

OPTION PLUS GROUP RSP

EMPLOYER GUIDE

WHAT IS OPTION PLUS?

Option Plus is a Group RSP designed for groups with total annual plan contributions of at least \$10,000. There are no set-up fees or annual administration fees associated with the plan. A wide range of investment options are available.

Benefits of a Group RSP

For employers, Option Plus can provide a “no-cost” retirement savings solution that can help build employee/member loyalty.

For individuals, participating in an Option Plus Group RSP is an easy way to save for retirement through payroll contributions. Members can capitalize on the purchasing power of a group and have access to the group’s financial advisor to build a personalized investment strategy.

HIGHLIGHTS

1. **Set-up** is easy with a minimum plan size of two members and only \$10,000 in annual total plan contributions, and no plan set-up fees or annual plan administration fees
2. Access to a wide variety of **investment options** in one plan, including segregated funds, guaranteed interest option (GIO) and treasury option (TIO), plus the ability to transfer among all investment options
3. Enjoy the many **investment option and contract features** such as segregated fund benefit guarantees, automatic 0.125% GIO interest rate enhancement relative to our normal GIO rates, and a spousal contribution option
4. **Withdrawals** are easy too: There are no surrender charges on TIO, maturing GIO and segregated funds

PLAN DETAILS

01 Set-up

Contributions

- Contributions are optional by both the employer and the member. However, contributions must meet the following minimums:
 - Minimum monthly deposit: \$30 per contributor
 - Minimum lump sum deposits: \$500 per member (Members making regular monthly contributions may make lump sum deposits of \$30 or more)
 - Minimum annual deposits: \$10,000 per group
- GIOs have a \$500 minimum. Deposits of less than \$500 targeted to GIOs will be directed to the TIO and upon reaching \$500 are transferred to the GIO term as per the member's standing instructions.
- If a member has locked-in funds under more than one jurisdiction, a separate certificate will be required for each jurisdiction.

Costs and Fees

- No set-up fees, annual administrative fees, or acquisition fees as the segregated funds are issued on a no-load basis

02 Investment Options

- Treasury Interest Option which pays a daily interest rate
- Guaranteed Interest Option with full and half years terms from 1 to 6 and 10 years
- Segregated Funds with mandates ranging from fixed income to Canadian, U.S. and International equity, including Portfolio Funds which provide a diversified investment solution to match members' risk tolerance, time horizon and investment goals

03 Investment Option Features

GIO Interest Rates

- **Bonus Interest Rates:** Automatic interest rate enhancement of 0.125% relative to our normal GIO rates, based on total policy value, including the value of any Segregated Funds

- **Rate guarantee:** The minimum transfer-in amount of \$1,000. The guarantee period is 45 days from when the rate guarantee is signed and the rate guarantee form must be received at our Head Office within 48 hours of signing. Members receive the higher of either the guaranteed rate or the rate in effect the day the transferred money actually arrives at our Head Office.

Segregated Funds

- **Death Benefit Guarantee:** The greater of the value of the Segregated Fund units at the credit of the member's certificate or 100% of all deposits made prior to the policy anniversary date nearest the annuitant's 65th birthday, plus 75% of all deposits made after this date or the reset guarantee value, if applicable. Any surrender from the Segregated Funds will reduce the guarantee on a proportional basis. Beneficiaries receive 100% of the accumulated value in the TIO and GIOs.
- **Maturity Benefit Guarantee:** the greater of the value of the Segregated Fund units at the credit of the Member's certificate or 75% of all deposits less a proportional reduction for withdrawals from the Segregated Funds or the reset guarantee value, if applicable.
- **Maturity Date:** the date of a certificate will be one year prior to the maximum age for maturity of an RSP as prescribed by the Income Tax Act (Canada). The Member may choose a different Maturity Date provided it is at least 10 years after the effective date of the certificate and prior to the maximum age for maturity of an RSP as prescribed by the *Income Tax Act* (Canada).
- **Resets:** Providing there are at least 10 years remaining to maturity date, the maturity and death benefit guarantees on the Segregated Funds may be reset, on request, to capture any growth that may have been earned on net deposits. If less than 10 years remain to maturity, the maturity may be extended to a full 10 years from the date of reset providing the terms of the plan allow for such an extension. The reset guarantee values will be calculated based on the current market value of all the units of the Segregated Funds at the credit of the certificate when Empire Life receives the request. Two reset requests are permitted in any policy year.

04 Withdrawals and Transfers

- **Minimum withdrawal:** If the value left in the segregated fund or TIO is less than \$250, the total value must be withdrawn. Funds remaining in a GIO investment term after the withdrawal of funds are subject to a \$500 minimum. Withdrawals from a segregated fund will reduce the guarantees.
- All withdrawals are subject to withholding tax in accordance with the *Income Tax Act* (Canada).
- **Early Surrender Charges:** There are no surrender charges on TIO, maturing GIO and segregated funds. GIO surrendered prior to maturity are subject to a Market Value Adjustment .
- **Internal Transfers:** Monies will be transferred upon the member's written request or with a form GP-0613-EN signed by the member. Segregated funds and TIO transfers in are subject to a \$250 minimum and these transfers are subject to a \$250 minimum or the total value of the investment option. Monies remaining after these transfers out are subject to a \$250 minimum. GIO transfers in are subject to a \$500 minimum while monies remaining after a transfer out are subject to a \$500 minimum. Transfers from a segregated fund will reduce the guarantees.
- Enhanced annuity income payments available for proceeds used to purchase an Empire Life Annuity.

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Empire Life is among the top 10 life insurance companies in Canada¹ and is rated A (Excellent) by A.M. Best Company². Our mission is to make it simple, fast and easy for Canadians to build wealth, generate income, and get the insurance and group benefits coverage they need.

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¹ *The Globe and Mail Report on Business Magazine*, June 2015, based on revenue

² As at May 19, 2015

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