Life’s brighter under the sun
my money @ work

Important information
Understanding your plan
Sources of retirement income

- **Government**
  - Canada Pension Plan (CPP)
  - Old Age Security (OAS)

- **Personal**
  - Home
  - Other Savings

- **Employer**
  - McGill University Pension Plan for Members of the Service Employees’ Union

Canadians need 65% to 80% pre-retirement income replacement
<table>
<thead>
<tr>
<th>Year</th>
<th>Canada Pension Plan (CPP)</th>
<th>Quebec Pension Plan (QPP)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Maximum at age 65</td>
<td>$1,114.17/month</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$13,370/year</td>
</tr>
<tr>
<td></td>
<td>Average at age 65 (October 2016)</td>
<td>$644.35/month</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$7,732/year</td>
</tr>
</tbody>
</table>

Request your CPP contributions & benefit statement from: [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca)
Request your QPP contributions & benefit statement from: [rrq.gouv.gc.ca](http://rrq.gouv.gc.ca)
Old Age Security

2017 Maximum

$578.53/month
$6,942/year

Lived in Canada for at least 10 years after reaching age 18

1/40 for each year of residency since age 18

Example: If you had 10 years, you would be eligible for 25% of the OAS payment
How your plan works

McGill University Pension Plan for Members of the Service Employees’ Union

Your contributions

Company contributions

DCPP
## Defined Contribution Pension Plan

<table>
<thead>
<tr>
<th>Section</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Eligibility**                 | • Full time: immediate  
• Part time or temporary: 1st of January after having worked 700 hours or earned 35% of YMPE in previous calendar year |
| **Contributions**               | • Employee voluntary: 0% - 5% (up to the CRA maximum)  
• Employer: Basic 7.74%     |
| **In – service Withdrawals**    | • Not permitted                                                          |
| **Vesting & Locking-in**        | • Immediate                                                              |
Transfer in existing savings

Make additional contributions
Your Retirement Financial Challenges

- The Market Roller Coaster
- Outliving Your Savings
- Your Money Losing Value
my money for life

- An insurance feature for plan members participating in the McGill University Pension Plan for Members of the SEU
- Adds an annual income guarantee feature to your DCPP tax sheltered savings
- Provides a predictable retirement income stream
- Protects against market, longevity and inflation risks
- Potential for loved ones to receive an inheritance
• 15 years from retirement
• Conservative investor
• Annual salary $40 000
• Wants to grow his money and manage risk
• Adds **my money for life** coverage to his $100 000 DCPP savings
• Convert your savings to retirement income through Sun Life Financial’s group retirement income products as early as age 60 and maintain the my money for life.
Assumes the following annual sequence of returns:
Year 1: -15%; Year 2: 6%; Year 3: 8%; Year 4: 9%; Year 5: 11% ....repeat.
Income payments begin at 65 years of age
**Investment options & fees**

- You can invest up to 60% of your money in Equity (stocks) investments.

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Fund name</th>
<th>Fund management Fees (Nov 2016)</th>
<th>my money for life coverage fee</th>
<th>Total fees</th>
<th>Retail Fees (2015)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Equity</td>
<td>• BlackRock EAFE Equity Index Fund • MFS Global Research Fund</td>
<td>0.56%</td>
<td>0.95%</td>
<td>1.51%</td>
<td>2.21%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.92%</td>
<td></td>
<td>1.87%</td>
<td>2.42%</td>
</tr>
<tr>
<td>U.S. Equity</td>
<td>• BlackRock US Equity Index Fund</td>
<td>0.49%</td>
<td>0.95%</td>
<td>1.44%</td>
<td>2.21%</td>
</tr>
<tr>
<td>Canadian Equity</td>
<td>• BlackRock S&amp;P/TSX Composite Index Fund • Jarislowksy Fraser Canadian Equity Fund</td>
<td>0.49%</td>
<td>0.95%</td>
<td>1.44%</td>
<td>2.16%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.95%</td>
<td></td>
<td>1.90%</td>
<td></td>
</tr>
<tr>
<td>Balanced</td>
<td>• BlackRock Conservative Balanced Index Fund • BlackRock Moderate Balanced Index Fund • BlackRock Aggressive Balanced Index Fund</td>
<td>0.55%</td>
<td>0.85%</td>
<td>1.40%</td>
<td>2.11%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.56%</td>
<td>0.85%</td>
<td>1.41%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.57%</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td>• BlackRock Universe Bond Index Fund</td>
<td>0.49%</td>
<td>0.65%</td>
<td>1.14%</td>
<td>1.48%</td>
</tr>
<tr>
<td>Money Market</td>
<td>• Sun Life Money Market Fund</td>
<td>0.54%</td>
<td>0.60%</td>
<td>1.14%</td>
<td>0.77%</td>
</tr>
</tbody>
</table>

**Source:** Morningstar, Global Fund Investor Experience Study: June 2015, page 78.
Less is more

1% difference means $45,158 in savings!

