

# Sun

**GUARANTEED**  
*Investments*

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## ADVISOR GUIDE

### **WHAT'S INSIDE**

- Superflex/Income Master (Insurance GIC)
- Sun GIC Max – non-redeemable (Trust GIC)
- SLF Trust GIC – redeemable (Trust GIC)

Life's brighter under the sun



## Sun Guaranteed Investments

Sun Guaranteed Investments are designed for clients who want to earn a guaranteed interest rate on their investments while protecting their principal investment.

Sun Life Financial offers a suite of guaranteed products including Insurance GICs\* (Superflex/Income Master) and more traditional Trust GICs (Sun GIC Max/SLF Trust GIC).

Superflex and Income Master, the Insurance GICs, provide the ability to designate a beneficiary on any account type, and the ability to avoid the costs and delays associated with probate and estate settlement.

In addition, both non-redeemable (Sun GIC Max) and redeemable (Superflex/SLF Trust GIC) options are available. The Sun GIC Max generally offers a higher interest rate over our redeemable products; however unlike the Superflex and SLF Trust GIC, clients may only withdraw from term investments at maturity.

This diverse product offering through Sun Guaranteed Investments is sure to meet the needs of all your clients.

\* Insurance GICs are accumulation annuities issued by Sun Life Assurance Company of Canada.

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# Superflex/ INCOME MASTER (INSURANCE GIC)

Superflex is an accumulation annuity (issued by Sun Life Assurance Company of Canada), or as we commonly refer to it, an Insurance GIC\* which allows a client to accumulate and reinvest earnings on their investments at guaranteed rates. Clients can make contributions into a range of Investments, each with a fixed rate of interest for a specified term to maturity. Income Master is the retirement/income option.

\* Insurance GICs are accumulation annuities issued by Sun Life Assurance Company of Canada.

## PRODUCT AT A GLANCE

<b>Registration types</b>	<ul style="list-style-type: none"> <li>• TFSA</li> <li>• Non-registered</li> <li>• RRSP</li> <li>• Spousal RRSP</li> <li>• LIRA/Locked-in RRSP/RLSP</li> <li>• RRIF (Income Master)</li> <li>• Spousal RRIF (Income Master)</li> <li>• LIF/RIF (Income Master)</li> </ul>		
<b>Issue ages</b>	<table border="0"> <tr> <td style="vertical-align: top;"> <p><b>Owner</b></p> <ul style="list-style-type: none"> <li>• RRSP (including LIRA) - ages 18*-71</li> <li>• RRIF - ages 18*-90</li> <li>• TFSA - ages 18*-90</li> <li>• Non-registered - ages 16-90</li> </ul> </td> <td style="vertical-align: top;"> <p><b>Annuitant</b></p> <ul style="list-style-type: none"> <li>• RRSP (including LIRA) - ages 18*-71 (annuitant is owner)</li> <li>• RRIF - ages 18*-90</li> <li>• Non-registered - ages 0-90</li> </ul> </td> </tr> </table> <p>* Or age of majority in the applicable province (See page 15).</p>	<p><b>Owner</b></p> <ul style="list-style-type: none"> <li>• RRSP (including LIRA) - ages 18*-71</li> <li>• RRIF - ages 18*-90</li> <li>• TFSA - ages 18*-90</li> <li>• Non-registered - ages 16-90</li> </ul>	<p><b>Annuitant</b></p> <ul style="list-style-type: none"> <li>• RRSP (including LIRA) - ages 18*-71 (annuitant is owner)</li> <li>• RRIF - ages 18*-90</li> <li>• Non-registered - ages 0-90</li> </ul>
<p><b>Owner</b></p> <ul style="list-style-type: none"> <li>• RRSP (including LIRA) - ages 18*-71</li> <li>• RRIF - ages 18*-90</li> <li>• TFSA - ages 18*-90</li> <li>• Non-registered - ages 16-90</li> </ul>	<p><b>Annuitant</b></p> <ul style="list-style-type: none"> <li>• RRSP (including LIRA) - ages 18*-71 (annuitant is owner)</li> <li>• RRIF - ages 18*-90</li> <li>• Non-registered - ages 0-90</li> </ul>		
<b>Interest options</b>	<ul style="list-style-type: none"> <li>• compound interest</li> <li>• annual interest (not available for RRIF)</li> <li>• annual payout*</li> <li>• monthly payout*</li> </ul> <p>* Not available for locked-in plans or Income Master RRIF option. Multiple interest types are available in the same contract.</p>		
<b>Investment options</b>	<ul style="list-style-type: none"> <li>• daily interest investment</li> <li>• 90-day (not available on Income Master)</li> <li>• 1-10 years</li> <li>• auto ladder</li> <li>• client-selected end date</li> <li>• longer terms are available for RRIF and LIF/RLIF accounts (Income Master)</li> </ul>		
<b>Minimum investment</b>	<ul style="list-style-type: none"> <li>• \$250 per policy or monthly PAC</li> <li>• \$1,000 guaranteed interest investment</li> <li>• \$50 monthly PAC</li> <li>• \$5,000 Income Master option</li> </ul>		
<b>Interest rates</b>	<ul style="list-style-type: none"> <li>• 45-day rate guarantee available</li> </ul>		
<b>Withdrawals</b>	<ul style="list-style-type: none"> <li>• may be subject to market value adjustment (MVA) if cashed prior to maturity</li> <li>• daily interest investment can be withdrawn at any time without MVA</li> <li>• the first withdrawal on an Income Master RRIF will be MVA free, up to a maximum of 10% of the January 1st value. This withdrawal will be taken proportionally from all investments</li> </ul>		
<b>Investment maturity action</b>	<ul style="list-style-type: none"> <li>• automatically reinvests to the same term</li> </ul>		
<b>Beneficiary designation</b>	<ul style="list-style-type: none"> <li>• available for all registration types</li> </ul>		

continued...

