



## **Member Booklet for The Registered Retirement Savings Plan for Employees of Canadian Tourism Commission**

**Policy Number: 20001170**



**All Employees**

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## Introduction

The Registered Retirement Savings Plan for Employees of Canadian Tourism Commission (the “Plan”), sponsored by Canadian Tourism Commission (your “Plan Sponsor”) has been established with Manulife. The purpose of the 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 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.

This Plan is intended to complement the defined contribution component of the group RPP, sponsored by your Plan Sponsor, Manulife Financial policy number 10001170. Please refer to that booklet for more information on the defined contribution component of the RPP

Manulife began administering the Plan on August 1, 2005.

### How the Plan works:

- The Plan is a registered retirement savings plan (RRSP)
- You contribute to the Plan on a regular basis. You may make voluntary Member contributions
- A Member account is set up in your name under the Plan. Alternatively, you can establish an account under the Plan for your spouse or common-law partner. All contributions are kept in your Member account or the account maintained for your spouse or common-law partner
- All contributions made by you are tax deductible and any investment earnings grow tax-deferred
- You choose how contributions are invested from the choices available under the Plan. Your spouse or common-law partner chooses how contributions directed to their spousal account are invested, within the range of investment options offered under the Plan
- The amount available for your retirement depends on the total contributions made and the investment returns they earn
- You will receive regular statements and access to information and tools to help you manage your Member account. Similarly, if you establish a spousal account your spouse or common-law partner will receive regular statements and access to information and tools to help manage his/her account.
- This booklet provides information about what happens when you terminate your employment, die or retire

This booklet is a summary of the Plan. If after reading this summary you have questions, more information is available through the sources listed on the next page.

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.

### Your personal information:

Your Plan Sponsor and Manulife require personal information to administer your Member account. Likewise, if you establish a spousal account, Manulife requires personal information

from your spouse or common-law partner to administer his/her account. By enrolling in the Plan, you and your spouse or common-law partner, as applicable, 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) at 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.

The same tools and resources are available to your spouse/common-law partner in relation to his/her account.

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 Plan?

### Eligibility Requirements

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

If you are a full-time term employee, you are eligible to join the 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 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 Plan following the completion of 6 months of continuous service with your Plan Sponsor.

### Enrolment

To become a Member of the Plan, you must complete and sign an enrolment form.

If you choose to contribute on behalf of your spouse or common-law partner, your spouse or common-law partner must also complete and sign an enrolment form indicating you as the contributor.

Once Manulife receives the completed and signed enrolment form(s), contributions can begin to the Plan.

### What are my responsibilities under the Plan?

When you enrol in the Plan, you are responsible for:

- Understanding how the Plan works
- Taking advantage of the information and tools available to help you make investment decisions
- Making your investment decisions and reviewing your choices
- Deciding whether or not to get investment advice from a professional
- Keeping Manulife and your Plan Sponsor up to date on your address and personal information changes
- Ensuring your beneficiary is aware of the Plan and knows where your estate related documents are kept

## How can I get help selecting investments?

You can choose from a number of professionally managed investment options selected by your Plan Sponsor available under the Plan. If you contribute to the Plan on behalf of your spouse or common-law partner, he or she can choose from a number of professionally managed investment options selected by your Plan Sponsor available under the Plan.

Details about the investment options available under the Plan are included in your enrolment kit and are available on the secure Member Internet site. On this site you (and your spouse or common-law partner, as applicable) can take advantage of tools like the Investor Strategy Worksheet and STEPs.

If you do not select an investment option, all contributions will be deposited into the 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 and resources are available 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.

All of the above noted investment rules apply to your spouse or common-law partner if you contribute to the Plan on his or her behalf.

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

### Member Required Contributions

You contribute by payroll deduction a percentage of your earnings up to the maximum percentage indicated below. The maximum percentage is based on a combination of your age and years of continuous service with your Plan Sponsor. You are required to contribute a minimum of 2% of your earnings. Your contributions will be matched by your Plan Sponsor in the group RPP, sponsored by your Plan Sponsor.

<b>Sum of age and DC Plan Continuous Service</b>	<b>Maximum Percentage of Earnings</b>
Under 35 points	5%
35 to 59 points	7%
60 or more points	9%

You may contribute more than the maximum percentage indicated above, however, such amounts will not be matched by your Plan Sponsor. Any contributions over the maximum percentage indicated above are considered Member voluntary contributions.

