

Retirement solutions that never stop working



Voluntary retirement savings plan

A simple solution for
you and your clients



THE
Great-West Life
ASSURANCE  COMPANY

Selling a group retirement and savings plan has never been easier

Expand your client base and increase your income by providing a workplace retirement solution. There are tens of thousands of Quebec businesses that must get a plan.

Two companies – one solution

Our VRSP is administered by London Life Insurance Company and marketed by The Great-West Life Assurance Company. London Life is a subsidiary of Great-West Life.

The strength of London Life and Great-West Life creates a unique presence in the group retirement and savings plan marketplace. This allows us to provide you with innovative product solutions and unparalleled service.

Put our strength to work for you

- With more than **\$51.8 billion¹** under administration, we represent significant presence in the Canadian group retirement savings and pension industry.
- We administer over **24,000 group capital accumulation plans** in Canada and **1.3 million plan member accounts¹**.
- Our service and support for plan advisors, sponsors and members are unparalleled.

¹As at December 2016

Why employers should offer a VRSP

If your prospect is an employer in Quebec with five or more eligible employees, they need to offer a VRSP or another type of workplace retirement savings plan – a group registered retirement savings plan, a registered pension plan, or a tax-free savings account – if they don't already offer one to their employees.

This legislation shouldn't be the only reason to offer a group retirement savings plan. With a VRSP, your clients can:

- Create goodwill with their employees through a flexible and affordable group plan solution
- Increase employee morale and productivity by showing they care about their employees' financial well-being
- Attract and retain talent by adding employer contributions to their VRSP
- Reduce business costs – less employee turnover means less hiring and training
- Help their employees take advantage of the lower investment management costs when compared to investing on their own
- Gain access to world-class plan administration and award-winning educational materials



Our VRSP offers:

- Simplified set-up
- Easy maintenance
- Minimal administration

Employers have a choice

While the VRSP is a new group retirement savings plan, it may not be the right fit for your prospects. They have a number of group retirement plan options and the VRSP is just one of them. The good news is you choose which retirement savings plan you think is best for your client. Compared to other plans, the VRSP is not as flexible and customizable because of its limited plan features and investment choices.

Visit our website www.vrsp-londonlife.com and click on *Is a VRSP right for you?* to learn more about other options available, or speak to one of our knowledgeable plan specialists by calling 1-855-495-7837.



Why you should sell a VRSP

Stay ahead of the competition. Be the first to talk to your prospects about the voluntary retirement savings plan (VRSP) as well as our other group retirement and savings plans.

There are tens of thousands of Quebec businesses that don't have a group plan – this is a significant market you can tap into. And since offering a workplace savings plan is a requirement of the VRSP legislation, demand will be high. With a VRSP, you can:

Grow your business:

- It provides cross-selling opportunities.
- The VRSP increases your revenue with every plan sold.
- Sell other products and services to VRSP clients.
- Get new individual business by selling individual life, health and wealth products.

Protect your existing business from competitors:

- VRSPs can protect your existing block of business from going to another advisor or bank.

Increase your presence in the group retirement market:

- Use the VRSP as an opportunity to expand your group business.
- Contact clients who have been thinking about establishing a group retirement savings plan.

Demand:

- Nearly 70 per cent of small- and medium-sized businesses that don't offer a workplace retirement savings plan are interested in offering a VRSP to their employees.²

²Pooled registered pension plans receive majority support in poll of small and medium business employers. Canadian Life and Health Insurance Association. Jan. 17, 2012.

Who can sell a VRSP?

To maximize adoption of workplace savings plans in Quebec, the Autorité des marchés financiers (AMF) has extended its exception to the registration requirements for the VRSP to allow financial security advisors (1a) as well as group insurance plan advisors (2b) to sell VRSPs until Dec. 31, 2019. Here's who is able to offer VRSPs.

When	Who
Up to Dec. 31, 2019	Group Insurance and Group Annuity Plans Advisor (2a) or
	Group Insurance Plans Advisor (2b) or
	Group Annuity Plans Advisor (2c) or
	Financial Security Advisor (1a)
After Dec. 31, 2019	Group Insurance and Group Annuity Plans Advisor (2a) or
	Group Annuity Plans Advisor (2c)
At any time, when transferring a VRSP from one administrator to another	Group Insurance and Group Annuity Plans Advisor (2a) or
	Group Annuity Plans Advisor (2c)

For employers

VRSPs are a simple, worry-free solution for your clients' businesses.



We handle most of the plan administration and compliance responsibilities so they can focus on what's important to them – their business.