## PRODUCT AT A GLANCE

<b>Deposit/premium protection</b>	<ul style="list-style-type: none"><li>• provided by Assuris, up to Assuris deposit protection limit</li></ul> For more information visit <a href="http://www.assuris.ca">www.assuris.ca</a> .
<b>Creditor protection</b>	<ul style="list-style-type: none"><li>• if you have named a family class or irrevocable beneficiary, there may be creditor protection</li><li>• provincial insurance legislation contains special rules regarding claims by creditors when it comes to life insurance policies and annuity contracts. For specific advice about this, the client should speak with a lawyer.</li></ul>
<b>RRIF/LIF income (Income Master)</b>	<p><b>Frequency</b></p> <ul style="list-style-type: none"><li>• monthly, quarterly, semi-annual or annual</li></ul> <p><b>Income types</b> - subject to legislative minimum payment requirements</p> <ul style="list-style-type: none"><li>• annual minimum</li><li>• annual maximum (applicable to locked-in funds only)</li><li>• level</li><li>• no income</li><li>• interest only</li></ul> <p>Income payments are pro-rated across all terms. Market Value Adjustments do not apply to income payments.</p>

## PRODUCT INFORMATION

### OWNERSHIP DETAILS

Typically, on non-registered Superflex policies, an individual is both the owner and annuitant. However, there are other ownership/annuitant options available:

#### a) Joint ownership with rights of survivorship (not available in Quebec)

Jointly owned Superflex are issued this way by default as specified on the application. In Quebec, the default is that each joint owner is a subrogated policy owner for the share of the other owner unless otherwise specified.

- Upon the death of an owner who is not the last surviving annuitant, the other joint owner will become the owner of the deceased owner's share of the contract.
- The T5 slip will be issued in the names of the joint owners.
- Individual tax situations will dictate who is best to claim the amount.

#### b) Contingent owner

- When the owner dies, the policy is automatically transferred to the person who was designated the contingent owner and bypasses the estate.
- While still alive, the policy owner can change the appointment any time and the contingent owner has no rights.
- If the contract is jointly owned, upon the death of an owner who is not the last surviving annuitant, the other joint owner will become the owner of the deceased owner's share of the contract, unless otherwise specified. Therefore there is no need to name a contingent owner.
- In Quebec, the contingent owner is called the subrogated policyholder.

#### c) Successor annuitant-Non registered only

- If a successor annuitant is named, the contract will continue after the death of the annuitant and no death benefit will be payable at that time; the successor annuitant will then become the annuitant.

#### d) Minor annuitant (child as annuitant)

- This arrangement is based on the rationale that the contributor is too old to be the annuitant for a term of their choice because it would extend past age 90. Since the policy is based on the age of the annuitant, a younger life is used to obtain the desired term. Alternatively, this can be used if the money belongs to or, is intended for, the minor annuitant.

**Note:** A corporate-owned Superflex policy must still have an individual named as the annuitant.

#### TIP

Making a child the annuitant is not necessarily an effective way for a parent or grandparent to leave a lump sum to a child. At the death of the owner, ownership passes to the contingent owner if one has been appointed or to the owner's estate, if one has not been appointed. The death benefit is paid out only on the death of the annuitant, not the death of the owner.

### BENEFICIARY

Superflex is an annuity and as such a beneficiary can be named regardless of the registration type. A product from a bank or trust company can only offer this feature in a registered plan. As a result, when the annuitant dies, the funds in a Superflex policy are paid directly to the beneficiary, avoiding unnecessary delays, probate and legal costs.

**Note:** There are different rules in Quebec. For more information, see the beneficiary information section of the application.

## REGISTRATION TYPES

**TFSA:** Tax-Free Savings Account is a flexible, general-purpose account. Contributions are not tax deductible, but withdrawals and growth within the account, including investment income, are tax-free.

**RRSP:** Registered retirement savings plan is a tax-efficient way to save for retirement. Contributions are tax-deductible. Investments within an RRSP grow without being taxed. At retirement an RRSP is turned into income, which is taxable.

**LIRA:** Locked-in retirement account/RLSP - Restricted locked-in savings plan, holds locked-in funds transferred from a registered pension plan. The funds remain subject to pension law.

**RRIF:** Registered retirement income fund converts non locked-in registered retirement savings into income payments that can be used during retirement years.

**LIF:** Life income fund converts locked-in retirement savings into income payments that can be used during retirement years.

## POTENTIAL CREDITOR PROTECTION

Unlike guaranteed investment certificates (GICs), Superflex/Income Master may offer creditor protection in some circumstances. If you have named a family class or irrevocable beneficiary, there may be creditor protection. Provincial insurance legislation contains special rules regarding claims by creditors when it comes to life insurance policies and annuity contracts. For specific advice about this the client should speak with a lawyer. If the client is self employed or owns a business, protecting their savings from creditors can be especially important.

## DEPOSIT LIMITS

- Deposits, subject to Sun Life Financial limits, may be made at any time and directed to any of the available Investment types.
- Deposits may also be made through pre-authorized chequing (PAC) (excludes LIRA, LIF, RRIF, RLSP).

### MINIMUM AMOUNT

Superflex policy	\$250 or monthly PAC
Income Master option (initial policy minimum)	\$5,000
Monthly PAC (directed to the daily interest investment) – not applicable to Income Master	\$50
Guaranteed interest investment (compound & annual interest)	\$1,000
Guaranteed interest investment (annual & monthly interest payout) – not applicable to Income Master	\$5,000
RRIF payment minimum – if full amount of legislated minimum has not been met	Balance will be paid out December 31st each year



## INTEREST RATES AND ENHANCEMENTS

- Interest is calculated and added to the value of the guaranteed interest investment daily.
- Interest is quoted on an effective annual basis for all interest types and guaranteed interest investment terms.
- For monthly payout investments, the amount of interest earned each month will equal 1/12th of the annual interest.
- Interest rates are subject to change at any time depending on market conditions and may change without notice.
- Once an investment is established, the interest rate is guaranteed and cannot be changed.
- A 45-day rate guarantee (rate commitment) may be used to guarantee the current interest rate, this guarantee reserves a specific rate and does not guarantee “better of”.

