first four (4) written requests in any calendar. A fifth (5<sup>th</sup>) written request will incur a \$25 fee and will be deducted from your Member account. An additional fee will apply for each successive request in a calendar year.
- **Interim Financial Statement Fee** – A charge of \$5 per requested interim financial statement will apply for each request and will be deducted from your Member account.
- **In Service Withdrawal/Transfer Fee (where the DC Plan allows – see the “Questions? And Answers” section of this booklet)** – Each calendar year your first in service withdrawal or transfer to another carrier is free. Any subsequent in service withdrawals or transfers will incur a charge of \$25 per request. This fee will be deducted from your withdrawal or transfer amount.
- **Investment Management Fees (IMFs)** - You pay the IMFs that apply to Market Based Funds available under the DC Plan. You may contact your Plan Sponsor or access the secure Member Internet site to request this information.
- **Frequent Trading Policy Fee** – Subject to materiality, a 2% fee may be charged to your Member account if you initiate an inter-fund transfer into a Market Based Fund(s) followed by another inter-fund transfer out of that same Market Based Fund(s) within a 15 calendar day period. This fee will apply to your applicable trade value and will be credited back to the affected Market Based Fund(s). This fee only applies to Market Based Funds and does not apply to any of your Guaranteed Fund maturity transactions to Market Based Fund(s) or any automated asset re-balancing transactions under your Member account. This fee will in no way benefit Manulife.

## Questions? and Answers

### **Under the DC Plan, who qualifies as a spouse?**

A spouse means, in relation to another person,

- a) if there is no person described in paragraph b), a person who is married to that other person or who is party to a void marriage with that other person, or
- b) a person who is cohabiting with that other person in a conjugal relationship at the date of entitlement, having so cohabited with that other person for at least one year.

If you would like further information on the definition of spouse, contact a client services representative by phone at 1-888-727-7766 or by email at [gromail@manulife.com](mailto:gromail@manulife.com)

### **What happens to my benefits if my marriage ends?**

The value of your Member account accumulated during the period of your marriage may be split between you and your former spouse as part of the division of assets. You should consult a lawyer about the laws governing this situation and the options available to you and your former spouse. Your former spouse cannot receive more than 50% of your account.

### **Are my assets protected from creditors if I declare personal bankruptcy?**

Your assets are invested in a defined contribution registered pension plan and would be protected if you declared personal bankruptcy.

### **What happens if I'm taking a leave from work?**

Talk to your Plan Sponsor. Different rules may apply to different types of leaves.

### **Can I withdraw cash or transfer assets while employed?**

Yes, there may be certain situations where you may be able to access the assets in your Member account. For example, if you face shortened life expectancy.