If they choose to contribute, their contributions aren't subject to payroll taxes and their contributions may be deducted from income for tax purposes.



VRSPs are low risk to your clients.



Attract quality people with attractive compensation packages that include group retirement plans.



For employees

The VRSP helps workers:



Save for retirement and their future



Get instant tax-savings while they contribute to their plan through payroll deductions – a convenient, disciplined way to save for retirement



By making saving easy with automatic enrolment and a default investment option



Choose their investment option and their contribution rate



Access lower investment fees when compared to investing on their own



Stay with a company that offers a group plan

Our VRSP investment lineup has been pre-determined – your prospect doesn't need to do anything. The investment selection is simple for their employees and it's designed to meet their retirement savings with clearly defined, understandable investment choices.

We offer two solutions:

Solution 1: Harmonized target date funds

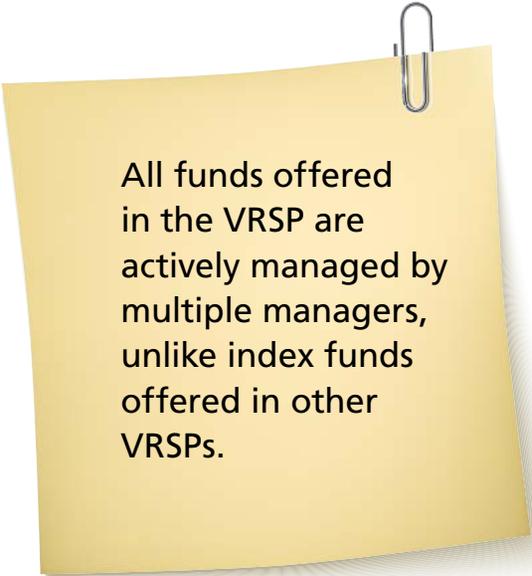
These funds are ideal for employees who don't have the time or desire to choose and manage their investments. The employee simply selects the year they want to retire and chooses the target date fund that most closely matches that year.

Solution 2: Harmonized asset class funds

These funds are ideal for employees who want a more hands-on approach to investing. They can complete the *Investment personality questionnaire* to help them select the funds that best match their investment goals and risk tolerance.

If an employee wishes, **they can even choose a combination of solution one and two.** Guaranteed investment accounts are also available for an employee to include as part of their investment portfolio.

Supported by our stringent investment manager review process, Harmonized funds are built on a multi-manager, multi-asset class investment platform, spanning a wide range of investment styles, regions and sectors. They are actively managed by investment professionals, who regularly monitor and adjust the funds to minimize risk — monitoring their asset mix to ensure it stays in line with the funds' objectives.



All funds offered in the VRSP are actively managed by multiple managers, unlike index funds offered in other VRSPs.

Solution 1: Harmonized target date funds (default investment option)

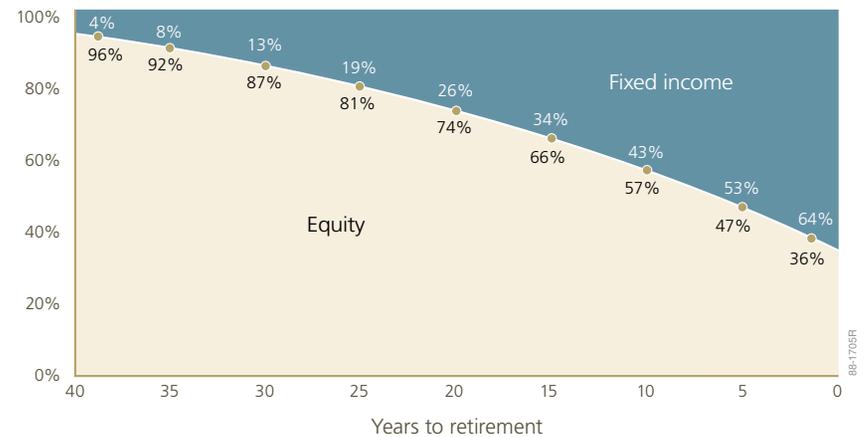
This single fund solution is designed to match the year members expect to retire or want to access their money.

As the default option, if members don't make a fund selection, their contributions will be invested into the fund that's closest to the year when they turn 65. If a member doesn't make a fund selection, a default fund will be used. The member doesn't choose the default fund. It will be automatically chosen according to the age of the member and adjusted as the member approaches the normal retirement age of 65.

Every Harmonized target date fund invests in a collection of individual funds that are spread among different asset classes and investment styles. The diversification helps withstand the ups and downs of financial markets.

