

# *Your Retirement Savings Plan*

This booklet describes the highlights of the  
USW District 3 Member Association Group RRSP  
provided by



CUMIS Life Insurance Company  
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## TABLE OF CONTENTS

JOINING THE PLAN	
Eligibility	3
Enrolment	3
CONTRIBUTIONS TO THE PLAN	
Member Voluntary Contributions	3
Tax Considerations	3
DEPOSIT AND INVESTMENT OF CONTRIBUTIONS	
Deposits	3
Investment Options	4
Interfund Transfers	6
WITHDRAWALS	6
DEATH BEFORE RETIREMENT	6
GENERAL	
Your Statements	6
Costs	6
Disclosure Items	7
General Remarks	7

## **JOINING THE PLAN**

### **Eligibility**

You are eligible to join the plan if you are a member of the Steelworkers' Union.

### **Enrolment**

You may enroll in the plan at any time.

## **CONTRIBUTIONS**

### **Member Voluntary Contributions**

You may elect to contribute voluntary amounts by lump sum deposit to the RRSP up to the maximum allowed by Canada Revenue Agency. The minimum lump sum contribution is \$25.00.

To make a new contribution, complete the "Lump Sum Deposit Form" and forward it to CUMIS along with a personal cheque made payable to "CUMIS Life".

To contribute by payroll deduction, you must complete the Group Plan Payroll Deduction Authorization Form. This form authorizes the Employer to deduct from your pay your contributions to the plan.

You may also elect to transfer funds from another registered plan to this plan. To initiate a transfer from another registered plan you must complete the Transfer Authorization Form and forward to the institution holding the funds.

### **Spousal Provision**

You may elect to have all or a portion of the employee contributions deposited in your spouse's name. To take advantage of this option, the appropriate spousal information should be provided on the Application for Enrollment form. A spousal RRSP account is subject to the same administrative rules that apply to the employee RRSP account.

### **Tax Considerations**

All contributions deposited to your RRSP Account are tax deductible by you up to certain limits in the year the contributions are made.

The contributions deposited to your RRSP Account from March to December can be deducted from income you earned in that year. Contributions deposited in January or February can be deducted, at your preference, from income you earned in the current calendar year or the year immediately preceding, provided you have not exceeded the taxation limits for that preceding year.

Investment income earned under your RRSP Account will not be subject to tax as long as the income earned remains in the RRSP Account. If any amounts are withdrawn from the RRSP Account, they will be fully included in your taxable income at the time of withdrawal. You may, however, continue to defer income tax by transferring your funds under your RRSP Account to another registered plan, or by purchasing an annuity and paying tax on the money only as it is received.

## **DEPOSIT AND INVESTMENT OF CONTRIBUTIONS**

### **Deposits**

All contributions made to the plan will be deposited to your personal registered retirement savings plan account ("RRSP Account") under the CUMIS Group Retirement Savings Plan.

## **Investment Options**

Your contributions to the retirement savings plan may be invested in one or more of the following investment options. The minimum amount that you can invest in any fund other than MFS is 5% of your total contribution. The minimum deposit to any MFS fund is \$25.00.

Where you have not provided investment allocation instructions for your contributions to the plan the default investment will be the CUMIS MFS LifePlan Target Date funds until such time as investment allocation instructions are received.

### **Money Market**

**Money Market Fund (Addenda)** uses a top-down approach, employing fundamental research to actively manage the Fund. Short-term trading opportunities are identified through value analysis and anticipation of changing yield spreads. The Fund follows a socially sustainable view of investing.

### **Fixed Income – Market Based Funds**

**Bond Fund (PH&N)** which is a diversified, fully managed fixed income fund that pursues a high return through a mix of interest income and capital appreciation. Funds are invested in high quality government and corporate fixed income securities.

### **Fixed Income – Yield Based Funds**

**Retirement Security Fund (CUMIS)** which seeks to maximize return given a conservative risk exposure by investing primarily in high quality bonds, augmented with federally insured commercial mortgages, residential mortgages, term deposits and money market instruments. The RSF is an income flow-through fund rather than a market value fund, thereby removing much of the volatility normally associated with market value funds.

### **Balanced**

**Balanced Fund (MFS)** which provides a superior real rate of return by investing in a diversified portfolio of Canadian equities, global equities, bonds and money market securities. Asset mix is actively managed to add value and control overall portfolio risk.

