

# A Guide to Purolator Inc. Retirement Program

## Defined Contribution Pension Plan (DCPP)

Client ID MoZ-01  
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# Table of Contents

Introduction .....	1
<b>Your Defined Contribution Pension Plan 2</b>	
<b>Pension Plan</b>	
Basic .....	2
What are my responsibilities?.....	2
How is the plan managed? .....	2
<b>Eligibility and Enrolment .....</b>	<b>3</b>
<b>Joining the plan 4</b>	
How can I designate a beneficiary? .....	4
<b>Funding- What goes into your DCPP account .....</b>	<b>5</b>
How can I maximize my DCPP and not leave anything on the table? .....	6
Am I required to contribute to the DCPP to receive a Company contribution? .....	6
Are my contributions tax deductible? .....	6
Do contributions to the DCPP affect my RRSP room?.....	7
Can I transfer-in money from other plans? .....	7
Are my contributions vested? .....	7
What happens if the DCPP terminates? .....	7
Can I borrow or assign my DCPP account balances? .....	7
<b>Life Events .....</b>	<b>8</b>
Leaves during employment .....	8
Status changes during employment .....	8
If you die before your pension payments start .....	8
If your spousal relationship ends .....	9
When you leave before retirement .....	9
Can I take my money out of the Plan and what does it mean for my benefits to be "locked-in"?.....	10
What additional information do I need to know? .....	10
Choosing when to start your pension .....	10
What if I want to continue working beyond 65? .....	11
What are my retirement income options? .....	11
What is the normal form of pension benefit? .....	11
Will I receive any tax forms from Sun Life Financial?.....	12
<b>Investment &amp; Account Information .....</b>	<b>13</b>
Who makes the investment decisions? .....	13
Which types of investment options are available? .....	13
How do I access account information? .....	14
How do I make investment changes? .....	14
How do I obtain investment advice? .....	16
What fees apply to the plan? .....	16

<b>Undertaking to provide an Annuity .....</b>	<b>16</b>
<b>General</b>	
<b>Information.....</b>	
17	
<b>What statements and communications will I receive? .....</b>	<b>17</b>
<b>Will I receive any tax forms from Sun Life Financial?.....</b>	<b>17</b>
<b>How do I update my personal information? .....</b>	<b>17</b>
<b>Who has access to my personal information? .....</b>	<b>17</b>
<b>Where to get help .....</b>	<b>19</b>
<b>Glossary of</b>	
<b>Terms.....</b>	
20	

## Introduction

**Purolator Inc.** (the “Company”) has established a group plan with Sun Life Assurance Company of Canada (“Sun Life Financial”). This guide contains a summary of the provisions of the plan only. . While every effort was made to provide accurate information in describing the *Purolator Inc. Salaried Employees’ Pension Plan*, if there are discrepancies between the official Plan document and this guide, the Plan document will prevail. If you would like to review official Plan documents, please contact the Defined Contribution record keeper (Sun Life) at 1 866 881 0583 or the plan administrator:

Mail:  
Purolator Inc.  
Corporate Pension  
5995 Avebury Road suite 100  
Mississauga, Ontario  
L5R 3T8

Email: [pensions@purolator.com](mailto:pensions@purolator.com)

We recommend that you review this guide and the My Money @ Workguide provided to you. They contain important information on the principal advantages of membership in your group plan. Please file this booklet in a safe place for future reference.

This guide does not discuss or offer any employment, contractual or legal rights. While the Company will work to keep the guide up to date, changes to the Plan and corresponding changes to this guide will be required from time to time for various reasons, including changes to applicable laws, regulatory requirements or otherwise.

Definitions of key terms used in this guide can be found in the Glossary of Terms at the back of this guide. These terms appear in ***bold, italic and blue*** throughout the guide.

If you have a question, inquiry, complaint or dispute the following process should be followed:

1. Contact the defined contribution record-keeper (Sun Life) at 1-866-881-0583. Sun Life will be able to support most inquiries or complaints and all requests for official plan documents. Where applicable, Sun Life will escalate to Management if they are unable to satisfy the member’s request.
2. Or you can be submit your inquiries or complaints in writing to the plan administrator:

Mail:  
Purolator Inc.  
Corporate Pension  
5995 Avebury Road, Suite 100  
Mississauga, Ontario, L5R 3T8

E-mail: [pensions@purolator.com](mailto:pensions@purolator.com)

**It is important for you to take an active role in your plan, as your decisions (or lack thereof) may affect the amount of money accumulated for your future. The information in this booklet, and in your My Money @ Work guide, can assist you in making your decisions.**

Group Retirement Services are provided by Sun Life Assurance Company of Canada, a member of the Sun Life Financial group of companies.

# Your Defined Contribution Pension Plan

## Pension Plan Basic

Your Company has established the defined contribution component of the Purolator Inc. Salaried Employees' Pension Plan ("DCPP" or the "Plan") to provide retirement benefits to employees in recognition of their service with the Company. As the Plan's administrator, the Company is responsible for the overall administration of the Plan.

A **defined contribution pension plan** is a registered pension plan where contribution amounts are pre-determined and the benefit received at retirement depends on:

- the amount of contributions accumulated;
- any investment gains or losses generated over time;
- the type of pension benefit chosen;
- the age of the retiring plan member; and
- the prevailing interest rates at the time of retirement.

This section of your booklet describes the rules of your DCPP which is registered under the *Income Tax Act* (Canada) (registration number 0380097) and the federal *Pension Benefits Standards Act* (registration number 55810). The Purolator Inc. Salaried Employees' Pension Plan was established with an effective date of January 1, 1977. The fiscal year of the plan is the period from January 1 to December 31<sup>st</sup> in each calendar year.

Disclosure requirements under the *Pension Benefits Standards Act* require that information about an employee's pension benefits be made available to the employee's **Spouse**. Please share this guide with your **Spouse**, if applicable.

The DCPP is funded under **Group Annuity Policy** 97357-G issued by Sun Life Assurance Company of Canada.