**Note:** Special enhancements may be requested by calling the sales support team at: **1-800-800-4SUN/4786**.

### Interest rate commitments for new applications

#### The application

- A client applying for a new contract may find a current interest rate attractive and wish to reserve that rate for an investment. In order to reserve a rate for up to 45 days for an investment in a new account, we require that the application be completed in full and faxed in its entirety to **1-866-487-4745** the day it is signed.
- It should specify the interest rate for which the commitment is sought. We will confirm the rate matches our then current rate.
- The original application should be forwarded to our office.

**Note:** If our current rate for the investment has increased by the date we receive the funds, we will apply the rate established under the rate commitment and not the current higher rate.

Each investment (with the exception of the Auto Ladder) will automatically roll at maturity to the same term unless alternative instructions are received. However, if the term of the investment is not a whole year, the money will be reinvested to the closest whole-year term.

## CLIENT-SELECTED END DATES (CSED)

- Allows clients to select the end dates of their guaranteed interest investments, this offers a client flexibility and control over their money by allowing them to choose an end date that suits their needs (planning for an upcoming large purchase, a vacation, or a desire to have all of their money roll over each year on the same date).
- The interest rate will be interpolated in order to find the rate for the client. Interpolation is calculated to the nearest .01%.

## AUTO LADDER

- Allows clients to automatically apply a laddering strategy to their investment.
- A deposit is split equally among each of the 1-5 year guaranteed interest investment terms.
- As each guaranteed interest investment term matures, the balance will be automatically invested in a new 5-year guaranteed interest investment at the then current posted interest rate.

## WITHDRAWALS/TRANSFERS

- The client can withdraw all or part of an investment at any time, except from a LIRA, RLSP, locked-in RRSP, LIF or RLIF subject to applicable legislation.
- All or part of an investment may be transferred into a new investment at any time; the amount transferred must meet the minimum amount required to open a new investment. MVA does not apply to the daily interest investment.

### Limits and conditions

- Minimum withdrawal is \$500, subject to change.
- An MVA may apply, except at the maturity date.
- Unless the client specifies the investment(s), the funds will be withdrawn first from the daily interest investment and then from the investment closest to maturity.
  - For RRIF the MVA free amount is withdrawn first and will be pro-rated across all terms.
- Annual payout investments change automatically to annual interest investments at the original terms, with no change in interest rate if the remaining balance is between \$1,000 and \$5,000.
- If the remaining investment balance does not meet the minimum, the funds will be transferred to the daily interest investment.

## RRIF INCOME PAYMENT

- MVA does not apply to income payments.
- Income payments are pro-rated across all terms.

## MARKET VALUE ADJUSTMENT (MVA)

The MVA formula is applied whenever funds are withdrawn from an investment before its maturity date and may result in a decrease in the value of the investment. An MVA does not apply to RRIF income payments.

### The MVA formula takes into account:

- The term remaining to the end of the investment (years and days).
- The current basic interest rate in effect for an investment equal to the term remaining (rounded up to the next full year).
- The basic interest rate in effect in the existing investment.
- An expense factor to recover upfront expenses and account for liquidity risk.

## TERMINATION AND MATURITIES

### Termination

When the policy value is less than \$500, and regular monthly payments through PAC are not being made, Sun Life Financial may terminate the policy. This applies both to registered and non-registered Superflex policies. It does not apply to locked-in accounts as the policy value may only be paid out according to the governing pension legislation.

## Investment maturity

- Money in any guaranteed interest investment will re-invest automatically at the maturity date, into a new investment of the same term (except auto ladder), provided the new investment term does not end after the policy maturity date. However, if the term of the investment is not a whole year, Sun Life Financial will reinvest the money to the closest whole-year term at the current interest rate on the date the investment matures.
- The policy owner may advise Sun Life Financial to direct the funds into an investment of a different type and/or term. If notice is received after the investment maturity an MVA may apply, however there is a 10 business day grace period after investment maturity during which no MVA will apply.

## POLICY MATURITY

The policy maturity date is as follows:

- For Superflex RRSP policies, it is December 31st of the year of the annuitant's 71st birthday.
- For non-registered, TFSA, RRIF (Income Master) policies, it is December 31st of the year of the annuitant's 90th birthday; the maturity date may be extended to age 100 by completing and submitting form 4329.

The policy owner may choose, on or before the policy maturity date, to apply the policy value to:

- An eligible annuity.
- An Income Master RRIF, if funds are in an RRSP.
- An Income Master LIF, if funds are locked-in.
- Take funds in cash (except for a LIRA, RLSP or a locked-in RRSP), subject to applicable legislation.

At the policy maturity date of an RRSP Superflex, if the owner has not selected one of these options, the contract will be automatically amended to become RRIF as offered by us at that time.

At the policy maturity date of a non-registered or TFSA Superflex, if the owner has not selected one of these options, a life annuity benefit becomes payable as described in the policy.

## DEATH BENEFIT

- When the annuitant dies:
  - The beneficiary will be paid a death benefit equal to the policy value regardless of who the owner is; or
  - If a successor annuitant is named on a non-registered contract, the contract will continue after the death of the annuitant and no death benefit will be payable at that time. The successor annuitant will then become the annuitant.
- The death benefit is not subject to any MVA calculation.
- LIRAs/RLSPs are governed by pension legislation; depending on the pension legislation, the death benefit will be treated either as locked-in funds or RRSP funds and may be payable to the spouse/pension partner, instead of a named beneficiary, by law.
- If the client's spouse is the sole beneficiary of their TFSA or RRIF, they have the option to either receive the death benefit or elect to continue the policy as planholder/owner and exercise all rights, including the right to designate a beneficiary.

