Information Session
Group Savings and Retirement Plan

Vincent Millar
Financial education specialist
Today’s agenda

- Summary of your plan details
- Let’s talk about retirement
- Investment options
- Enrol in your plan
- My Client Space
Summary of your plan details
## Summary of your Plan Details

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>SPP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation</td>
<td>- Voluntary</td>
</tr>
<tr>
<td></td>
<td>- Starting on January 1st of the year following the one in which you attained one of the following criteria:</td>
</tr>
<tr>
<td></td>
<td>- Earned income of 35% of the YMPE (2019: $20,090), or worked at least 700 hours in 2018 for 2019</td>
</tr>
<tr>
<td></td>
<td>- You remain eligible as long as the waiting time between your various employment periods does not go beyond 160 days</td>
</tr>
<tr>
<td>Eligibility</td>
<td>- Based on employee’s annual salary and current YMPE level</td>
</tr>
<tr>
<td>Employee regular contributions</td>
<td>- Additional voluntary contributions are allowed</td>
</tr>
<tr>
<td></td>
<td>- See table on the next slide</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>- Based on age brackets:</td>
</tr>
<tr>
<td></td>
<td>- See table on the next slide</td>
</tr>
</tbody>
</table>
# Summary of your Plan Details

<table>
<thead>
<tr>
<th>Criteria</th>
<th>SPP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vesting</td>
<td>Immediate</td>
</tr>
<tr>
<td>Locking-in</td>
<td>• Yes, for basic employee contributions and employer contributions</td>
</tr>
<tr>
<td></td>
<td>• No, for employee additional voluntary contributions</td>
</tr>
<tr>
<td>Contribution Limit</td>
<td>• 18% of year’s pensionable earnings, max $27,230 for 2019</td>
</tr>
<tr>
<td>Withdrawal policy</td>
<td>• Allowed, for non-locked-in additional voluntary contributions only</td>
</tr>
<tr>
<td></td>
<td>• Transactional fee of $50 per withdrawal, and a minimum tax withholding as determined by the CRA</td>
</tr>
</tbody>
</table>

Please refer to your plan summary document for a complete overview of your plan rules.
Immediate Tax Savings through Payroll Deductions

<table>
<thead>
<tr>
<th></th>
<th>No contribution</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross pay</td>
<td>$1,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>Contribution</td>
<td>($0)</td>
<td>($100)</td>
</tr>
<tr>
<td>Less tax – (30%)</td>
<td>($300)</td>
<td>($270)</td>
</tr>
<tr>
<td>After tax pay</td>
<td>$700</td>
<td>$630</td>
</tr>
</tbody>
</table>

$100 contribution only costs you $70
### Contribution formula

#### Employee’s contribution

<table>
<thead>
<tr>
<th>Age</th>
<th>Income below $57,400</th>
<th>Income above $57,400</th>
</tr>
</thead>
<tbody>
<tr>
<td>39 or less</td>
<td>3.2%</td>
<td>5.0%</td>
</tr>
<tr>
<td>40 to 49</td>
<td>5.2%</td>
<td>7.0%</td>
</tr>
<tr>
<td>50 to 65</td>
<td>6.2%</td>
<td>8.0%</td>
</tr>
</tbody>
</table>

#### McGill’s contribution

<table>
<thead>
<tr>
<th>Age</th>
<th>Income below $57,400</th>
<th>Income above $57,400</th>
</tr>
</thead>
<tbody>
<tr>
<td>39 or less</td>
<td>3.2%</td>
<td>5.0%</td>
</tr>
<tr>
<td>40 to 49</td>
<td>5.7%</td>
<td>7.5%</td>
</tr>
<tr>
<td>50 to 65</td>
<td>8.2%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>
## Participating in the plan: the right choice!

**Example of Paula, 45, income of $60,000**

<table>
<thead>
<tr>
<th>Employee’s contribution</th>
<th>Income below $57,400</th>
<th>Income above $57,400</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5.2% of $57,400</td>
<td>7.0% of $2,600</td>
</tr>
<tr>
<td></td>
<td>$2,984.80</td>
<td>$182.00</td>
</tr>
<tr>
<td></td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Employer’s contribution</td>
<td>5.7% of $57,400</td>
<td>7.5% of $2,600</td>
</tr>
<tr>
<td></td>
<td>$3,271.80</td>
<td>$195</td>
</tr>
<tr>
<td>Total annual savings</td>
<td>$3,166.80 (employee)</td>
<td>($2,008.34 net)</td>
</tr>
<tr>
<td></td>
<td>+</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$3,466.80 (employer)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$6,633.60</td>
<td></td>
</tr>
</tbody>
</table>

Assumptions: tax rate according to salary.
Take advantage!