## What are my responsibilities?

As a member of a group plan you are responsible for:

- Making sure you understand how your plan works
- Taking advantage of the information and tools available to help you make investment decisions
- Making investment decisions
- Deciding whether you should obtain investment advice and selecting who you go to for this advice
- Checking how your investments are performing and revising your investment strategy if your personal circumstances change
- Determining how much you will contribute
- Select a benefit entitlement options that meets your objectives at the time you leave the group plan

## How is the plan managed?

Purolator's Board of Directors has formed a Management Pension Committee which oversees the activities of the Plan. The Management Pension Committee is comprised of Purolator senior management. The Committee meets four times per year to address key aspects of the plan.

The Management Pension Committee keeps the Board of Directors informed on all issues it considers. Purolator's senior management is responsible, with the support of staff and outside advisors, for the day-to-day management and administration of the Plan.

Subject to **Applicable Legislation**, decisions made by the Company regarding the terms of the Plan, including all questions relating to the operation, administration, and interpretation of the Plan text will be final and conclusive.

## Eligibility and Enrolment

All permanent non-union full-time and part-time employee are eligible to participate in this Plan upon meeting eligibility requirements.

Membership in the DCPP is compulsory\*. Sun Life Financial will notify you once you have met the eligibility requirement.

*\*On the grounds of a bona fide religious belief, will you be permitted to decline DCPP participation. Should you wish to proceed in declining DCPP membership, please contact your local Human Resources Business Partner(s) to advise of your intent.*

### If you are a full-time employee:

You are eligible to join on the first day of month coincident with or following the date you have completed 3 months of continuous service with the Company.

### If you are employed on a part-time basis\*:

You are eligible to join on the first day of month coincident with or following the date you have completed 24 months of continuous service with the Company, provided you have also earned at least 35% of the **YMPE** in each of the last two consecutive calendar years.

### \*Examples of part-time eligibility

**Phoebe:** Joins the Company on May 1, 2010. Reaches 24 months of service on May 1, 2012 but doesn't have two consecutive years of **Earnings** above **YMPE** until July 15, 2014.

	May 1, 2012	Dec 31, 2013	July 15, 2014	JOINS PLAN ON
24 months of service	✓	✓	✓	Aug. 1, 2014
Annual <b>Earnings</b>	* Below <b>YMPE</b>	✓ Above <b>YMPE</b>	✓ Above <b>YMPE</b>	

**Nizam:** Joins the Company on May 1, 2010. Reaches 24 months of service on May 1, 2012 and has **Earnings** above **YMPE** in 2013 but doesn't have two consecutive years of **Earnings** above **YMPE** until 2015 and 2016.

	May 1, 2012	Dec 31, 2013	Dec 31, 2014	Dec 31, 2015	Dec 31, 2016	JOINS PLAN ON
24 months of service	✓	✓	✓	✓	✓	Jan. 1, 2017
Annual <b>Earnings</b>	* Below <b>YMPE</b>	✓ Above <b>YMPE</b>	* Below <b>YMPE</b>	✓ Above <b>YMPE</b>	✓ Above <b>YMPE</b>	

**Lee:** Joins the Company on May 1, 2010. Has two consecutive years of annual **Earnings** above **YMPE** in 2010 and 2011. He does not reach 24 months of continuous service until April 30, 2012.

	Dec 31, 2010	Dec 31, 2011	April 30, 2012	JOINS PLAN ON
24 months of service	*	*	✓	May 1, 2012

## Joining the plan

Once you meet the eligibility requirements, you will automatically become a member of the DCP as of the first day of the month coincident with or following the date you meet your eligibility requirements. The Company will start core contributions to your DCP account as of the first pay coincident with the date you became a member of the DC pension plan.

You will need to enrol in the DCP in order to select your investment(s) and designate your beneficiary(ies). You can enrol online by visiting [www.mysunlife.ca/puolator](http://www.mysunlife.ca/puolator) (Sun Life Financial's Plan Member Services website). The information that you need to enrol online will be provided to you by Sun Life Financial via email once you have met eligibility.

You can contact Sun Life's Customer Care Centre at 1-866-881-0583 if you cannot locate your email or need more information.



### FAQs: Joining the plan

#### How can I designate a beneficiary?

You can update your beneficiary at [www.mysunlife.ca/Puolator](http://www.mysunlife.ca/Puolator). Select your Puolator Inc. Retirement Program under investment and under the Quick Links drop-down menu, select Beneficiary info. Follow the online instructions.

#### Important:

- Although you can designate anyone as your beneficiary, *Applicable Legislation* may require that any locked-in pension amounts be paid to your *Spouse*.
- If you are a resident of Quebec and you named your married or civil union *Spouse* as beneficiary, the designation will be irrevocable unless you indicate that the designation is revocable. If you have an irrevocable beneficiary, you cannot designate a new beneficiary or perform certain transactions without the consent of your irrevocable beneficiary. If your *Spouse* is your irrevocable beneficiary and it is his or her intention to waive benefits under the DCP so that you can name another beneficiary, your *Spouse* must complete both (i) a spousal waiver form and (ii) an irrevocable beneficiary consent form.
- A minor cannot personally receive a death benefit under the plan until he/she reaches the age of majority. If you reside outside Quebec and are designating a minor as your beneficiary you may wish to designate someone to receive the death benefits during the time your beneficiary is a minor. A special form is available from Sun Life Financial to designate a trustee for your minor beneficiary's assets. If you reside outside Quebec and have not designated a trustee, current legislation may require Sun Life to pay the death benefit to the court or to a guardian or public trustee. If you reside in Quebec, the death benefit will be paid to the parent(s)/legal guardian of the minor on his/her behalf. Alternatively, you may wish to designate the estate as beneficiary and provide a trustee with directions in your will. You are encouraged to consult a legal advisor.

The Company and Sun Life Financial encourage you to review your will and beneficiary designations from time to time to ensure that your intentions are carried out in the event of your death.