## ADMINISTRATION

### STATEMENTS

Superflex statements are issued annually. A statement is also produced when a new policy is issued and it confirms the details of each investment opened with the initial premium.

#### A statement shows:

- current status of the investments,
- all investment values, and
- total policy value.

### TAXATION

Any interest accrued in a non-registered policy is taxable to the owner. At the end of each calendar year, Sun Life Financial will issue a tax slip (T5) to the owner of the policy, reporting the interest accrued. Interest income is accrued on a policy anniversary basis. For example, if a policy were established in March 2015, the first policy anniversary will be March 2016. The T5 would be issued in early 2017 for the interest earned from March 2015 to March 2016.

The tax slip is issued in the name of the owner. It is not the responsibility of Sun Life Financial to determine in whose hands the income is taxable. All information slips must record the social insurance number (SIN) of the person receiving the slip.

Amounts accrued under a non-registered Superflex qualify for the Pension Tax Credit if the annuitant is 65 years of age or older. The pension tax credit is available under other circumstances. Clients should speak with their tax advisors.

#### Tax receipts

As early as possible each year, Sun Life Financial will issue an RRSP receipt for each registered savings policy to which a new contribution has been made. The receipt will show the total contributions eligible to be deducted for the taxation year that ended the previous December 31st. Separate receipts will be issued for any contribution made during the first 60 days following the end of the taxation year. Receipts are not issued for transfers from other registered accounts or plans.

Questions involving receipts or tax slips should be directed to the Sun Life Financial customer care centre at: **1-877-SUN-LIFE (786-5433)**.

### MONEY LAUNDERING – WHEN DO REQUIREMENTS APPLY?

Always verify the identity of clients and find out whether any third parties are involved for all non-registered wealth products. This helps Sun Life Financial and you to manage risk and comply with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and other relevant legislation/regulations.

It's important to meet with clients regularly to review their contract and the investment accounts they have with the policy, and help them with any contractual conversions to ensure their investments continue to meet their needs.

# Sun

## GIC MAX

*non-redeemable*  
(TRUST GIC)

Sun GIC Max is a Trust GIC (issued by Sun Life Financial Trust Inc.) that provides clients with a higher interest rate than the SLF Trust GIC by locking in their investments for the entire term. The guaranteed interest means clients are not exposed to market fluctuations. Sun GIC Max is a good choice for young savers, busy families, and those either nearing or enjoying retirement who want to minimize risk.

## PRODUCT AT A GLANCE

<b>Registration types</b>	<ul style="list-style-type: none"> <li>• Non-registered</li> <li>• TFSA</li> <li>• RRSP/RRIF</li> <li>• Spousal RRSP/RRIF</li> </ul>
<b>Issue ages</b>	<p><b>Owner</b></p> <ul style="list-style-type: none"> <li>• RRSP - ages 18*-71</li> <li>• Non-registered, TFSA and RRIF - ages 18*+</li> </ul> <p>* Or age of majority in the applicable province (See page 15).</p>
<b>Interest options</b>	<ul style="list-style-type: none"> <li>• compound interest</li> <li>• annual interest (not available on RRIF)</li> <li>• monthly interest (not available on RRIF)</li> </ul> <p>Only one interest type is available per contract.</p>
<b>Investment options</b>	<ul style="list-style-type: none"> <li>• daily interest investment</li> <li>• 30-364 days (not available on RRIF)</li> <li>• 1-5 years</li> <li>• 6-25 years (RRIF only)</li> <li>• client-selected end date</li> </ul>
<b>Minimum investment</b>	<ul style="list-style-type: none"> <li>• \$250 contract</li> <li>• \$1,000 guaranteed interest investment</li> <li>• \$5,000 contract RRIF</li> </ul>
<b>Interest rates</b>	<ul style="list-style-type: none"> <li>• 45-day rate guarantee available</li> </ul>
<b>Withdrawals</b>	<ul style="list-style-type: none"> <li>• <b>term investments are not redeemable</b></li> <li>• term investments may only be withdrawn at maturity</li> <li>• daily interest investment can be withdrawn at any time without MVA (Market Value Adjustment)</li> </ul>
<b>Investment maturity action</b>	<ul style="list-style-type: none"> <li>• Short term investments (less than 1 year) automatically reinvest to the same term</li> <li>• 1-5 year investments roll to the daily interest investment</li> </ul>
<b>Beneficiary designation</b>	<ul style="list-style-type: none"> <li>• RRSP/TFSA/RRIF – available in all jurisdictions except Quebec</li> <li>• non-registered – not available</li> </ul>
<b>Deposit protection</b>	<ul style="list-style-type: none"> <li>• provided by Canada Deposit Insurance Corporation (CDIC), up to CDIC deposit protection limit</li> <li>• Terms greater than 5 years do not qualify for CDIC coverage</li> </ul> <p>For more information visit <a href="http://www.cdic.ca">www.cdic.ca</a>.</p>

continued...

## PRODUCT AT A GLANCE

<b>Creditor protection</b>	<ul style="list-style-type: none"><li>• there may be creditor protection for RRSPs and RRIFs in bankruptcy situations and under some provincial legislation for other creditor situations</li><li>• non-registered GICs do not have specific protection against creditors</li></ul>
<b>RRIF Income</b>	<ul style="list-style-type: none"><li>• <b>Frequency</b> – monthly or annually</li><li>• <b>Income types</b> – subject to legislative minimum payment requirements<ul style="list-style-type: none"><li>• annual minimum</li><li>• level</li><li>• increasing income</li><li>• no income</li><li>• interest only</li></ul></li></ul> <p>Income payments are pro-rated across all terms</p>

Age of majority by province:

PROVINCE/TERRITORY	
Alberta	18
British Columbia	19
Manitoba	18
New Brunswick	19
Newfoundland	19
Northwest Territories	19
Nova Scotia	19
Nunavut	19
Ontario	18
Prince Edward Island	18
Quebec	18
Saskatchewan	18
Yukon	19

## PRODUCT INFORMATION

### OWNERSHIP DETAILS

Typically, on non-registered Sun GIC Max contracts, an individual is the owner. There are however other ownership options available:

#### a) Joint tenants with right of survivorship (JTWROS)

- The account will automatically be transferred to the surviving owner and any interest credited to the account prior to death is reported to the deceased and the surviving owner.
- Any interest credited after the date of death is taxed to the surviving owner.
- The T5 slip will be issued in the names of the joint owners.
- This option is not available in Quebec.

