

# Your member booklet



canada *life*™



All Employees and Their Spouses

# **Group Tax-free Savings Account for Carleton University**

Effective September 1, 2022  
Policy/Plan Number 60910

## Dear member,

To help you\* achieve your savings and financial goals, Carleton University has established a group tax-free savings account (TFSA). We work closely with The Canada Life Assurance Company (Canada Life), a premier service provider for group retirement and savings plans. The more you understand about your plan, the more likely you'll be successful in achieving your savings and retirement goals.

This member booklet outlines the benefits available to you and contains important information including:

- How much you can contribute to your account
- What happens to your savings when you leave Carleton University
- What happens if you pass away before you leave
- Where you can find answers to your savings and retirement questions

Please make sure that you read this booklet, understand its contents and file it for easy reference.

While every effort has been made to ensure the accuracy of this booklet, your rights and benefits as a member of a group TFSA are governed by the terms of the certificate.

This booklet contains the version of your certificate as of the date on the front page of the booklet. If you have any questions related to the TFSA provisions, please contact your human resources department or Canada Life.

Carleton University, as your plan sponsor, provides this plan to you under the Capital Accumulation Plan guidelines and applicable legislation. These guidelines are a national standard for group savings plans. They help ensure that our plan is properly established and maintained, and that you're provided with ongoing education and information about the plan. For more information on your rights and responsibilities, please see the Additional information section of this booklet.

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\*Note that in this booklet "you" means a person entitled to benefits in accordance with the terms of the contractual documents.

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# Your TFSA

Welcome to Your TFSA. This section will help you understand some basics about the plan including eligibility, how contributions work and more.

Let's start by looking at the plan. Here are a few details you should know:

- You choose how much you want to save, up to the limits imposed by the Income Tax Act
- You can track how much money is in your account
- You can use your savings to supplement your retirement income or for other savings goals

If you'd like more information on the plan or how it operates, contact us. You may also contact Canada Life for more information.

## How to get information

You want to keep up to date with your TFSA and know that you're on track to achieve your savings goals. We, along with Canada Life, want to help you get that information quickly and easily.

## Statements

Semi-annually, you'll receive a statement from Canada Life showing the activity of your account.

This statement includes information that can help you make informed decisions. Your statement will include Smart messages, customized information that speaks directly to you and is based on the dynamics of your account.

**My Canada Life at Work -**  
**[mycanadalifeatwork.com](http://mycanadalifeatwork.com)**

Secure and easy to use, Canada Life has designed their website, My Canada Life at Work, with your needs in mind. When you log on to My Canada Life at Work, you can:

- Find your account balance
- Determine your investment personality
- Learn about retirement planning
- Create your own personal retirement goal
- Print statements when you need them
- View and change the investment direction of your future contributions and maturing investments
- Transfer between investment options
- Designate and/or change a plan beneficiary

My Canada Life at Work is also the place to find:

- Information on the investment options in the plan
- Rates of return on your investment options

Once you become a member, and you have provided your email address, Canada Life will send you an invitation by email to register for My Canada Life at Work. When you register, you'll be able to create an Access ID and password of your choice, which you can use to access your information online.

## Canada Life - 1-800-724-3402

For information about your account, you can call Canada Life at 1-800-724-3402 to speak with a bilingual client service representative. Client service representatives are available weekdays between 8 a.m. and 8 p.m., ET. Call Canada Life to:

- Find your account balance
- Transfer between investment options
- Change the investment direction of your future contributions
- Obtain current interest rates and net unit values
- Review one-year gross rates of return

## Eligibility

You may join the plan at any time.

## How to join the plan

Joining is easy. We'll provide you with our group plan application form.

If you'd like to enrol online, using [mycanadalifeatwork.com](http://mycanadalifeatwork.com), contact your human resources department to get a Guest Access ID and password. After you've signed-in, enter your information to fill-in our group plan application form.

Due to government regulations, Canada Life can't accept contributions until they receive your TFSA application(s).

## Contributions

Contributing to your account is easy. Contributions will be deducted from your pay automatically. Lump-sum contributions to your account are also accepted.

## Online banking and pre-authorized contributions

Do you want to increase the total of your account assets? Consider making lump-sum contributions.

You can make contributions on a regular or lump-sum basis through the convenience of online banking or pre-authorized withdrawals from your bank account.