## Funding- What goes into your DCPP account

### Company Core contributions

The Company contributes a core amount of 3.5% of your eligible *Earnings* to your DCPP account.

Eligible *Earnings* include your annual base salary and, if applicable to your job level, your annual incentive, sales commission and overtime pay.

### Voluntary Employee Basic Contribution

If you choose, you can contribute up to 3% of your Eligible *Earnings* to your DCPP account, in increments of 0.5%.

When you set up your Voluntary Employee Basic Contribution, the Company will match 66<sup>2/3</sup>% of your contributions. So, for every dollar that you contribute up to 3% of your eligible *Earnings*, the Company contributes an additional 66<sup>2/3</sup> cents on your behalf – which equates to an immediate return of more than 66% on your contributions. These contributions will be considered required contributions for locking-in purposes.

### Paying for performance

Each year, the Company sets a performance target for its annual Earnings Before Tax (EBT). If the Company achieves this target, and you've made Voluntary Employee Basic Contributions in the previous year, the matching rate will increase from 66<sup>2/3</sup>% to 100%, and a top-up matching contribution will be made to your DCPP account. The top-up matching contribution amount will be deposited into your DCPP account by the month following the communication of our EBT result which is typically communicated in March.

In accordance with the *Income Tax Act (Canada)*, the total of all contributions, including Company contributions, made to the DCPP in any year cannot exceed the lesser of 18% of your compensation from the Company and the money purchase limit, as defined under the *Income Tax Act (Canada)*, for that calendar year. You and the Company are responsible to ensure that your voluntary contributions do not cause you to exceed the contribution limit.

### Employee Additional Voluntary Contributions

To further assist you with savings for your retirement, the Plan allows for Employee Additional Voluntary Contributions. You may elect to make additional voluntary contributions to a maximum of 8.5% of your eligible *Earnings*, in increments of 0.5% to your DCPP account. However these contributions are not matched by the Company. Additional voluntary contributions must remain in the DCPP until you cease employment with the Company.

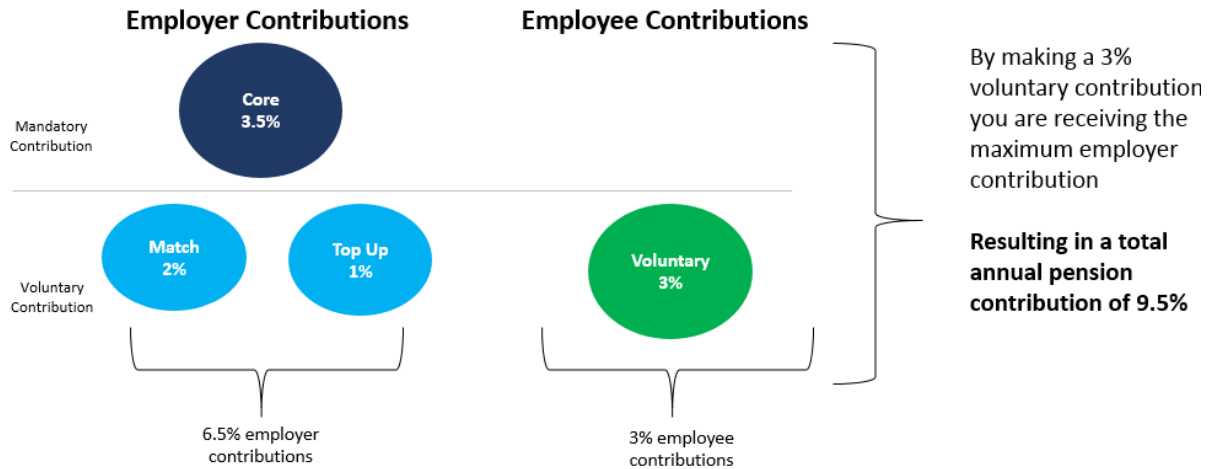
Below is a summary of both the Company and Member contributions:

Company Contributions	<b>Core contribution</b> 3.5% of your eligible <i>Earnings</i>	<b>Additional Matching Contributions</b> The Company will match 66.67% of your Voluntary <b>Employee Basic Contribution</b> .
		<b>Top up contribution</b> If the Company meets its annual performance target (Earnings Before Tax, or EBT), you will receive an additional contribution equal to 33.33% of your Voluntary Employee Basic Contribution in the preceding calendar year.
<b>Note:</b> total Company contributions will not exceed 6.5% of your eligible <i>Earnings</i> .		



<b>Employee contributions</b>	<b>Voluntary</b>
	<p><b>Voluntary Employee Basic Contribution (match)</b> You can contribute up to 3% of your eligible <i>Earnings</i> in increments of 0.5%. Your voluntary employee basic contribution is matched by the Company.</p> <p><b>Additional Voluntary Contributions (no match)</b> You can also make additional voluntary contributions up to a maximum of 8.5% of your <i>Earnings</i> in increments of 0.5%. This is <b>not</b> matched by the Company.</p>

**How can I maximize my DCPP and not leave anything on the table?**



\* Top up is only paid if EBT target is achieved



**FAQs: Funding- What goes into your DCPP account**

**Am I required to contribute to the DCPP to receive a Company contribution?**

No, you are not required to contribute to the DCPP, however you have the option to make a Voluntary Basic Contribution which is matched by the Company and an Additional Voluntary Contributions which is not matched by the Company.

You may start, change, or stop your Voluntary Basic and/or Additional Voluntary Contribution(s) at any time by contacting Sun Life Financial's Customer Care Centre at 1-866-881-0583 or by visiting [www.mysunlife.ca/purolator](http://www.mysunlife.ca/purolator).

**Are my contributions tax deductible?**

Your contributions are deductible for income tax purposes up to the maximum allowed by *Applicable Legislation* and will be reported to Canada Revenue Agency by the Company.