How your savings could grow over time:

<table>
<thead>
<tr>
<th>Paula’s savings over time</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings after 1 year</td>
<td>$3,193.80 (employee) + $3,493.60 (employer) = $6,687.60</td>
</tr>
<tr>
<td>Savings after 5 years</td>
<td>$36,881.57</td>
</tr>
<tr>
<td>Savings after 10 years</td>
<td>$81,753.64</td>
</tr>
<tr>
<td>Savings after 20 years</td>
<td>$202,769</td>
</tr>
</tbody>
</table>

This example is based on a net rate of return of 4%. This illustration provides an estimate using the assumptions noted above and does not constitute a guarantee.
What if I leave before retirement age?

- Keep your assets with iA Financial Group
- Tax-Free Transfer to personal plan
- Tax-Free Transfer to plan of new employer (if allowed)
- Cash Settlement if applicable (withholding tax, added to income)
Let’s talk about retirement!
Retirement savings: Does it matter to me?

Possible reasons to have a limited interest in this subject:

1. It is not my top priority (family, job, etc.)
2. Takes away money now for something that seems so far away
3. Limited knowledge on the subject
4. Other reason?

However, retirement savings is an unavoidable subject, no matter our age or respective interests!
Why we should save for retirement?

1. $\$$ from public plans will NOT be enough

   - QPP
     - $1,134 per month
   - OAS
     - $586 per month

   \[ \text{\{ } $1,134 + $586 = $20,640 \text{ per year} \text{\}} \]

   Maximum benefits payable at 65, in 2018

2. To save taxes now and pay potentially less taxes at retirement
   - Registered retirement contributions = income tax reduction

3. To benefit from your employer contributions
   - You contribute + your employer contributes
How much retirement income will be enough?

Industry “Rule of Thumb”

70% of your income before retiring

For example:
Before retiring: $50,000
70% of $50,000 = $35,000

Remember:
- Less expenses at retirement
- Income from government plans

Does this amount make sense to you?
Is this a realistic goal for you?

— Try the Retirement Simulator (accessible on My Client Space) to:

- Find out if you are saving enough
- Set a goal for retirement (age and replacement ratio)
- Consider suggestions to your savings pattern (if you’re not in line with your goal)
Investment Options
Understanding the basics of investments

In general, for your retirement savings, there are 4 distinct types of investment categories.

- LESS risk
  - Income Funds
  - Canadian Equity Funds
  - Foreign Equity Funds
  - Alternative/Specialty Funds

- MORE risk

Diversifying your investments is important!
Have a little bit of everything!
One destination, two choices of itinerary

**Simplified mode**
Choose an Attitude Portfolio and let us manage your investments

**Advanced mode**
Make your own selections from a wide range of investment options
These portfolios are deemed “Life Cycle”: The level of risk in your investments automatically reduces gradually, as you approach retirement.
Because we all have a different level of risk tolerance, we offer five investment profiles for you to choose from. Here are two examples:
Susan’s Portfolio Details
Balanced 2036-2040

Example: Susan, 45

26.25% Income Funds
- 12.60% Bond
- 8.40% Core Plus Bond (PIMCO)
- 5.25% Global Fixed Income (PIMCO)

32.27% Canadian Equity Funds
- 9.68% Dividend
- 9.68% Fidelity Canadian Focused Equity
- 3.23% Canadian Equity Low Volatility (TD)
- 6.45% Canadian Equity Growth
- 3.23% Cdn Equity Small Cap (Montrusco)

32.27% Foreign Equity Funds
- 8.07% Global Equity Index ACWI (BlackRock)
- 9.11% Global Equity (Hexavest)
- 8.64% Global Equity (Templeton)
- 1.61% Global Equity Small Cap (Deutsche AWM)
- 1.61% Global Equity Small Cap (Mawer)
- 3.23% Emerging Markets (Aberdeen)

9.21% Alternative/Specialty Funds
- 2.30% Global Infrastructure (Lazard)
- 6.91% Global Direct Real Estate - PTF (UBS)
**Advanced Mode:**
Pick & choose your own funds

### Income Funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>Year to date</th>
<th>Past 1 year</th>
<th>Past 5 years</th>
<th>Past 10 years</th>
<th>Risk Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund A</td>
<td>0.2%</td>
<td>0.6%</td>
<td>0.8%</td>
<td>1.3%</td>
<td></td>
</tr>
<tr>
<td>Fund B</td>
<td>1.6%</td>
<td>2.2%</td>
<td>2.6%</td>
<td>3.7%</td>
<td></td>
</tr>
<tr>
<td>Fund C</td>
<td>3.6%</td>
<td>3.0%</td>
<td>3.5%</td>
<td>5.1%</td>
<td></td>
</tr>
</tbody>
</table>

20 funds to choose from plus 1 to 10 year GICs
Long-term impact of Management Fees

The cost to manage your investment can make a difference!