#### b) Joint tenants in common (JTIC)

- The account becomes the property of the estate of the deceased and the surviving owner.
- Any interest credited prior to the death is taxed to the deceased and the surviving owner.
- Any interest credited after the date of death is taxed to the estate of the deceased and the surviving owner.
- We will require a copy of the probated will if the value of the deceased owner's share of products with Sun Life Financial is more than \$100,000.
- The T5 slip will be issued in the names of the joint owners.

**Note:** It's important to remember, GIC products do not have an annuitant.

### BENEFICIARY

In all provinces, except Quebec, a beneficiary can be named on a Sun GIC Max with TFSA, RRSP or RRIF registration types. When the owner dies, the funds in a Sun GIC Max contract are paid directly to the beneficiary, avoiding unnecessary delays, probate and legal costs. Beneficiary designations are not available for non-registered GIC products.

### CREDITOR PROTECTION

Non-registered and TFSA guaranteed investment certificates do not have specific protection against creditors. There may be creditor protection for RRSPs or RRIFs in bankruptcy situations and under some provincial legislation for other creditor situations.

#### TIP

GIC products can be corporate owned. The application form is the same however there are a few additional requirements. Completion of the identity verification and third party determination for entity owners form (4831), the Certificate of Incumbency form (4207), and International tax classification for an entity (4545), are required along with the applicable corporate documents.



## DEPOSIT LIMITS

- Deposits, subject to Sun Life Financial limits, may be made at any time and directed to any of the available investment terms.

### MINIMUM AMOUNT

Sun GIC Max contract	\$250
Guaranteed interest investment	\$1,000
Sun GIC Max contract – RRIF	\$5,000
RRIF payment minimum – if full amount of legislated minimum has not been met, the balance will be paid out December 31st each year.	

### DID YOU KNOW

A non-redeemable investment provides a higher interest rate than a redeemable investment option because the client is staying invested for the entire term. At the end of the term, the client can withdraw or reinvest for another term.

## INTEREST RATES AND ENHANCEMENTS

- Interest is quoted on an effective annual basis for all interest types and guaranteed investment terms.
- Interest rates are subject to change at any time depending on market conditions and may change without notice.
- Once an investment is established, the interest rate is guaranteed and cannot be changed.
- A 45-day rate guarantee (rate commitment) may be used to guarantee the current interest rate, this guarantee reserves a specific rate and does not guarantee “better of”.

**Note:** Special enhancements may be requested by calling the sales support team at: **1-800-800-4SUN/4786**.

### Interest rate commitments for new applications

#### The application

- A client applying for a new contract may find a current interest rate attractive and wish to reserve that rate for an investment. In order to reserve a rate for up to 45 days for an investment in a new account, we require that the application be completed in full and faxed in its entirety to **1-866-487-4745** the day it is signed.
- It should specify the interest rate for which the commitment is sought. We will confirm the rate matches our then current rate. The original application should be forwarded to our office.

**Note:** If our current rate for the investment has increased by the date we receive the funds, we will apply the rate established under the rate commitment and not the current higher rate.

## CLIENT-SELECTED END DATES (CSED)

- Allows clients to select the end dates of their guaranteed interest investments, this offers a client flexibility and control over their money by allowing them to choose an end date that suits their needs (planning for an upcoming large purchase, a vacation, or a desire to have all of their money roll over each year on the same date).
- The interest rate will be interpolated in order to find the rate for the client. Interpolation is calculated to the nearest .01%.

## WITHDRAWALS/TRANSFERS

- On guaranteed interest investments, early withdrawals are not permitted.
- The client can withdraw at any time from the daily interest investment; a market value adjustment does not apply.
- All or part of a daily interest investment may be transferred into a new investment at any time; the amount transferred must meet the minimum amount required to open a new investment.
- If the contract is to remain in force, a minimum of \$250 must be left in the contract.

### Limits and conditions

- Minimum withdrawal is \$500, subject to change.
- Withdrawals are not permitted on guaranteed interest investments.

### RRIF income amount

- MVA does not apply to income payments.
- Income payments are pro-rated across all terms.

## TERMINATION AND MATURITIES

### Termination

At any time when the contract value is less than \$250 Sun Life Financial may terminate the contract. This applies both to registered and non-registered Sun GIC Max contracts.

### Investment maturity

- Money in any long-term (1-25 year) guaranteed interest investment will be credited to the daily interest investment at maturity, unless investment instructions are provided before the investment matures.
- Money in any short-term Sun GIC Max (30-364 days) will renew automatically at the maturity date, into a new investment of the same term.

### Contract maturity

The contract maturity date is the date the Sun GIC Max contract must terminate:

- For RRSP policies, it is December 31st of the year of the owner's 71st birthday.
  - Guaranteed interest investments in the Sun GIC Max RRSP that mature after December 31st of the year the client turns 71 must be transferred to a Sun GIC Max RRIF.
- For non-registered, TFSA and RRIF policies there is no date that the contract must terminate.

## DEATH BENEFIT

### Non-registered

- Beneficiary designations are not allowed.
- For an individually-held contract, the accumulated value on the date of death will be paid to the owner's legal representative. The claimant must provide proof of the claim and the right to receive the benefit.
- For a jointly-held contract with rights of survivorship, the Sun GIC Max will become the sole property of the surviving owner. The surviving owner must provide proof of the death of the deceased owner. The joint tenants with rights of survivorship option is not available in Quebec.
- For a jointly-held contract with tenants in common, the Sun GIC Max will become the property of the surviving owner and the estate of the deceased owner. The personal representative of the deceased owner must provide proof of death. Probate may be required.