### **Do contributions to the DCPP affect my RRSP room?**

Yes. The total amount of all contributions to the DCPP will be reported by the Company each year on your T4 slip. This amount is included in determining your *Pension Adjustment*. The amount that you may contribute to your RRSP in a year is reduced by your *Pension Adjustment* for the previous calendar year. The federal tax authority will advise you of your RRSP contribution room on your Notice of Assessment.

### **Can I transfer-in money from other plans?**

Purolator's Pension Plans do not permit transfer in of funds from other sources into the DCPP, however you can transfer in funds from any of Purolator's Defined Benefit plan when you become a member of the DCPP. All other transfers in will be directed to the Registered Retirement Pension Plan.

### **Are my contributions vested?**

Effective July 1, 2011, all contributions to your DCPP account are immediately vested which means that they belong to you upon cessation of employment with the Company.

### **What happens if the DCPP terminates?**

In the event that your DCPP is terminated, you will be notified and given a statement of your benefits. You will also be asked to select from a number of settlement options, which are similar to the options listed under "**What happens if I terminate employment?**". As a general rule, no payments or transfers can be made out of the DCPP until the termination is approved by the applicable government authorities.

### **Can I borrow or assign my DCPP account balances?**

Except as otherwise permitted by *Applicable Legislation*, the benefits provided under the DCPP may not be assigned, charged, alienated, anticipated or given as security and are exempt from execution, seizure or attachment.

## Life Events

### Leaves during employment

When you are on a leave from work, you may continue to receive contributions depending on the type of leave. This chart shows which employment leaves provide **continued pension contributions** and which leaves do not.

Employment leave	Do you receive contributions?
Maternity or parental leave	✓
Company sponsored sabbaticals	✓
Compassionate leave	✓
Termination – Salary Continuance	✓
Short Term & Long Term Disability leave	✓
Medical leave	✓
Automobile Insurance leave	✓
Workers Compensation	✓
Medical leave	✓
Personal leave of absence	✗
Military leave	✗
Unpaid leave (without benefits)	✗

For leaves where pension contributions are provided, there are maximum timeframes as set out in Plan documents and pension law. For more information, please contact your local Human Resources Business Partner(s).

Where the Company is required to provide you with core contribution on certain leaves noted above, the amount will be based on your level of **Earnings** at the time your leave began. You are permitted to continue your Voluntary Employee Basic Contribution and/or your Additional Voluntary Contribution, if applicable during these leaves. Post-dated cheques for the duration of your leave will need to be provided to your local Human Resources Business Partner(s). Company matching of your Voluntary Employee Basic Contribution will continue to be remitted to your DCPP account only when post-dated cheques are received.

### Status changes during employment

If your employment changes and you move to another role that is not eligible for the DCPP, you will no longer be eligible to participate in the Plan. Your DCPP assets will remain in your DCPP account and you are still permitted to make investment selections. However, all contributions will stop, including any voluntary DCPP contributions. Your DCPP assets will remain in the Plan until you terminate employment.

### If you die before your pension payments start

If you die before you remove your account balances from the DCPP or begin receiving pension payments, a death benefit equal to your vested account balances will be payable.

**Regardless of who you designate as a beneficiary, if you have a **Spouse**, the death benefit will be payable to your **Spouse**.**

#### **Options for your Spouse**

Your **Spouse** may elect one of the following options:

- 1) an immediate or deferred life **Annuity** from Sun Life Assurance Company of Canada or another Canadian insurance company, or
- 2) a tax-sheltered transfer to a **RRSP**, or
- 3) a tax-sheltered transfer to a **RRIF**, or
- 4) a tax-sheltered transfer to a pension plan, if that plan permits, or
- 5) a lump sum cash payment, less withholding tax, if applicable.

The cash payment to your **Spouse**, or transfer to a **RRSP** or **RRIF**, is limited to any account balances that are not locked-in at the date of your death.

Your **Spouse** may elect one or more of the following options for the locked-in death benefit:

- 1) a life **Annuity** from Sun Life Assurance Company of Canada or another Canadian insurance company, or
- 2) a tax-sheltered transfer to a prescribed retirement savings plan, in accordance with **Applicable Legislation**, or
- 3) a tax-sheltered transfer to a prescribed income arrangement, in accordance with **Applicable Legislation**, or
- 4) a tax-sheltered transfer to a pension plan, if that plan permits.

#### **If you do not have a Spouse**

The death benefit will be payable to your designated beneficiary, or to your Estate, if you haven't designated a beneficiary, in the form of a lump sum cash payment, less withholding taxes.

#### **If your spousal relationship ends**

In the event of marriage or relationship breakdown, your DCPP account balances can be divided in accordance with provincial or territorial matrimonial property law, however you can opt to follow the federal legislation. Your former **Spouse** is entitled to receive a statement outlining certain information about your DCPP benefits.

#### **When you leave before retirement**

If you terminate employment, contributions will stop and you will be entitled to your DCPP account balances by way of a deferred pension benefit or a lump sum transfer. Please also refer to the sections "**When can I retire and how is my pension determined?**" and "**What are my retirement income options?**" for information about your pension benefit.

You may elect one of the following options:

- 1) a transfer to another registered pension plan, if that plan so permits, or
- 2) a transfer to a **RRSP**, or a prescribed retirement savings plan, in accordance with **Applicable Legislation**, or
- 3) a transfer to a **RRIF**, or a prescribed income arrangement, in accordance with **Applicable Legislation**, or
- 4) a life **Annuity** from Sun Life Assurance Company of Canada or another Canadian insurance company, subject to any restrictions under **Applicable Legislation**, or
- 5) if you have less than 24 months of membership in the plan, a lump sum cash payment, less withholding tax, if applicable.

To learn more information on the above, you can:

- 1) Visit "**Leaving the Plan**" at [www.mysunlife.ca/purolator](http://www.mysunlife.ca/purolator); or
- 2) Call 1-866-881-0583 to find out about the **Group Choices Plan RRSP** or **RRIF** for terminated members

The *Group Choices Plans* allow you to continue to enjoy the benefits of group plan membership.