<table>
<thead>
<tr>
<th>Management fees</th>
<th>Annual contribution</th>
<th>Years of contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.50%*</td>
<td>$6,710</td>
<td>20</td>
</tr>
<tr>
<td>1.06%</td>
<td>$6,710</td>
<td>20</td>
</tr>
</tbody>
</table>

* Average management fees of Bank

Balance after 20 years

<table>
<thead>
<tr>
<th>Management fees</th>
<th>Total savings of $28,772</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.50%</td>
<td>$173,360</td>
</tr>
<tr>
<td>1.06%</td>
<td>$202,132</td>
</tr>
</tbody>
</table>

$134,200

This example is based on an annual earning income of $60,000, and gross rate of return of 5% (before fees). It is for illustration purposes only.
Enrol in your Plan
Easy online enrolment!

ia.ca/enrolnow

All-in-one process:

1. Personal information
2. Beneficiary designation
3. Investor profile
4. Investment choice
5. Setup of Client Space

Get started at: ia.ca/enrolnow
Enrol online in just a few minutes!

Enter your plan ID number and basic personal information

You can obtain your plan ID number in your enrolment kit or by contacting your plan administrator

Click on Continue to go to the next step
Enrol online in just a few minutes!

2 Fill in every box on the page with your general and contact information

Select how you would like to receive your statement and whether you want to receive iA Financial Group’s eNewsletter

Click on Continue to go to the next step
Enrol online in just a few minutes!

Designate your beneficiaries by filling in the required fields

Make sure the percentage adds up to 100% before you go to the next step

Click on Continue to go to the next step
Enrol online in just a few minutes!

Start by setting your retirement goal and then complete your investor profile.

Take your time to carefully answer all questions before you move on.

Click on Continue to go to the next step.
Enrol online in just a few minutes!

Confirm your investment instructions, according to your investor profile

The simplified solution allows you to select an investment option corresponding to your investor profile in just one click
Enrol online in just a few minutes!

Confirm your investment instructions, according to your investor profile

The advanced solution allows savvy investors to select their own investment options for a more tailored portfolio.
Enrol online in just a few minutes!

Create your account in My Client Space by choosing an access code and a password.

Choose 3 secret questions and answers that will allow you to change your password, should you forget it.

Click on Continue to go to the final step.
Enrol online in just a few minutes!

Make sure your personal details are correct and that you are comfortable with your beneficiaries, investment solution and payroll deductions

Click on Enrol to complete the process
My Client Space
My Client Space
ia.ca/myaccount
Manage your account

- Modify your investment instructions
- Designate your beneficiaries
- Consult the details of your account
- Complete your investor profile
Modify Your Investments

Choose a portfolio

- Conservative
- Moderate
- Balanced
- Growth
- Aggressive

Balanced - ATTITUDE 2041-2045

This portfolio targets good growth. You invest a certain portion of your savings in market securities. For this reason, the value of your savings may fluctuate over time.

- Growth potential
- Risk level

What is the relation between growth and risk?

This portfolio matches your investor profile and your risk tolerance.

The target retirement period of the proposed portfolio is set based on the age at which you plan on retiring. You can change the target retirement period of the portfolio.

2041-2045

Continue Cancel
Beneficiary Designation

GROUP SAVINGS AND RETIREMENT

Dashboard
Your RRSP
In a nutshell
Balance
Rate of return
Investments
Transactions
Contributions
Beneficiaries
Unit values and fees

Your beneficiary

100%
Coralie Lejeune
revocable

Change a beneficiary
iA Mobile
Makes life easier!

To connect to iA Mobile, you must be registered for My client Space.
iA Mobile
Makes life easier!

Follow the evolution of your savings

View your investor profile

View the performance of your funds

Determine if you’re on the right track
The power of the group!

- Employer contributions
- Much lower investment fees
- Convenience of payroll deductions

- Immediate tax returns
- Wide variety of investment options
- My Client Space: 24/7 web access
Any questions?

1 800 567-5670
Monday to Friday
8AM to 8PM (ET)
pension@ia.ca