**Balanced Fund (Mawer)** which invests in all asset classes including Canadian, U.S. and International equities, bonds and cash. Ongoing monitoring and rebalancing through small, incremental shifts avoids asset mix drift and provides a profound cumulative effect over time.

### **Canadian Equity**

**Canadian Equity Fund (Bissett)** which seeks to achieve long-term capital appreciation by investing primarily in a diversified portfolio of mid to large capitalization Canadian equities.

**Large Cap Canadian Equity Fund (Mawer)** which seeks to invest for above-average long-term rates of return from both capital returns and dividend returns from common shares of Canadian companies.

**Dividend Income Fund (PH&N)** which is a diversified fully managed fund that places emphasis on long term capital appreciation through investments in Canadian common shares, preferred shares and convertible debentures.

### **U.S. Equity**

**U.S. Equity Fund (Mawer)** which invests for above-average long-term rates of return from both capital gains and dividend income from common shares of U.S. companies. Treasury bills or short-term investments, not exceeding three years to maturity, may also be used from time to time.

### **Foreign Equity**

**Non North American Equity Fund (Mawer)** which seeks to achieve long-term growth and capital gains and to provide diversification of risk through non-North American companies. This fund primarily invests in equities. Investments will be made in countries outside North America including Europe, Asia, Latin America and Australia.

**Global Equity Fund (Addenda)** seeks long-term capital growth by investing in a diversified basket of medium to large regional or global corporations that have proven global leadership with sustainable long-term themes throughout the world.

### **Target Date Funds**

The MFS LifePlan Retirement Funds are a series of funds that greatly simplify the fund selection process. These funds are designed to change automatically with the changing needs of the investor. Quite simply, these funds progressively focus on preserving capital as the investor approaches retirement.

Each investor determines the year at which they are most likely to be retiring and invests in the fund that most closely reflects his/her expected retirement date. The modules are:

**LifePlan Retiree Fund (MFS)**  
**LifePlan Retirement 2020 (MFS)**  
**LifePlan Retirement 2025 (MFS)**  
**LifePlan Retirement 2030 (MFS)**  
**LifePlan Retirement 2035 (MFS)**  
**LifePlan Retirement 2040 (MFS)**  
**LifePlan Retirement 2045 (MFS)**  
**LifePlan Retirement 2050 (MFS)**  
**LifePlan Retirement 2055 (MFS)**

For more information on each of the LifePlan funds, specifically the asset mix, please read the fund fact sheets that are available at [www.cumis.com](http://www.cumis.com)

### **Actively Managed Asset Allocation Funds**

**Multi-Asset Income Strategy Portfolio (Russell)** is approximately 65% fixed income and 35% stocks and seeks to provide investors with income and some long-term capital growth.

**Balanced Growth Portfolio (Frank Russell)** is approximately 40% fixed income and 60% stocks and seeks to provide investors with some long-term capital growth with some income.

**Long-Term Growth Portfolio (Russell)** is approximately 20% fixed income and 80% stocks and seeks to provide long-term capital growth through exposure to equities and fixed income securities.

**CONTRIBUTIONS INVESTED IN THE ABOVE FUNDS PURCHASE UNITS OF THOSE FUNDS. THE VALUE OF THE UNITS IN THESE FUNDS IS NOT GUARANTEED AND WILL FLUCTUATE WITH THE MARKET VALUE OF THE ASSETS HELD BY THOSE FUNDS.**

## **Interfund Transfers**

You may elect to transfer amounts between the investment options up to four times in each calendar year. To transfer funds, you may do so by accessing our interactive Website at [www.cumis.com](http://www.cumis.com), by calling our toll-free Customer Care Centre or by completing the Investment Change Form which is available from CUMIS Retirement Services. There is no charge to make an Interfund Transfer as long as four or less transfers are made per year.

## **WITHDRAWALS**

Voluntary contributions and non-locked-in amounts transferred from another registered vehicle may be withdrawn from the plan at any time.

Withdrawals from the plan may be subject to the fee set out in the section entitled "Costs".

## **DEATH BEFORE RETIREMENT**

If you die and have named your spouse as beneficiary, the balance in your RRSP Account may, at your spouse's option, be dealt with in any of the ways discussed previously under "Withdrawals on Retirement".