For instructions to set up or change contributions online:

- Log on to [mycanadalifeatwork.com](http://mycanadalifeatwork.com)
- Select Contributions
- Select Add new (for original set up of new online contributions)
- Select either Online banking or Pre-authorized contributions
- Select Edit (to change contributions), and
- Complete the steps

## Personal cheques

You can also write a personal cheque payable to "The Canada Life Assurance Company" for the amount you wish to contribute and indicate your policy/plan number on the cheque. Then, complete the *Lump-sum contributions* form available on [mycanadalifeatwork.com](http://mycanadalifeatwork.com) (Manage portfolio > Change your portfolio > Printable forms) or from your human resources department and attach it to your cheque. Mail the cheque and form directly to Canada Life or send them through your human resources department.

## What you contribute

It's your choice how much you wish to contribute.

Contributing through payroll deduction is convenient and easy. The amount you direct to the plan will be withheld from your pay and then remitted, by us, on your behalf.

If you want to adjust your contribution amount, send your human resources department a written request. You can also log on to [mycanadalifeatwork.com](http://mycanadalifeatwork.com) (Contributions).

## What Carleton University contributes

We don't contribute to your account.

## Your TFSA limit

The maximum total amount that can be contributed annually to your TFSA is determined by the Canada Revenue Agency (CRA) and is indexed (adjusted or reviewed) every year. To find the current maximum total amount, log on to [mycanadalifeatwork.com](http://mycanadalifeatwork.com) or the CRA website ([canada.ca](http://canada.ca)).

There's no limit on the number of TFSAs you may have. However the total amount contributed cannot exceed your maximum TFSA contribution room. Any amount withdrawn from a TFSA is added to your allowable TFSA contribution room. The increase in contribution room occurs for the calendar year following the withdrawal(s).

All contributions to your TFSA will be reported to the CRA by Canada Life at the end of each calendar year.

## Excess contributions

If contributions exceed your contribution room in any taxation year, the CRA may subject your account(s) to a penalty tax until the excess contributions are withdrawn. Contact your local taxation office for additional information.

## Transfers into the plan

You can transfer funds from another TFSA into your account. To transfer funds from another TFSA, complete a *Transfer authorization for Tax-Free Savings Account (TFSA)* form and return it to the financial institution that holds your personal TFSA. You can find a copy of this form by logging on to [mycanadalifeatwork.com](http://mycanadalifeatwork.com) (Manage portfolio > Change your portfolio > Printable forms). For help with this form, call Canada Life.

## Investment options

This plan offers different types of investment options. Contributions may be invested in one or a combination of the following:

- A daily interest account
- A guaranteed investment
- A variable fund investment

### Daily interest account

Contributions are invested in a guaranteed account where daily interest fluctuates on a regular basis. Contributions are credited with interest.

### Guaranteed investment

Contributions are invested in a guaranteed investment where the interest rate is guaranteed. Contributions are credited with interest.

### Variable fund investment

Contributions are invested in a variable fund investment where the rate of return isn't guaranteed. Contributions are credited with investment gains or losses.

Your options are listed in your Investment menu which can be found in the material provided by Canada Life.

We or Canada Life may add or remove investment options at any time. Additionally, withdrawals or transfers from investment options may be delayed, suspended or restricted by Canada Life or the manager of the investment option. You'll be notified if these events occur.

You'll receive information about the investment returns in the statement mailed to you. You can also access descriptions of the investment options and investment return information by logging on to [mycanadalifeatwork.com](http://mycanadalifeatwork.com) (Manage portfolio > Investments).

You decide where contributions are invested by selecting from the investment options available in your account. You can change your investment options by logging on to [mycanadalifeatwork.com](http://mycanadalifeatwork.com) (Manage portfolio > Change your portfolio), by calling Canada Life or by completing the *Member investment instructions* form which we can provide to you.

Canada Life will generally begin processing your transfer instructions the day they're received.

Contributions invested in a guaranteed investment will mature at the end of the month coinciding with, or next following, the end of the investment term. For example, if you invest your contributions into a one-year guaranteed investment on Jan. 15 of this year, it will mature on Jan. 31 of next year.

At the end of your guaranteed investment's term, it will be reinvested into another guaranteed investment for the same term. If you don't want it to be reinvested, you must inform Canada Life before the end of the term.

If contributions are invested in a guaranteed investment, the interest rate is guaranteed and compounded daily. However, if you withdraw money before the end of the term, a calculation may be done to determine the amount you'll receive and early withdrawal fees may be charged. See your member schedule of fees for more information.

If contributions are invested in a variable investment, neither the principal nor any investment gain is guaranteed.