## FAQs: When you leave before retirement

### Can I take my money out of the Plan and what does it mean for my benefits to be “locked-in”?

Under federal pension legislation, all required contributions (both employee and Company) as well as investment earnings become “locked-in” when you have completed 2 years of continuous membership in the Plan. Your locked-in savings must be used to provide a retirement income. That means that once your employment with the Company ceases, you can transfer locked-in amounts from the Plan to another registered plan such as an RRSP, but you may not withdraw these amounts until you are ready to retire. Locked-in amounts are generally not available as cash, however, some exceptions may apply under [Applicable Legislation](#).

Locking-in does not apply to your voluntary contributions as these can be withdrawn at any time upon cessation of employment.

### What additional information do I need to know?

Subject to any [Applicable Legislation](#), the decision of the Company will be final and conclusive with respect to all questions relating to the operation, administration and interpretation of the DCPP.

#### **Small benefit amounts**

If you terminate membership prior to commencing a pension and your vested and locked-in account balances are considered a “small” amount under [Applicable Legislation](#), the amount will either be payable to you in cash less withholding tax, if applicable, or transferred to a [RRSP](#) or [RRIF](#).

If however you are entitled to a benefit under both the DCPP and the defined benefit component of the Purolator Inc. Salaried Employees’ Pension Plan, your DCPP account balance and accrued defined benefit pension benefit will be aggregated together in order to determine if your total pension benefit under the plan may be considered a small amount.

#### **Non-residents**

If you have terminated employment with the Company and you have not been a resident of Canada for at least 2 calendar years, you may be entitled to a refund of your vested, locked-in account balances. In the event of your death, the same right would apply to your [Spouse](#). In order to receive the refund, you must submit the supporting documents to the Company.

### Choosing when to start your pension

Your [Normal Retirement Date](#) is the first day of the month coincident with or following your 65th birthday.

You may, however, elect to retire early and begin receiving your pension payments at any time after reaching age 55. Alternatively, you may postpone receiving your pension payments until December 1<sup>st</sup> in the calendar year of your 71st birthday, or such other date as may be required by [Applicable Legislation](#). You must notify the Company no later than 30 days prior to the date you want to begin receiving pension payments.

When you retire, your DCPP account balances will be used to provide a pension payable for your lifetime. The amount of pension will depend on:

- your account balance,
- your age at the date your pension payments are scheduled to begin,
- the type of pension you choose, and
- the [Annuity](#) purchase rates in effect at that time.

Pension payments will be calculated using the greater of (a) Sun Life Assurance Company of Canada's current payout **Annuity** rate applicable at the time of calculation, or (b) a minimum guaranteed rate determined by reference to the mortality table and interest rate specified in the **Group Annuity Policy**.



## FAQs: Choosing when to start your pension

### What if I want to continue working beyond 65?

If you choose to continue working beyond your **Normal Retirement Date**, all applicable contributions made on your behalf will also continue until the earlier of your retirement date or Dec 1<sup>st</sup> in the year you turn 71.

### What are my retirement income options?

When you retire you can choose one of the following options for your assets:

- 1) purchase a deferred or immediate Life **Annuity** from Sun Life or another Canadian insurance company and begin receiving pension payments where applicable;
- 2) transfer your assets into another registered pension plan, if that other plan permits;
- 3) transfer your assets to an **RRSP**, or other retirement savings plan prescribed by **Applicable Legislation**; or
- 4) transfer to a **RRIF**, or a prescribed income arrangement, in accordance with **Applicable Legislation**.

If you've made additional voluntary contributions under the Plan, you may choose to receive those contributions in cash or as a transfer to either an **RRSP** or a **RRIF**. In this instance, your pension payments would be lower than if those contributions were used towards funding your pension income.

#### Important

Legislation requires that you choose a retirement income option no later than December 1<sup>st</sup> of the calendar year in which you turn age 71, or such other date as may be required by **Applicable Legislation**. If you do not choose an option by such time, Sun Life Assurance Company of Canada will begin making pension payments to you. Subject to **Applicable Legislation**, pension payments will be made to you until your death or until 120 equal monthly payments have been made, whichever is later. Once the pension payments begin, the benefit will be non-commutable and will only be recalculated in order to comply with **Applicable Legislation**. Should the pension payments be less than Sun Life Assurance Company of Canada's minimum at the time of calculation, Sun Life Assurance Company of Canada reserves the right to pay the value of the pension to you in cash, subject to **Applicable Legislation** and any applicable withholding tax.

For further information about retirement options, call a Sun Life Financial retirement services specialist at 1-866-224-3906.

### What is the normal form of pension benefit?

#### ***If you do not have a Spouse on the date your pension payments begin:***

The normal form of pension is an **Annuity** payable in equal monthly instalments for your lifetime. Payment will cease upon the date of your death.

#### ***If you have a Spouse on the date your pension payments begin:***

The normal form of pension payable to you is a 60% "joint and survivor" pension. Under the 60% joint and survivor pension, a regular periodic pension amount is payable to you for as long as you live. In the event you die prior to your **spouse**, the percentage of your joint and survivor pension will continue to be paid to your surviving **spouse** for the remainder of his/her lifetime. In the event your **spouse** dies before you, your pension payment will remain unchanged and ceased upon your death. You may request that the pension continuing to your **Spouse** be more than

60% (up to a maximum of 100%), but you must make your choice known before your pension payments begin. Any increase in the percentage continuing to your *Spouse* will result in lower initial pension payments to you.

***Optional forms of pension are available\*:***

You can choose to have your pension payments guaranteed for periods of 5, 10 or 15 years. This means you will have a lifetime pension payment, however should you die prior to the guarantee period, the pension payment will be payable to your beneficiary for the balance of the guarantee period you chose, if applicable.

If you have a *Spouse* at time of your retirement, you also have the option of choosing a Joint and Survivorship with a percentage payable to your surviving *spouse* that is more or less than 60% (ie 100% or 50%, respectively). This will mean that your initial pension payment will either be lower or higher depending on the percentage continuing to your *Spouse*.