## Registered Retirement Savings Plan (RRSP) and Registered Retirement Income Fund (RRIF)

- Beneficiary designations are allowed in all jurisdictions except Quebec.
- Upon the death of the owner, the accumulated value on the date of death will be paid to the named beneficiary or the owner's legal representative. In Quebec, the accumulated value will be paid to the estate of the deceased.
- Proof of claim and the right to receive the benefit must be provided.
- For RRIF, if the owner elected their spouse to be the successor contractholder, then upon their death the spouse will become the contractholder and will have all rights under the plan. If a beneficiary designation has been made the balance of the GIC will be paid to them. If no beneficiary designation has been made then the balance of the GIC will be paid to the owner's estate.

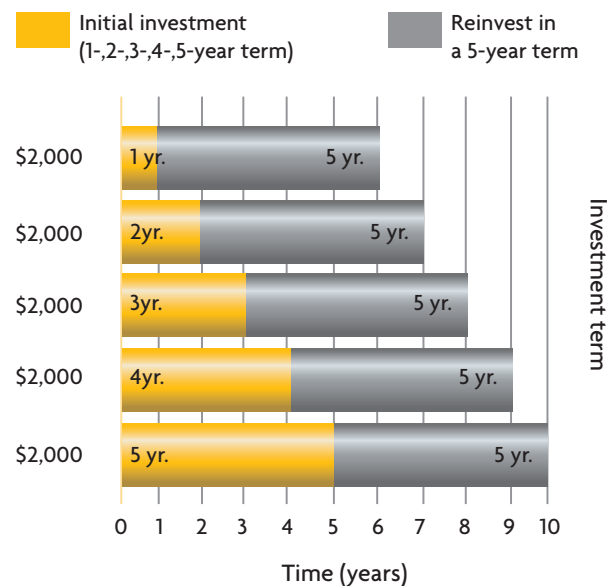
## Tax-Free Savings Account (TFSA)

- Beneficiary designations are allowed in all jurisdictions except Quebec.
- Upon death, the client's TFSA tax-free status ends and any investment growth or interest earned after the date of death is taxable. This tax will be due at the end of the calendar year following the year of death.
- If the client's spouse is the sole beneficiary, they have the option to either receive the death benefit or elect to become the planholder of this plan with the ability to exercise all of the planholder rights, including the right to designate a beneficiary.

### Want clients to get more out of their GICs?

Laddering is a simple investment strategy that involves having investments with different maturity dates allowing clients to take advantage of different interest rates for each term. The chart to the right shows how it works.

Advantages include decreased exposure to interest rate risk, increased portfolio liquidity and help to enhance the long-term rate of return by including investments with longer terms, which usually provide higher interest rates.



## ADMINISTRATION

### STATEMENTS

Sun GIC Max statements are issued annually. A statement is also produced when a new contract is issued and it confirms the details of each investment opened with the initial premium.

#### **A statement shows:**

- current status of the investments,
- all investment values, and
- total contract value.

### TAXATION

Any interest accrued in a non-registered plan is taxable to the owner. At the beginning of a new calendar year, Sun Life Financial will issue a tax slip (T5) to the owner of the contract, reporting the interest accrued in the previous year.

The tax slip is issued in the name of the owner. It is not the responsibility of Sun Life Financial to determine in whose hands the income is taxable. All information slips must record the social insurance number (SIN) of the person receiving the slip.

#### **Tax receipts**

As early as possible each year, Sun Life Financial will issue an RRSP receipt for each registered savings plan to which a new contribution has been made. The receipt will show the total contributions eligible to be deducted for the taxation year that ended the previous December 31st. Separate receipts will be issued for any contribution made during the first 60 days following the end of the taxation year. Receipts are not issued for transfers from other registered accounts or plans.

Questions involving receipts or tax slips should be directed to the Sun Life Financial customer care centre at: **1-877-SUN-LIFE (786-5433)**.

### **MONEY LAUNDERING – WHEN DO REQUIREMENTS APPLY?**

Always verify the identity of clients and find out whether any third parties are involved for all non-registered wealth products. This helps Sun Life Financial and you to manage risk and comply with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and other relevant legislation/regulations.

# Sun Life Financial **TRUST GIC** *redeemable*

SLF Trust GIC (issued by Sun Life Financial Trust Inc.) is a good choice for young savers, busy families, and those either nearing or enjoying retirement who want to minimize risk. The guaranteed interest means clients are not exposed to market fluctuations. The redeemability ensures they have access to their money should they need it. A Market Value Adjustment (MVA) may apply to withdrawals if made prior to maturity.