We adjust the asset mix of the funds regularly to suit different stages of members' retirement planning and risk tolerance, targeting to grow savings at younger ages and conserve savings approaching retirement.

Strategic asset mix of target date asset allocation funds
Cadence Series Funds/Continuum Target Date Funds glide path



For illustration purpose only, the chart illustrates the approximate allocation. The actual asset allocation will vary.

	At a younger age	Closer to retirement
Goals:	<ul style="list-style-type: none"> • Grow savings 	<ul style="list-style-type: none"> • Preserve savings
Target date fund:	<ul style="list-style-type: none"> • Holds more equity funds to generate more growth 	<ul style="list-style-type: none"> • Holds more fixed income funds to reduce risk

Selecting a Harmonized target date fund is easy

Members choose the year when they think they might retire. Then they select a Harmonized fund closest to that year.

Fund name	Fund code	Investment management fee*
2020 Harmonized Fund	H20	1.05%
2025 Harmonized Fund	H25	1.05%
2030 Harmonized Fund	H30	1.05%
2035 Harmonized Fund	H35	1.05%
2040 Harmonized Fund	H40	1.05%
2045 Harmonized Fund	H45	1.05%
2050 Harmonized Fund	H50	1.05%
2055 Harmonized Fund	H55	1.05%
2060 Harmonized Fund	H60	1.05%

*Investment management fees (IMFs) represent fees paid to the investment managers for their professional services including the daily management of each fund. It also includes the fee to Group Retirement Services for the cost of administering your plan and providing services such as our service personnel, statements, websites and call centre support, to name a few. The IMFs shown are exclusive of applicable taxes and fund operating expenses.



Solution 2: Harmonized asset class funds

These funds make members' investment selection easy. In two simple steps, members have funds tailored to their risk tolerance.

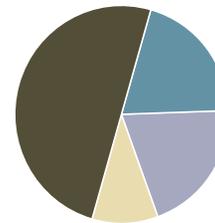
Step 1

Members complete the *Investment personality questionnaire* by signing in to www.grsaccess.com and launching the *Plan your retirement* tool under Planning & learning. The questionnaire determines the asset mix based on members' timeframe, investment goals and risk tolerance.



Step 2

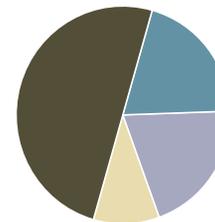
Members match the final total from the questionnaire to the corresponding investment personality. For example, if their final total is between 165 to 199 points, their investment personality is advanced. The asset mix for advanced is shown in this pie chart.



Asset mix example

- 50% Canadian equity
- 20% Fixed income
- 20% Foreign equity
- 10% Special equity

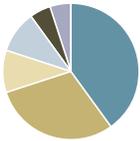
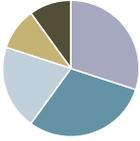
Then they select the Harmonized asset class fund that matches each asset class. Using the asset mix example for advanced investors, the Harmonized fund allocations should be the same as shown in this pie chart.



Harmonized fund allocations

- 50% Harmonized Canadian Equity Fund
- 20% Harmonized Fixed Income Fund
- 20% Harmonized Foreign Equity Fund
- 10% Harmonized Special Equity Fund

Harmonized asset class funds at a glance

	Fund code	Primary goal	Invests in	Consists of**	Investment management fee*
Harmonized Fixed Income Fund	HFIPS	Conservative	Fixed income funds	 <ul style="list-style-type: none"> ■ Fixed Income Fund (Portico)..... 40% ■ Bond Fund (Portico) 30% ■ Mortgage Fund (Portico)..... 10% ■ International Bond Fund (CLI)..... 10% ■ Canadian Short Term Bond Fund (Portico) 5% ■ Corporate Bond Fund (Portico) 5% 	1.20%
Harmonized Canadian Equity Fund	HCEPS	Long-term growth	Stocks of Canadian corporations	 <ul style="list-style-type: none"> ■ Dividend Fund (London Capital) 30% ■ Canadian Equity Fund (London Capital) 25% ■ Canadian Equity Fund (Bissett) 20% ■ Canadian Equity Fund (GWLIM) 15% ■ Mid Cap Canadian Fund (GWLIM) 10% 	1.20%
Harmonized Foreign Equity Fund	HFEPS	Long-term growth	Stocks of foreign corporations	 <ul style="list-style-type: none"> ■ U.S. Equity Fund (London Capital)..... 25% ■ Global Equity Fund (CLI) 25% ■ International Equity Fund (Setanta) 20% ■ U.S. Growth Sectors Fund (London Capital) 15% ■ Global Equity Fund (Sprucegrove) 15% 	1.20%
Harmonized Special Equity Fund	HSEPS	Long-term growth	Industry or sector specific holdings (e.g., global infrastructure, real estate, precious metals, natural resources)	 <ul style="list-style-type: none"> ■ Real Estate Fund (GWLIM)..... 30% ■ Canadian Resource Fund (Mackenzie) 30% ■ Real Return Bond Fund (Portico)..... 20% ■ Global Infrastructure Equity Fund (London Capital) 10% ■ Precious Metals Fund (Mackenzie) 10% 	1.20%