***\*If you have a Spouse - Waiver of joint and survivor pension permitted***

The joint and survivor pension can be waived if a statement acknowledging awareness of, and waiving, the joint and survivor pension is signed by your *Spouse* in the form and manner prescribed by *Applicable Legislation*. The statement must be filed with the Company before the pension payments are scheduled to begin. .

**Will I receive any tax forms from Sun Life Financial?**

If any benefits are paid to you in cash you will receive, for income tax purposes, a tax form reporting the amount withdrawn and tax withheld.

# Investment & Account Information

## Who makes the investment decisions?

You make the investment decisions for all contributions to your DCPP account.

The investment choices available to you are described in detail in your investment and savings guide. You can change your investment direction for future contributions, or transfer amounts between funds at any time, by accessing your account online at [www.mysunlife.ca/purolator](http://www.mysunlife.ca/purolator), by calling Sun Life Financial's Customer Care Centre at 1-866-881-0583 or by completing a financial change form obtained from the Customer Care Centre.

If you do not make an investment choice, or the total percentage does not equal 100%, the total/difference, as the case may be, will be invested in the BlackRock LifePath® Index Segregated Fund with the maturity date closest to, without exceeding, your 65<sup>th</sup> birthday. This default fund is subject to change in the future. Neither Sun Life Financial nor the Company makes any representation that the default fund is appropriate for any given member. It is your responsibility to reallocate any amounts invested in the default fund to your desired investment choice by contacting Sun Life Financial.

## Which types of investment options are available?

The investments under your plan will consist of the following:

The market-based investment funds under your plan are known as segregated funds. Segregated funds are similar to mutual funds. Both types of funds pool assets from a large number of investors, and the assets are invested and controlled by a professional money manager. Contributions allocated to segregated funds are accumulated under a **Group Annuity Policy** issued by Sun Life Assurance Company of Canada. The assets within the segregated funds are owned by Sun Life Assurance Company of Canada.

The value of holdings in any segregated fund can fluctuate depending on market conditions and the degree of risk of the underlying investments that make up the fund. The contributions allocated to a segregated fund are measured in notional units. The value of each unit held in your account will fluctuate with the value of the investments held by the fund. The value of any capital appreciation (or depreciation), interest or dividends is included in determining the value of the units held in your account.

### **Target Date Segregated Funds**

Each target date fund has a specified maturity date and the asset mix of the fund generally becomes more conservative as the fund approaches the maturity date. You decide which fund to invest in by matching your investment time horizon with the maturity date of a fund. Like all other segregated funds available in your plan neither the value of the assets nor the rate of return is guaranteed.

The **Group Annuity Policy** and the segregated funds underlying it have not been registered with securities regulators and may not be offered or sold outside of Canada unless they are registered or otherwise exempt from registration under the securities laws of the country in which such funds are offered.

### **Guaranteed Funds**

Guaranteed Funds earn a set rate of interest and give you a guarantee to receive that interest, plus the contributions invested, at the end of a specific term. The contributions are accumulated under a **Group Annuity Policy** issued by Sun Life Assurance Company of Canada, a member of the Sun Life Financial group of companies.



Each contribution invested in a Guaranteed Fund for a guaranteed period of one year or more will be credited with interest, compounded daily, at the annual interest rate in effect on the date the contribution is deposited. Interest is earned on each contribution from the date the contribution is deposited, and is invested at the same interest rate as is applicable to the contribution.

Each contribution invested in the Deposit Fund or the Guaranteed Daily Interest Account, as applicable (both of which are Guaranteed Funds) will be credited with interest, compounding daily, at the annual interest rate in effect each day. As the deposit term is daily for each of these funds the market value adjustment rules described below do not apply.

**Important:**

- If, before the expiry of a Guaranteed Fund's guaranteed period, an interfund transfer is made, or a withdrawal is made for any reason other than to pay a death or disability benefit, the value of the funds to be transferred or withdrawn will be subject to a market value adjustment to reflect both the interest rate movement and the shorter period of investment.
- If only a portion of an account in a Guaranteed Fund is to be transferred or withdrawn, the amount will be taken proportionally from all contributions and earned interest in the account.

**Warning regarding withdrawals:**

If you elect to withdraw a specific dollar amount and you do not indicate the account or accounts from which this amount is to be taken, it will be withdrawn proportionately from each fund within each account. The exception is where an account contains money that is restricted from withdrawal by the terms of the plan or [Applicable Legislation](#).

**How do I access account information?**

Once you are enrolled you will receive a welcome letter from Sun Life Financial that includes your account number. You can access your account information at any time by:

- using Sun Life Financial's 24-hour Automated Telephone System for self-service at 1-866-881-0583 (toll-free)
- calling Sun Life Financial's Customer Care Centre representatives toll-free at 1-866-881-0583 any business day from 8 A.M. to 8 P.M. ET. By calling the Customer Care Centre, you can also arrange to speak with an investment specialist for information about your investments.
- visiting [www.mysunlife.ca/purolator](http://www.mysunlife.ca/purolator) (Sun Life Financial's Plan Member Services website) – 24 hours a day

**Note:** To enter the website you will need your access identification number and password.

**How do I make investment changes?**

You can change your investment direction for future contributions and transfer money between funds at any time using the same services as you use to access your account information.

**Warning regarding short term trading:**

Frequent trading or "short term trading" is the practice whereby an investor makes multiple buying and selling transactions on a regular basis in an attempt to time market trends and boost returns to their account. Short term trading affects all investors in the fund and can lead to a negative impact on performance. For this reason, Sun Life Financial takes steps to protect plan members from the effects of short-term trading. You will be charged a 2% fee

if you initiate an interfund transfer into a fund followed by an interfund transfer out of the same fund within 30 days. The fee will not be charged for transactions involving guaranteed funds or money market funds, and does not apply to deposits or withdrawals, only interfund transfers.