## PRODUCT AT A GLANCE

<b>Registration types</b>	<ul style="list-style-type: none"> <li>• Non-registered</li> <li>• TFSA</li> <li>• RRSP/RRIF</li> <li>• Spousal RRSP/RRIF</li> </ul>
<b>Issue ages</b>	<p><b>Owner</b></p> <ul style="list-style-type: none"> <li>• RRSP - ages 18*-71</li> <li>• Non-registered,TFSA and RRIF - ages 18*+</li> </ul> <p>* Or age of majority in the applicable province (See page 23).</p>
<b>Interest options</b>	<ul style="list-style-type: none"> <li>• compound interest</li> <li>• annual interest (not available for RRIF)</li> <li>• monthly interest (not available for RRIF)</li> </ul> <p>Only one interest type is available per contract.</p>
<b>Investment options</b>	<ul style="list-style-type: none"> <li>• daily interest investment</li> <li>• 30-364 days (not available for RRIF)</li> <li>• 1-5 years</li> <li>• 6-25 years (RRIF only)</li> <li>• client-selected end date</li> </ul>
<b>Minimum investment</b>	<ul style="list-style-type: none"> <li>• \$250 contract</li> <li>• \$1,000 guaranteed interest investment</li> <li>• \$5,000 contract RRIF</li> </ul>
<b>Interest rates</b>	<ul style="list-style-type: none"> <li>• 45-day rate guarantee available</li> </ul>
<b>Withdrawals</b>	<ul style="list-style-type: none"> <li>• may be subject to Market Value Adjustment (MVA) if cashed prior to maturity</li> <li>• daily interest investment can be withdrawn at any time without MVA</li> </ul>
<b>Investment maturity action</b>	<ul style="list-style-type: none"> <li>• short term investments (less than 1 year) automatically reinvest to the same term</li> <li>• 1-5 year investments roll to the daily interest investment</li> </ul>
<b>Beneficiary designation</b>	<ul style="list-style-type: none"> <li>• RRSP/TFSA/RRIF – available in all jurisdictions except Quebec</li> <li>• non-registered – not available</li> </ul>
<b>Deposit protection</b>	<ul style="list-style-type: none"> <li>• provided by Canada Deposit Insurance Corporation (CDIC), up to CDIC deposit protection limit</li> <li>• Terms greater than 5 years do not qualify for CDIC coverage</li> </ul> <p>For more information visit <a href="http://www.cdic.ca">www.cdic.ca</a>.</p>

continued...

## PRODUCT AT A GLANCE

<b>Creditor protection</b>	<ul style="list-style-type: none"> <li>• there may be creditor protection for RRSPs and RRIFs in bankruptcy situations and under some provincial legislation for other creditor situations</li> <li>• non-registered GICs do not have specific protection against creditors</li> </ul>
<b>RRIF Income</b>	<ul style="list-style-type: none"> <li>• <b>Frequency</b> – monthly or annually</li> <li>• <b>Income types</b> – subject to legislative minimum payment requirements               <ul style="list-style-type: none"> <li>• annual minimum</li> <li>• level</li> <li>• increasing income</li> <li>• no income</li> <li>• interest only</li> </ul> </li> </ul> <p>Income payments are pro-rated across all terms</p>

Age of majority by province:

PROVINCE/TERRITORY	
Alberta	18
British Columbia	19
Manitoba	18
New Brunswick	19
Newfoundland	19
Northwest Territories	19
Nova Scotia	19
Nunavut	19
Ontario	18
Prince Edward Island	18
Quebec	18
Saskatchewan	18
Yukon	19

## PRODUCT INFORMATION

### OWNERSHIP DETAILS

Typically, on non-registered SLF Trust GIC contracts, an individual is the owner. There are however other ownership options available:

#### a) Joint tenants with right of survivorship (JTWROS)

- The account will automatically be transferred to the surviving owner and any interest credited to the account prior to death is reported to the deceased and the surviving owner.
- Any interest credited after the date of death is taxed to the surviving owner.
- The T5 slip will be issued in the names of the joint owners.
- This option is not available in Quebec.

#### b) Joint tenants in common (JTIC)

- The account becomes the property of the Estate of the deceased and the surviving owner.
- Any interest credited prior to the date of death is taxed to the deceased and the surviving owner.
- Any interest credited after the date of death is taxed to the Estate of the deceased and the surviving owner.
- Probate will be required if the value of the deceased owner's products with us is \$100,000 or more.
- The T5 slip will be issued in the names of the joint owners.

**Note:** It's important to remember, guaranteed investment certificate products do not have an annuitant.

### BENEFICIARY

In all provinces, except Quebec, a beneficiary can be named on SLF Trust GIC with a TFSA, RRSP or RRIF registration type. When the owner dies, the funds in a SLF Trust GIC contract are paid directly to the beneficiary, avoiding unnecessary delays, probate and legal costs. Beneficiary designations are not available for non-registered GIC products.

### CREDITOR PROTECTION

Non-registered and TFSA guaranteed investment certificates do not have specific protection against creditors. There may be creditor protection for RRSPs and RRIFs in bankruptcy situations and under some provincial legislation for other creditor situations.



## DON'T FORGET...

- An annuitant can only be named on an insurance investment product; (Superflex/Income Master). GIC products do not have an annuitant.
- Locked in registration types such as LIRA and LIF are only available on our Insurance GIC\* products (Superflex/Income Master).
- Non-registered GICs do not allow for beneficiary designations, it is therefore very important to ensure a Superflex application is completed if the client wishes to have a beneficiary on their non-registered funds.

\* Insurance GICs are accumulation annuities issued by Sun Life Assurance of Canada.

## ? DID YOU KNOW

Sun Life Financial Trust is a member of the Canada Deposit Insurance Corporation (CDIC), a Crown corporation designed to protect the money invested with member institutions. Terms greater than 5 years do not qualify for CDIC coverage. For more information visit [www.cdic.ca](http://www.cdic.ca) or call **1-800-461-2342**.

## DEPOSIT LIMITS

- Deposits, subject to Sun Life Financial limits, may be made at any time and directed to any of the available investment terms.

### MINIMUM AMOUNT

SLF Trust GIC Contract	\$250
Guaranteed interest investment	\$1,000
SLF Trust GIC Contract – RRIF	\$5,000

## INTEREST RATES AND ENHANCEMENTS

- All investments use an effective interest rate, which includes the compounding frequency.
- Interest rates are subject to change at any time depending on market conditions and may change without notice.
- Once an investment is established, the interest rate is guaranteed and cannot be changed.
- A 45-day rate guarantee (rate commitment) may be used to guarantee the current interest rate, this guarantee reserves a specific rate and does not guarantee “better of”.

**Note:** Special enhancements may be requested by calling the sales support team at: **1-800-800-4SUN/4786**.

## INTEREST RATE COMMITMENTS FOR NEW APPLICATIONS

- A client applying for a new contract may find a current interest rate attractive and wish to reserve that rate for an investment. In order to reserve a rate for up to 45 days for an investment in a new account, we require that the application be completed in full and faxed in its entirety to **1-866-487-4745** the day it is signed.
- It should specify the interest rate for which the commitment is sought. We will confirm the rate matches our then current rate.
- The original application should be forwarded to our office.