*Investment management fees (IMFs) represent fees paid to the investment managers for their professional services including the daily management of each fund. It also includes the fee to Group Retirement Services for the cost of administering your plan and providing services such as our service personnel, statements, websites and call centre support, to name a few. The IMFs shown are exclusive of applicable taxes and fund operating expenses.

**The fund allocations may change from time to time. For the most recent information, refer to the fund reports on www.grsaccess.com.

Over time, members' financial objectives, personal circumstances and the level of risk they're comfortable with will change. We recommend revisiting the *Investment personality questionnaire* regularly or whenever personal circumstances change significantly (e.g., marriage, promotion), and update the Harmonized fund allocations accordingly.

Guaranteed investment accounts (GIAs)

Employees can also choose to invest in GIAs. GIAs can be held either on their own or in combination with investments in the Harmonized target date funds and/or Harmonized asset class funds.

GIAs pay members a predetermined rate of interest on money invested for a predetermined amount of time. The rate is guaranteed and is determined at the time of purchase based on market conditions and the term that members select. Members can choose to invest for different time periods, from one to five years. The rate will not change over the term, even if current rates have changed. If members make redemptions prior to the end of the term, the value they receive may be subject to a market value adjustment. Members can view current GIA rates by signing in to www.grsaccess.com under Investments > Net unit values and rates.

Fund name	Fund code
Daily interest account	DIA
One-year GIA	C1
Three-year GIA	C3
Five-year GIA	C15

VRSP overview

Do employers need to offer a VRSP?	If an employer has five or more eligible employees, they need to offer a VRSP if they don't already offer all their employees access to a group registered retirement savings plan, tax-free savings account or registered pension plan through payroll deductions.
When do employers need to offer a VRSP?	<p>The requirement for employers to offer a VRSP is phased in depending on the size of the company.</p> <ul style="list-style-type: none"> – Employers with five to nine eligible employees must offer a VRSP or another eligible plan by a date after Dec. 31, 2018 (to be determined by the Quebec government). – Employers with more than 10 eligible employees as of June 30, 2017 must have a VRSP or another eligible plan in place.
Employer contributions	<ul style="list-style-type: none"> • Are optional • Are flexible – employers may change their contribution rates upon notice to us • Aren't subject to payroll taxes • Are locked in
Employee contributions	<ul style="list-style-type: none"> • An employee's contribution rate will automatically be set at the following percentage of earnings if the employee doesn't determine a rate. <ul style="list-style-type: none"> – 3% of base, gross salary from Jan. 1, 2018 to Dec. 31, 2018 – 4% of base, gross salary as of Jan. 1, 2019 • Employees can set their contribution rate to an amount they prefer including 0% (subject to certain conditions) • Employees can change their contribution rate up to two times a year unless the employer allows them to do so more frequently • Can be deducted from taxable income and subject to the same limits as RRSPs • Aren't locked in (amounts withdrawn will be subject to Quebec and federal tax)