If your beneficiary is someone other than your spouse, a cash settlement of your RRSP Account will be paid to your beneficiary or your estate in the absence of a beneficiary.

## **GENERAL**

### **Your Statements**

You will receive annual statements from CUMIS describing all contributions, withdrawals and investment earnings made under your RRSP Account to December 31 of the year, as is applicable. Quarterly statements are available online through our interactive Website at [www.cumis.com](http://www.cumis.com). The rate of return reported on your statement is calculated using the Newton-Raphson method which provides a dollar and time-weighted return for the specified period.

CUMIS will provide you with all information necessary to report on your personal income tax return.

### **Costs**

There is a \$50.00 charge for any permitted withdrawal from the plan in excess of one in a calendar year. Any transfer from the plan to another registered vehicle with a 3<sup>rd</sup> party other than a credit union is also subject to a \$50.00 charge. This charge is paid by the member.

A plan member may elect to transfer amounts between the investment options up to four times in each calendar year. A \$25.00 charge may be applied to any transfer in excess of 4.

Investment management fees with respect to the CUMIS investment options are paid by the members and are charged to your account monthly. The following is the annualized fee for each fund:

<b>FIXED INCOME FUNDS</b>	
CUMIS Money Market Fund (Addenda)	0.80%
CUMIS Bond Fund (PH&N)	0.90%
<b>BALANCED FUNDS</b>	
CUMIS Balanced Fund (MFS)	0.90%
CUMIS Balanced Fund (Mawer)	0.90%

<b>CANADIAN EQUITY FUNDS</b>	
CUMIS Large Cap Canadian Equity Fund (Mawer)	0.90%
CUMIS Dividend Fund (PH&N)	0.90%
CUMIS Canadian Equity Fund (Franklin Bissett)	1.00%
<b>U.S. EQUITY FUNDS</b>	
CUMIS U.S. Equity Fund (Mawer)	0.90%
<b>GLOBAL EQUITY FUNDS</b>	
CUMIS Non North American Equity Fund (Mawer)	0.90%
CUMIS Global Equity Fund (Addenda)	0.80%
<b>TARGET DATE FUNDS</b>	
CUMIS LifePlan Retiree Fund (MFS)	0.90%
CUMIS LifePlan Retirement 2020 (MFS)	0.90%
CUMIS LifePlan Retirement 2025 (MFS)	0.90%
CUMIS LifePlan Retirement 2030 (MFS)	0.90%
CUMIS LifePlan Retirement 2035 (MFS)	0.90%
CUMIS LifePlan Retirement 2040 (MFS)	0.90%
CUMIS LifePlan Retirement 2045 (MFS)	0.90%
CUMIS LifePlan Retirement 2050 (MFS)	0.90%
CUMIS LifePlan Retirement 2055 (MFS)	0.90%
<b>ASSET ALLOCATION FUNDS</b>	
CUMIS Multi-Asset Income Strategy Portfolio (Russell)	1.15%
CUMIS Balanced Growth Portfolio (Russell)	1.15%
CUMIS Balanced Long Term Growth Portfolio (Russell)	1.15%
<b>CUMIS GENERAL FUND</b>	
CUMIS Retirement Security Fund	1.20%

**Notes:**

- Pooled Funds are not guaranteed, their values change frequently and past performance may not be repeated.
- Investment Managers may charge expenses against the funds and are not included in the above-fees.
- Minimum purchase of \$25.00 per member per MFS fund is applicable.
- GST/HST as applicable is also charged on investment management fees
- Interest rate credited to the Retirement Security Fund is net of fees.

**Disclosure Items**

There is certain information that you must be aware of and understand at the time you enroll in the Group RRSP.

1. Any amounts you withdraw (subject to withdrawal restriction rules) from your RRSP Account may result in a deduction of tax by the carrier.
2. Only those amounts up to the yearly maximum tax-deductible limits will be deposited to your RRSP Account, taking into account your salary payable during the year. If you are contributing to a personal RRSP, you should ensure that any such amounts in combination with those made under this Group RRSP will not be considered "excess" contributions by Canada Revenue Agency.

**General Remarks**

The Plan Sponsor reserves the right to change, suspend or discontinue the Group RRSP at any time without prior notice.