**Note:** If our current rate for the investment has increased by the date we receive the funds, we will apply the rate established under the rate commitment and not the current higher rate.

## CLIENT-SELECTED END DATES (CSED)

- Allows clients to select the end dates of their guaranteed interest investments.
- This offers a client flexibility and control over their money by allowing them to choose an end date that suits their needs (planning for an upcoming large purchase, a vacation, or a desire to have all of their money roll over each year on the same date).
- The interest rate will be interpolated in order to find the rate for the client. Interpolation is calculated to the nearest .01%.

## WITHDRAWALS/TRANSFERS

- The client can withdraw all or part of an investment at any time.
- A Market Value Adjustment may apply to withdrawals if processed prior to maturity of the investment term.
- The client can withdraw all or part of an investment at any time.
- All or part of an investment may be transferred into a new investment at any time; the amount transferred must meet the minimum amount required to open a new investment.
- MVA does not apply to the daily interest investment.

### Limits and conditions

- Minimum withdrawal is \$500, subject to change.
- Unless the client specifies the investment(s), the funds will be withdrawn first from the daily interest investment and then from the investment closest to maturity.
  - For RRIF the MVA free amount is withdrawn first and will be pro-rated across all terms.
- If the remaining investment balance does not meet the minimum, the funds will be transferred to the daily interest investment.

### RRIF Income Payment

- MVA does not apply to income payments.
- Income payments are pro-rated across all terms.

## MARKET VALUE ADJUSTMENT (MVA)

The MVA formula is applied whenever funds are withdrawn from an investment before its maturity date and may result in a decrease in the value of the investment.

### The MVA formula takes into account:

- the term remaining to the end of the investment (years and days),
- the current basic interest rate in effect for an investment equal to the term remaining (rounded up to the next full year),
- the basic interest rate in effect in the existing investment, and
- an expense factor.

## TERMINATION AND MATURITIES

### Termination

At any time when the contract value is less than \$250 Sun Life Financial may terminate the contract. This applies both to registered and non-registered SLF Trust GIC contracts.

### Investment maturity

- Money in any long-term (1-25 year) guaranteed interest investment will be credited to the Daily Interest Investment at maturity, unless investment instructions are provided before the investment matures.
- Money in any short-term SLF Trust GIC (30-364 days) will renew automatically at the maturity date, into a new investment of the same term.

### Contract maturity

The contract maturity date is the date the SLF Trust GIC contract must terminate:

- For RRSP policies, it is December 31st of the year of the owner's 71st birthday.
- For non-registered, TFSA and RRIF policies, there is no date in which the contract must terminate.

## DEATH BENEFIT

### Non-registered

- Beneficiary designations are not allowed.
- For an individually-held contract, the accumulated value on the date of death will be paid to the owner's legal representative. The claimant must provide proof of the claim and the right to receive the benefit.
- For a jointly-held contract with rights of survivorship, the SLF Trust GIC will become the sole property of the surviving owner. The surviving owner must provide proof of the death of the deceased owner. The joint tenants with rights of survivorship option is not available in Quebec.
- For a jointly-held contract with tenants in common, the SLF Trust GIC will become the property of the surviving owner and the estate of the deceased owner. The personal representative of the deceased owner must provide proof of death and direction of any name changes.

### Registered Retirement Savings Plan (RRSP) and Registered Retirement Income Fund (RRIF)

- Beneficiary designations are allowed in all jurisdictions except Quebec.
- Upon the death of the owner, the accumulated value on the date of death will be paid to the named beneficiary or the owner's legal representative; in Quebec to the estate of the deceased.
- Proof of claim and the right to receive the benefit must be provided.
- For RRIF, if the owner elected their spouse to be the successor contractholder, then upon their death the spouse will become the contractholder and will have all rights under the plan. If a beneficiary designation has been made the balance of the GIC will be paid to them. If no beneficiary designation has been made then the balance of the GIC will be paid to the owner's estate.

### Tax Free Savings Account (TFSA)

- Beneficiary designations are allowed in all jurisdictions except Quebec.
- Upon death, the client's TFSA tax-free status ends and any investment growth or interest earned after the date of death is taxable. This tax will be due at the end of the calendar year following the year of death.
- If the client's spouse is the sole beneficiary, they have the option to either receive the death benefit or elect to become the Planholder of this plan with the ability to exercise all of the Planholder rights, including the right to designate a beneficiary.

## ADMINISTRATION

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SLF Trust GIC statements are issued annually. A statement is also produced when a new contract is issued and it confirms the details of each investment opened with the initial premium.

#### **A statement shows:**

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- all investment values, and
- total contract value.

### TAXATION

Any interest accrued in a non-registered plan is taxable to the owner. At the beginning of the new calendar year, Sun Life Financial will issue a tax slip (T5) to the owner of the contract, reporting the interest accrued.

The tax slip is issued in the name of the owner. It is not the responsibility of Sun Life Financial to determine in whose hands the income is taxable. All information slips must record the social insurance number (SIN) of the person receiving the slip.

#### **Tax receipts**

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Questions? We're here to help!

You can contact us in three different ways:

- For general inquiries call 1-800-800-4SUN (4786)
- Email "servicenow@sunlife.com" for any general inquiries and investment renewal requests or "servicedirect@sunlife.com" (French requests)
- Mail: Sun Life Assurance Company of Canada  
227 King Street South, Waterloo, ON N2J 1R2

Clients can contact us directly by:

- Phone: 1-877-SUN-LIFE (786-5433)
- Mail: Sun Life Assurance Company of Canada  
227 King Street South, Waterloo, ON N2J 1R2. Be sure to include your policy number on your correspondence

Life's brighter under the sun

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