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VRSP overview

Continued from previous page

<p>Investment program</p>	<p>Our VRSP investment lineup has been created with the needs of VRSP plan members and plan design in mind. It's designed to meet employees' retirement savings needs with clearly defined, understandable investment choices. Employees decide how much their contributions will be and then choose the appropriate investment options listed below to match their savings goal. It's that simple.</p> <p>Harmonized target date funds (default investment option)</p> <p>As the default investment option, if employees don't make a fund selection, their contributions will be invested into the fund that's closest to the year when they turn 65. Employees don't choose the default fund. It will be automatically chosen according to the age of the employees and adjusted as employees approach the normal retirement age of 65. All the employees need to do is choose the fund that's closest to their target retirement year:</p> <ul style="list-style-type: none"> • 2020 Harmonized Fund • 2025 Harmonized Fund • 2030 Harmonized Fund • 2035 Harmonized Fund • 2040 Harmonized Fund • 2045 Harmonized Fund • 2050 Harmonized Fund • 2055 Harmonized Fund • 2060 Harmonized Fund <p>Harmonized asset class funds</p> <p>Employees can complete the <i>Investment personality questionnaire</i> to determine their risk profiles and the corresponding asset mix. Then they choose the Harmonized asset class fund(s) to match that mix:</p> <ul style="list-style-type: none"> • Harmonized Fixed Income Fund • Harmonized Canadian Equity Fund • Harmonized Foreign Equity Fund • Harmonized Special Equity Fund <p>Guaranteed investment accounts (GIAs)</p> <p>Employees choose the duration for which they want to invest their contributions:</p> <ul style="list-style-type: none"> • Daily interest account • One-year GIA • Three-year GIA • Five-year GIA
<p>Enrolment</p>	<ul style="list-style-type: none"> • Employees with at least one year of continuous service are automatically enrolled in the company's VRSP. • Before plan contributions start being deducted from their pay, employees have 60 days to notify their employer if they wish to opt out of the plan.
<p>Portability</p>	<ul style="list-style-type: none"> • Employees may continue contributing to the same plan even after changing employers, or transfer the full amount to another VRSP or other eligible plan.

Ongoing responsibilities

Ongoing service for VRSPs

- Servicing a VRSP is easy once you've signed up your client. There are no renewals to negotiate with us or the employer, no denied claims to explain, and employees are generally happy to talk about their retirement goals and dreams.
- This means you can focus on the relationships and the value you can bring to the employer and their employees through your skills and expertise.

Meet one-on-one with members

- These meetings give you an opportunity to talk to the members about their VRSP and their individual financial security needs.
- Review their plan and their retirement goals. Help them determine whether they're on track, and guide them to contribute an appropriate amount regularly to their VRSP to help them reach their goals.
- Ensure that employees who aren't members of the VRSP understand the benefits and what they might be missing out on, especially if there are employer matching contributions.

Maintain regular contact with the employer

- We suggest semi-annual for the first year, and then annually thereafter.
- The London Life customer service specialist will handle the technical training, questions and transactions. Things such as:
 - How to remit contributions
 - How to add or remove employees from the plan
- Keep things simple by allowing the process to work. Your role is to manage the relationship and the customer service specialist is there to help make your job easy.

Ongoing responsibilities

Meet with the decision maker for an annual review

This is your opportunity to ensure that the original goals of the plan haven't changed. You might want to ask them:

- How is their business? What's going well, and what isn't. Is there anything that you can offer?
- Is their business ready for the next step? For example, progress from a VRSP with no employer contributions to one with employer contributions for all eligible employees.
- Are they satisfied with the plan?
- Are they satisfied with your services?

An opportunity for your business

With employee turnover, a VRSP client presents a natural opportunity to meet new employees, which allows you to describe the VRSP offered by the employer, and to plant the seed that you're available for other financial security planning.

Tips

- Ask about the employer's other financial security needs, such as key person insurance, partnership insurance, disability top up, etc.
- Assist terminating and retiring employees with their individual needs
- Find out if there are new employees
- Ask for referrals to other business people that could benefit from your services – your client can be a key source

Get started

It only takes a few minutes to take the first step in signing your client up for a London Life VRSP.

We'll be with you every step of the way – from the time you sign up your client right through to the plan's implementation. We're committed to having your VRSP experience run smoothly by having the tools and forms that make it easy for you. Or, if you prefer we work directly with your client, we can do that too.

How to get your client started

1

Contact your existing client and/or prospect to determine if they're interested in a VRSP

2

Contact a VRSP specialist by calling 1-855-495-7837, Monday to Friday from 8:30 a.m. to 5:00 p.m., by emailing vrsp@londonlife.com or by visiting our *Get a VRSP* page at www.vrsp-londonlife.com

3

The VRSP specialist will provide you with the necessary documents to get started or if you prefer, will work directly with your client to have these documents completed.

4

Submit the completed documents to the VRSP specialist

5

Your client's plan will be set up

Our team is ready to help you meet your needs

Get ready to grow your business

For more information, including pricing and compensation, contact a VRSP specialist by calling 1-855-495-7837, Monday to Friday from 8:30 a.m. to 5:00 p.m., or by emailing vrsp@londonlife.com. Our website contains a section just for you.

Contact us



VRSP specialist
1-855-495-7837



VRSP website
www.vrsp-londonlife.com



VRSP email
vrsp@londonlife.com

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