## How do I obtain investment advice?

Once you have completed the Sun Life Financial investor risk profile questionnaire you can speak to a licensed Investment Advice Specialist who will provide you with advice on most of the investment options available in your plan based on your results. In-plan advice is available by calling Sun Life Financial's Customer Care Centre at 1-866-881-0583 between the hours of 9:30 a.m. and 5:30 p.m. Eastern Time or by calling to arrange an appointment.

## What fees apply to the plan?

Administration, investment management and account service fees cover account management, various services offered by Sun Life Financial, and may, in certain cases, cover services including investment monitoring and governance activities provided by service providers of the Company. Fund operating expenses, federal and provincial taxes may also apply.

The Company will pay the costs associated with the administration of the group plan. The costs associated with investment management will be reflected in the value of your accounts. You or the Company will be responsible for the fees related to account services, depending upon the type of service requested.

If you have any questions about your plan's fees, contact Sun Life Financial's Customer Care Centre at 1-866-881-0583. Your account statements also contain a section which clearly outlines the fees and charges you pay.

Once you enrol, you can access fee information at [www.mysunlife.ca/purolator](http://www.mysunlife.ca/purolator). You can either look for the 'Accounts' drop-down menu where you'll find 'Account fees' or view your online statement.

**Note:** If you are no longer employed by the Company, you may be responsible for all fees and charges applicable to your accounts.

## Undertaking to provide an Annuity

For contributions invested in segregated and guaranteed funds offered under a **Group Annuity Policy** Sun Life Assurance Company of Canada undertakes to provide you with an **Annuity** payable for your lifetime using the account balances which you are entitled to under the terms of the plan.

The **Annuity** payments will depend on:

- your account balance,
- your age at the date your Annuity payments are scheduled to begin,
- the type of Annuity you choose, and
- the Annuity purchase rates in effect at that time.

**Annuity** payments will be calculated using the greater of (a) Sun Life Assurance Company of Canada's current payout **Annuity** rate applicable at the time of calculation, and (b) a minimum guaranteed rate determined by reference to the mortality table and interest rate specified in the **Group Annuity Policy**.

Once the **Annuity** payments begin, the benefit will be non-commutable. Should the **Annuity** payments be less than Sun Life Assurance Company of Canada's minimum at the time of calculation, Sun Life Assurance Company of Canada reserves the right to pay the value of the **Annuity** to you in cash, subject to any **Applicable Legislation** or withholding tax.

## General Information

Every effort has been made to ensure the accuracy of this booklet, however in the event of a conflict the provisions of the official plan document and the official *Group Annuity Policy*, or other investment contract will apply.

### What statements and communications will I receive?

Semi-Annual account statements will be available at [www.mysunlife.ca/purolator](http://www.mysunlife.ca/purolator). Copies of some of your previous statements will also be available on-line. In addition, you will receive a paper copy mailed to you no less frequently than once a year. If you have questions regarding the frequency of paper statements, or any details included on the statement, or to request to have these statements mailed to you, please contact Sun Life Financial's Customer Care Centre at 1-866-881-0583.

Also available on the website to help you effectively manage your personal finances are semi-annual newsletters discussing topical financial issues, investment decision-making tools and details on your investment funds.

You may request additional plan information, such as investment fund holdings or transaction details, by contacting Sun Life Financial's Customer Care Centre at 1-866-881-0583.

Any changes to the investment options available under your plan, such as a fund name change or the removal of a fund, will be communicated to you on your statement or by separate communication.

In accordance with *Applicable Legislation*, if you live in Alberta, British Columbia or Manitoba, upon your request Sun Life Financial will provide directly to you a copy of your enrolment form (or other information that was required by Sun Life Financial in order to enrol you in the plan) and the *Group Annuity Policy* issued by Sun Life Assurance Company of Canada. If you live elsewhere in Canada, contact the Company to determine if you are entitled to examine certain documents pertaining to your plan.

In the event of your death, a statement of benefits and options will be provided to the person(s) entitled to benefits under the DCPP, and to your legal representative, if required under *Applicable Legislation*.

You, and any other person or party entitled under *Applicable Legislation*, have the right to access certain information pertaining to the DCPP as prescribed under *Applicable Legislation*. The rules regarding frequency of access, the method or medium for providing the information, or location of examination of the information, if applicable, and any other requirements are set out in *Applicable Legislation*.

### Will I receive any tax forms from Sun Life Financial?

If any benefits are paid to you in cash you will receive, for income tax purposes, a tax form reporting the amount withdrawn and tax withheld.

### How do I update my personal information?

To update your personal information including address changes, please contact your local Human Resources Business Partner(s). The Company will pass your information on to Sun Life Financial.

### Who has access to my personal information?

As the party responsible for the operation and administration of the plan, the Company requires some personal information about you in order to monitor the effectiveness of plan service providers and provide general member services. **By enrolling in the plan, you will have authorized the Company, its agents, and service providers such**

as Sun Life Financial, to access your personal information necessary for the purpose of plan administration. If you need further information regarding these issues, please contact the Company.

### **Respecting your privacy**

Respecting your privacy is a priority for the Sun Life Financial group of companies. We keep in confidence personal information about you and the products and services you have with us to provide you with investment, retirement and insurance products and services to help you meet your lifetime financial objectives. To meet these objectives, we collect, use and disclose your personal information for purposes that include: underwriting; administration; claims adjudication; protecting against fraud, errors or misrepresentations; meeting legal, regulatory or contractual requirements; and we may tell you about other related products and services that we believe meet your changing needs. The only people who have access to your personal information are our employees, distribution partners such as advisors, and third-party service-providers, along with our reinsurers. We will also provide access to anyone else you authorize. Sometimes, unless we are otherwise prohibited, these people may be in countries outside Canada, so your personal information may be subject to the laws of those countries. You can ask for the information in our files about you and, if necessary, ask us in writing to correct it. To find out more about our privacy practices, visit [www.sunlife.ca/privacy](http://www.sunlife.ca/privacy).