### Plan Sponsor Contributions

Your Plan Sponsor will not be contributing to the Plan on your behalf. Your Plan Sponsor's contributions made on your behalf will be directed to the group RPP, sponsored by your Plan Sponsor.

### Member Voluntary Contributions

Member voluntary contributions can be made by payroll deduction or you may make lump sum payments at any time.

In addition to the contributions above, 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.

### Spousal Contributions

You can make contributions on behalf of your spouse or common-law partner. These contributions are included in your maximum contribution limit the same as contributions made to your own RRSP. You receive the tax deduction for the contributions made to a spousal RRSP, but the assets belong to your spouse or common-law partner. Only they can make decisions including withdrawals, investments and designating a beneficiary.

### Earnings

For the purposes of the Plan, your earnings include base salary and bonuses.

### Contribution Limits and Tax

Contributions made to the Plan or any other registered plan by you 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 previous year, subject to a maximum dollar limit.

You will receive a “Notice of Assessment” from Canada Revenue Agency (CRA) following the filing of your income tax return. This Notice of Assessment will notify you of your RRSP maximum contribution limit for the current year.

If you do not contribute the maximum limit allowable in a given year you may “carry forward” the unused limit amount. This means that you can increase your allowable contribution for the next year or future years. You can also carry forward the deduction to a future year when your taxable income may be higher.

## **Over-contributions**

It is your responsibility to ensure you do not make contributions in excess of the maximum amounts.

If you do over-contribute, Canada Revenue Agency (CRA) will charge a penalty tax on the amount contributed in excess of your maximum RRSP contribution room for the year.

If you do over-contribute unintentionally, it is wise to remove the over-contribution. Failure to remove over-contributions will result in you paying tax on those amounts when paid out as a benefit, without having received a deduction for them when contributed. In effect, double taxation. You may contact your Plan Sponsor for the appropriate method of retrieving the over-contribution. Contributions that exceed your RRSP contribution room are not tax deductible in the year in which they are made.

## **Can I make withdrawals from my Member account while I am employed?**

All Member required contributions must remain in the Plan while you are employed by your Plan Sponsor, with the exception of amounts withdrawn for the purpose of participating in the Home Buyers' or Lifelong Learning Plan(s).

You may withdraw Member voluntary contributions you make to the Plan at any time provided they are not amounts transferred into the Plan originating from a registered plan that is subject to locking-in provisions. The amount withdrawn may be taken in cash, transferred to another registered plan or used to participate in the Home Buyers' or Lifelong Learning Plan(s).

Similarly, the same withdrawal provisions as indicated above will apply to the account held by your spouse or common-law partner.

Amounts taken in cash are subject to immediate tax withholding. The amount of tax withheld will depend on the amount being withdrawn. Since cash withdrawal amounts will be included in your taxable income, you may end up paying additional tax. Keep in mind any cash withdrawals will reduce your potential retirement savings.

Fees in relation to withdrawals are indicated under the “**What fees apply to me?**” section of this booklet.



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

The value of your Member account will be transferred to the Manulife Personal Plan RRSP when you terminate employment. Similarly, if an account has been established for your spouse or common-law partner it will be transferred to a Manulife Personal Plan RRSP if you terminate employment prior to retirement.

Once your Member account has been transferred to the Manulife Personal Plan RRSP, you will receive confirmation of this transfer.

Under the Manulife Personal Plan RRSP you (or your spouse or common-law partner, as applicable) will have the right to select any one of the following options at any time:

1. Remain in the Manulife Personal Plan RRSP (registered retirement savings plan), and enjoy the same services you are already using,
2. Transfer your assets to another registered plan at a financial institution of your choice, or
3. Receive a lump sum cash payment subject to withholding tax.

Written confirmation from you (or your spouse or common-law partner, as applicable) will be required to select any options above.

## What happens when I retire?

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

### When can I receive retirement income?

You may choose to start your retirement income at any time prior to the end of the calendar year in which you reach age 71 (or such other age required by the Income Tax Act (Canada)) for any amounts in your Member account not subject to any locking-in provisions.

### What are my retirement income choices?

#### 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 will 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 the lifetime of you and your spouse. There are a number of choices you can make to add a guaranteed period. You may have all or portions of the income continue if one of you dies. The payments continuing cannot be less than the amount defined by provincial legislation.

**c) Term Certain Annuity**

A term certain annuity is an equal periodic amount paid to you for a fixed period. If you die before the end of the fixed period, the balance of the payments will be paid in a lump sum to your beneficiary. If your spouse is your beneficiary, he or she may elect to continue receiving the payments for the balance of the guarantee period.