<table>
<thead>
<tr>
<th>YEARS OF CONTRIBUTION</th>
<th>TOTAL CONTRIBUTIONS TO YOUR PLAN ACCOUNT</th>
<th>MANAGEMENT FEE*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>3%</td>
</tr>
<tr>
<td>10 years</td>
<td>$40,000</td>
<td>$46,132</td>
</tr>
<tr>
<td>20 years</td>
<td>$80,000</td>
<td>$105,634</td>
</tr>
<tr>
<td>30 years</td>
<td>$120,000</td>
<td>$182,379</td>
</tr>
</tbody>
</table>

Assumptions: $4,000 yearly investment, 5.75% gross rate of return
Choosing your investments
Investments vary by risk & return
Diversify

Growth of $10,000 (2005 – 2015)

- Consumer Price Index
- FTSE TMX Canada 91-Day T-Bill Index
- FTSE TMX Canada Universe Bond Index
- S&P/TSX Composite Index

Example values:
- $11,723
- $16,743
- $16,607
- $11,938
- $11,723

Legend:
- $10,000
- $15,000
- $20,000
- $25,000

Timeline:
- déc 05 to juin 15

Note: The graph shows the growth of $10,000 from 2005 to 2015, with different indices tracking the growth. The graph includes a legend for each index, showing the initial investment of $10,000 and the growth over the years.
Investment Manager Styles

Active

Objective is to outperform a market index based on research of current market conditions and company prospects (actively buys and sells securities in individual funds)

- Sun Life Money Market Fund
- Jarislowsky Fraser Canadian Equity Fund
- MFS Global Research Fund

Passive/Index

Simply buys and sells assets to match characteristics of an index, fund performance should be similar to the index, i.e. S&P TSX

- BlackRock Universe Bond Index Fund
- BlackRock Conservative Balanced Fund
- BlackRock Moderate Balanced Index Fund
- BlackRock Aggressive Balanced Index Fund
- BlackRock S&P/TSX Composite Index Fund
- BlackRock U.S. Equity Index Fund
- BlackRock EAFE Index Equity Fund
What investments should I choose?

Asset Allocation tool
Built FOR me or Built BY me

Built FOR me

Built BY me
BlackRock Balanced Index

BlackRock Conservative Balanced Index
62 points or less
FMF: 0.55

BlackRock Moderate Balanced Index
Between 63 and 160 points
FMF: 0.56%

BlackRock Aggressive Balanced Index
161 points or more
FMF: 0.57%

Allocations are for illustrative purposes only
Source: Morningstar Research 2015
*Fund Management fees as at November 30, 2016
Does it add up?

Annual salary: $65,000; Yearly salary increase: 2%; Rate of return: 5.75%

<table>
<thead>
<tr>
<th></th>
<th>After one year</th>
<th>After two years</th>
<th>After five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee: 3%</td>
<td>$2,003</td>
<td>$4,161</td>
<td>$11,669</td>
</tr>
<tr>
<td>Employer: 3%</td>
<td>$2,003</td>
<td>$4,161</td>
<td>$11,669</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$4,006</td>
<td>$8,322</td>
<td>$23,338</td>
</tr>
</tbody>
</table>
A score of 86 to 145 points — Balanced

- 40% Fixed Income/Bond
- 25% Canadian Equity
- 20% U.S. Equity
- 15% International Equity

- SLF 5 yr guaranteed, SLFT 5 yr guaranteed
- Sun Life Financial Money Market
- BlackRock Universe Bond Index
- BlackRock S&P/TSX Composite Index
- Jarislowsy Fraser Canadian Equity
- BlackRock US Equity Index
- BlackRock EAFE Equity Index
- MFS Global Research
Your Sun Life tools
my money tools

Financial Planning Tools

These tools can give you quick answers to some of the most common personal finance questions. Don't forget to review the my money @ work guide for useful, practical financial information from your workplace plan.

Retirement Planning Tools

Retirement planning tools may be of interest to you as you near retirement.

- Annuity premium calculator
  Estimate the annuity premium to purchase a life annuity from an insurance company, and get an idea of how much monthly annuity income you may receive for a lump sum amount.

- Old Age Security (OAS) clawback calculator
  Find out how much you can expect in OAS payments.

- Payroll contribution calculator
  See how contributing more impacts your pay and grows your savings.

- Registered Retirement Income Fund (RRIF) calculator
  Find out how much income you can expect from your RRIF.

- Saving my bonus
  How "extra pay" opportunities (such as bonuses) can dramatically increase savings.

- Saving my raise
  How "extra pay" opportunities (such as salary increases) can dramatically increase savings.

- Small amounts equal big savings
  How channeling small amounts of discretionary spending into savings can provide employees with significant extra savings over time.

- Save today, for more tomorrow
  How saving early and saving regularly can help employees save more for retirement.
Next steps
What’s next?

1. Complete your enrolment
2. Welcome letter mailed
3. Register online
4. Manage your account
Stay connected

mysunlife.ca

1-866-733-8612

Statement

Mobile
Travel
Worry-free
Monthly prizes to be won!
Thank you!