### **You have a choice**

Sun Life Financial will occasionally inform you of other financial products and services that they believe meet your changing needs. If you do not wish to receive these offers, let Sun Life Financial know by calling 1-877-SUN-LIFE (1-877-786-5433).

### **Future of the plan**

The Company has established this plan for your benefit but reserves the right to amend or terminate it at any time. The benefits you have earned will not be reduced. If Sun Life Financial is notified that your plan is terminating, you will be sent a settlement option package. You then select an option for the benefits you are entitled to under the plan and return the completed settlement option form to Sun Life Financial.

Please be aware that membership in the plan does not confer any legal right upon you for continuation of employment.

### **Limitation period for actions**

#### **If you reside in Ontario and were first provided a Sun Life plan summary or booklet on or after July 1, 2016:**

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Limitations Act, 2002.

#### **For all other members:**

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or such other Applicable Legislation of the province or territory where you reside.

## Where to get help

### By Phone:

- If you have **any questions on your DCPP** you can contact the Sun Life Customer Care Centre at **1-866-881-0583**, any business day from 8 a.m. to 8 p.m. ET.
- If you require investment advice, after you have completed the Sun Life Financial investor risk profile questionnaire you can speak to a licensed **Investment Advice Specialist** who will provide you with advice on most of the investment options available in your plan based on your results. In-plan advice is available by calling Sun Life Financial's Customer Care Centre at **1-866-881-0583**, between the hours of 9:30 a.m. and 5:30 p.m ET or by calling to arrange an appointment.
- You can also have access to a Sun Life **Financial Advisor**, who can assist with holistic financial planning by contacting the Sun Life Customer Care Centre at **1-866-881-0583**, any business day from 8 a.m. to 8 p.m. ET.
- If you are reaching retirement age and you'd like to speak with a Sun Life **Retirement Services Specialist** about your retirement options you can call **1-866-224-3906** between the hours of 9:30 a.m. and 5:30 p.m ET.

### Online:

- You can also access information on your DCPP through your [PuroPension site](#) on PuroNet. Here you can find at-a-glance documents, DC Calculators, Investment information and a frequently asked questions section.
- You can also access the Sun Life Financial's Plan Member Services website by visiting [www.mysunlife.ca/purolator](http://www.mysunlife.ca/purolator). You will need your account number to register for an access ID to sign in to the site. Your account number is **18705** plus your employee number. For example if your employee number is 60123456, then your account number is **1870560123456**. For additional information or assistance, contact the Sun Life Customer Care Centre at **1-866-881-0583**, any business day from 8 a.m. to 8 p.m. ET.

## Glossary of Terms

<b>Annuity</b>	An insurance policy that provides income payments at periodic (typically monthly) intervals, usually for a specified period or for the lifetime of the annuitant. Income payments may begin immediately upon retirement or may be postponed to a future date.
<b>Applicable Legislation</b>	The Income Tax Act (Canada), any applicable provincial income tax legislation and any applicable provincial insurance or other legislation. For the purposes of the DCPP, Applicable Legislation also means the pension legislation under which the DCPP is registered, or which is otherwise applicable to the member, as the case may be.
<b>Earnings</b>	Means, for the purposes of determining contributions, the remuneration received by you including bonus (up to a maximum determined by the company), sales commissions, overtime pay, vacation pay, shift premiums, attendance awards, longevity allowance, light duty pay, supplemental pay for bilingual employees or in respect of economic regional disparity, grievance settlements and salary continuance in respect of the period of notice of termination of employment. It excludes perquisites, car allowance, employer paid group term life insurance, health and dental benefits, the benefit derived from interest free loans and relocation allowance or support and amounts received from company during certain leave of absence (Class C and D absence).
<b>Group Annuity Policy</b>	A contract of life insurance issued by Sun Life Assurance Company of Canada to a policyholder to provide annuities at retirement to a group of people in a group pension or savings plan.
<b>Normal Retirement Date</b>	The first day of the month coincident with or next following the date you attain 65 years of age.
<b>Pension Adjustment</b>	The values of the pension you earn in the DCPP each year is expressed as a pension adjustment (also called a PA). Your PA reduces the amount you can contribute to an RRSP in the following year. Your PA is reported on your T4 each year, and your Notice of Assessment from the Canada Revenue Agency (CRA) tells you exactly how much RRSP contribution room you have.
<b>RRIF</b>	A registered retirement income fund (RRIF) is an arrangement between a carrier (eg. an insurance company or a trust company) and an individual under which payments are made to the individual of a minimum amount each year. The property under a RRIF is derived only as a result of a transfer of funds from another RRIF, a RRSP, a registered pension plan or a deferred profit sharing plan, and annual amounts must begin to be paid to the individual in the year after the RRIF is established. Property and earnings in a RRIF are tax-sheltered and amounts paid out of a RRIF are considered taxable income to the recipient.
<b>RRSP</b>	A registered retirement savings plan (RRSP) is an arrangement between an individual and an issuer (eg. an insurance company or a trust company) under which contributions are made by individuals and a retirement income commences at maturity. Contributions are tax deductible under the Income Tax Act (Canada). Investment earnings in the plan remain tax-sheltered and payments out of a RRSP are considered taxable income to the recipient.

<b>Spouse</b>	<p>Means either the person to whom you are married or with whom you are party to a void marriage, or your Common-law Partner, unless a different meaning is plainly required by the context. Common-law Partner means a person with whom you are cohabiting in a conjugal relationship and with whom you have done so for a continuous period of at least one year.</p> <p>For the purposes of qualifying for tax-sheltered transfers or other special tax treatment under the Income Tax Act (Canada), Spouse means (a) a person who is married to you or (b) a person of the opposite or same sex who is and has been living with you in a conjugal relationship for a continuous period of at least 12 months, or is living with you in a conjugal relationship and is a natural or adoptive parent of your child.</p>
<b>YMPE</b>	<p>The Year's Maximum Pensionable Earnings under the Canada Pension Plan or the Maximum Pensionable Earnings under the Quebec Pension Plan.</p>