**2. Transfer Option**

You may choose to transfer the value of your funds to the Manulife Personal Plan RRSP, or another registered pension plan (RPP) or registered retirement savings plan (RRSP). Direct transfers allow the funds to continue to be tax sheltered and all amounts subject to locking in will continue to be locked-in.

**3. Registered Retirement Income Option (RRIF)**

You may choose to purchase a Manulife Group RRIF or transfer to another RRIF with another financial carrier. These products offer you a series of payments for a specified period of time, subject to legislated minimum amounts. Within the minimum payable, you're able to adjust how much income you receive, how often you receive it and how it's invested.

**4. Cash Payment**

You may withdraw all or part of the value of your RRSP as a cash amount. Tax will be withheld before the amount is paid to you.

All of the retirement income options described above will be available to your spouse or common-law partner if he or she holds an account under the Plan.

When you are nearing retirement, contact Manulife to receive detailed descriptions of these options.

**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 designated beneficiary. More information regarding the amounts and options available will be provided to your beneficiary upon request.

If your spouse or common-law partner is your designated beneficiary, your spouse can choose one of the following options:

1. Transfer your assets to another registered plan at a financial institution of their choice, or
2. Receive a lump sum cash payment subject to withholding tax.

Any benefit paid to any other beneficiary or estate must be paid as a lump sum cash payment, less income tax withholding.

**Who is your beneficiary?**

You may name a beneficiary to receive any death benefit payable from the Plan. Your beneficiary may be changed at any time, subject to any legal restrictions. If you do not name a beneficiary, any death benefit would be payable to your estate.

Likewise, your spouse or common-law partner may name a beneficiary to receive any death benefit payable from the Plan. This beneficiary may be changed at any time, subject to legal restriction. If your spouse or common-law partner does not name a beneficiary, any death benefits payable from the Plan will be payable to his or her estate.

## **What about RRSP receipts for income tax purposes?**

Manulife will issue RRSP tax receipts twice a year. The first receipt will be issued in January covering contributions received by Manulife's head office in the last 305 days of the preceding calendar year (March – December). The second receipt will be issued in March covering the contributions received at Manulife's head office in the first 60 days of the current calendar year (January – February).

You may choose to claim all or a portion of the amount reported on the second receipt as a deduction from your taxable income for the previous calendar year or for the year in which the contributions were made.

Manulife will mail receipts directly to your mailing address.

## What fees may apply to me and/or my spouse or common-law partner?

Fees that may be charged to you and/or your account as well as to your spouse or common-law partner and/or his/her account are as follows:

- **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 or the account maintained on behalf of your spouse or common-law partner, as applicable.
- **Inter-Fund Transfer Fee (where the Plan allows – see the “How can I get help selecting investment options?” section of this booklet)** – Inter-fund transfer requests through the secure Member internet site or the Interactive Voice Response (IVR) are free. You can make four (4) written inter-fund transfer requests in a calendar year in relation to your account at no cost and your spouse or common-law partner can make four (4) written inter-fund transfer requests in a calendar year in relation to his or her spousal account at no cost. Each subsequent written request in a calendar year will incur a \$25 fee to be deducted from the applicable account or the account of your spouse or common-law partner, as applicable.
- **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 Fee (where the Plan allows – see the “Can I make withdrawals from my Member account while I am employed” section of this booklet)** – Each calendar year your first in service withdrawal is free. Any subsequent in service withdrawals will incur a charge of \$25 per request. This fee will be deducted from your withdrawal amount. In service withdrawal includes cash withdrawal or transfer to another carrier.
- **Investment Management Fees (IMFs)** - You pay the IMFs that apply to Market Based Funds available under the 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 Income Tax Act (Canada), who qualifies as a spouse or common-law partner?**

A spouse means a person of the opposite or same sex who is married. A common-law partner means a person who lives and has a relationship with a person of the opposite or same sex to whom any of the following applies. He or she:

- is the natural or adoptive parent (legal or in fact) of that person's child,
- has been living with that person for at least 12 continuous months, or
- lived with that person previously for at least 12 continuous months and is living with the person again.

The above includes any period that they were separated for less than ninety (90) days because of a breakdown in their relationship;

**Note:** a different definition of spouse will apply for any transfers into the Plan from products other than an RRSP that may or may not be subject to locking-in provisions in accordance to any provincial legislation.

### **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 spouse or common-law partner 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.

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

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