

# Group Registered Retirement Savings Plan (RRSP)

GROUP SAVINGS AND RETIREMENT



A retirement plan should make it easy to save money on a regular basis while giving you the opportunity to earn higher returns. That's exactly what Industrial Alliance Insurance and Financial Services Inc. (iA) offers you with its Group RRSP.

## Saving made easy

By having contributions deducted from your pay, you no longer have to worry about having enough money to make a contribution at the end of the year.

## Immediate tax savings

You benefit from tax savings for your contributions on each pay. For example, if you earn \$40,000 a year, pay an income tax rate of 30% and contribute \$100 per pay, the amount actually deducted from your take-home pay will only be \$70. This means that you don't have to wait for your refund from the government to take advantage of the tax savings earned.



## Return maximized with regular contribution

By making your contributions throughout the year, you take advantage of occasional market downturns, enabling you to purchase more investment fund units with your deposit. The subsequent increase in the value of the fund allows you to obtain higher returns.

Regular contributions combined with compound returns have a considerable impact when measured over time. For example, the table below shows how a \$100 contribution per pay will grow more than a single lump-sum contribution of \$2,600\* at the end of the year.

## Value of RRSP account after 25 years

Compound annual return	3%	5%	7%
\$100 contribution per pay	\$96,238	\$127,104	\$169,920
\$2,600* year end contribution	\$94,794	\$124,090	\$164,447

\*Equivalent of \$100 per pay X 26 pay periods per year.

## Flexibility

- There is no minimum group RRSP contribution and the amount can be changed at any time.
- You own all contributions made to the group RRSP. This means you can make withdrawals at any time (subject to a minimum amount according to the contract). Withdrawn amounts are added to your taxable income at the end of the year.
- In addition to your regular contributions, you can make additional deposits to your group RRSP. For example, bonuses, overtime pay or any other lump-sum amount can be deposited to help you reach your financial goals faster.

## Contributions in your spouse's name

For even more tax savings, particularly at retirement, you can make contributions in your spouse's name. You take advantage of the tax deduction for the amount of the deposits, and the pension income will be shared between spouses at retirement.

Your spouse can also enjoy the advantages offered to iA's group clients simply by enrolling in the plan and making contributions by cheque or pre-authorized payments. See your plan administrator to find out more about enrolment conditions.

## A choice of investment options

iA offers a wide range of professionally managed investments funds to suit any investor profile. Thanks to agreements with a number of established fund managers specializing in the pension fund market, clients can access investment options geared to their retirement savings objectives. Our family of funds is continually expanding to offer our clients a broad range of investment options.

Flexible guaranteed investments are offered for terms of 1 to 10 years. They are covered by Assuris (not-for-profit organization that protects Canadian policyholders in the event that their life insurance company becomes insolvent), in accordance with applicable standards.

We perform a strict semi-annual evaluation of our fund managers based on a series of specific criteria. For more information, refer to our *Seeing to Your Financial Interests* and *Your Range of Investment Options* brochures in My Client Space, our secure website.

## Legal provisions

1. Contributions are subject to the limits imposed by income tax laws.
2. You must exercise your right to an annuity by the last day of the calendar year in which you turn 71. You may not contribute after this date.
3. Contributions to the plan cannot be assigned or used as collateral. No annuity may be surrendered, converted or transferred, either in whole or in part.
4. Any withdrawal from the plan is subject to taxation.
5. You may contribute to your spouse's RRSP. However, the amounts may be taxed to you in the case of a withdrawal if certain conditions are not met.

INVESTED IN YOU.