## Frequent trading

Frequent trading is an investment strategy that's detrimental to other members invested in the same variable investment options. Generally, Canada Life monitors this activity. If it's determined that excessive trading is occurring, a frequent trading fee may be charged (currently up to two per cent of the amount exchanged) or a transfer may not be allowed in accordance with administrative rules.

## Default investment option

As a member, you're responsible for selecting the investment options for your contributions, reviewing them regularly and making any changes you feel are needed.

If you don't make a decision, we've selected the Canadian Money Market (Mackenzie) Fund as the default investment option. This may be suitable for medium- or long-term investing, but it may not be the right choice for you. The investment return on this fund isn't guaranteed and as with all similar investments, does involve some risk which may not suit your personal risk tolerance and investment goals.

Despite selecting this default fund, we don't recommend any particular investment option, nor do we suggest this default option is the right investment option for every plan member.

Canada Life provides a wide range of tools, resources and information to help you make investment option decisions. To find out what type of investment options are best for you, complete the *Investment personality questionnaire* by logging on to [mycanadalifeatwork.com](http://mycanadalifeatwork.com).

You'll receive statements semi-annually. These will be an ongoing source of information about your account and they'll also show which investment option(s) your contributions are invested in. You can find information and make changes at any time by logging on to [mycanadalifeatwork.com](http://mycanadalifeatwork.com) (Manage portfolio) or by calling Canada Life.

## What happens if...

Welcome to What happens if. This section provides information on events or milestones that you may encounter.

### Additional information

In addition to this booklet, you'll receive an information package and forms outlining all of your options when any of the following events take place:

- Retirement
- Termination of employment
- Termination of the group TFSA

### ...The value of contributions

In this section, the term "value of your contributions" refers to contributions, plus interest and any gains or losses, and includes any fees and/or adjustments as indicated in your member schedule of fees.

### ... your employment terminates?

Your group TFSA is yours to transfer to another plan or to withdraw.

If, upon termination, you do not make an election regarding your TFSA within the time period indicated in your certificate, the value of your account may be transferred to a tax-free savings plan on your behalf.

If you terminate employment, contact your human resources department for more information on your options.

### ... you want to withdraw contributions?

Cash withdrawals from your TFSA aren't considered taxable income.

Any withdrawn contributions may be subject to adjustments and fees. More information on these fees can be found in your member schedule of fees.



All withdrawals will be reported to the CRA at the end of the calendar year. Any amount withdrawn from a TFSA is added to your allowable TFSA contribution room. The increase in contribution room occurs for the calendar year following the withdrawal(s).

If you would like to withdraw online, log on to [mycanadalifeatwork.com](http://mycanadalifeatwork.com) (Manage portfolio > Change your portfolio > Cash withdrawal). If you prefer, you may call Canada Life or complete the *Request for withdrawal* form to make the withdrawal.

### **... you go through a marriage breakdown or relationship breakdown?**

If you go through a marriage breakdown or a relationship breakdown, your account may be affected. Consult a lawyer about the laws concerning this situation and the options available.

### **... you die before withdrawing your account contributions?**

If you die and there's a balance in your account, your successor holder or beneficiary will receive an information package outlining the options.

For Quebec only, if a death benefit is payable, it will be paid within 30 days after receipt of all supporting documents considered satisfactory by Canada Life, unless a shorter period has been provided for under the policy.

### **Appointing a successor holder**

Appointing a successor holder will help ensure your account assets are directed as you wish if you die and have contributions remaining in your group TFSA. Your successor holder will become the new holder if you die and have contributions remaining in your group TFSA.

A successor holder must be your spouse or common-law partner and must be appointed as successor holder for your account. If your spouse or common-law partner has been appointed as your successor holder, you shouldn't name that person as a beneficiary for your account.

To appoint a successor holder, complete the appropriate section of the *Application for membership in a tax-free savings account* or a *Designation of successor holder* form. You can find the *Designation of successor holder* form on [mycanadalifeatwork.com](http://mycanadalifeatwork.com) (Manage portfolio > Change your portfolio > Printable forms).

### **Your beneficiary**

You may designate one or more beneficiaries to receive all or part of the amount payable when you die.

To designate a beneficiary, complete the *Designation of revocable beneficiary/trustee appointment* form. You can get a copy of this form by calling Canada Life, contacting your human resources department or logging on to [mycanadalifeatwork.com](http://mycanadalifeatwork.com) (Manage portfolio > Change your portfolio > Printable forms). You can also designate or change your beneficiary directly on [mycanadalifeatwork.com](http://mycanadalifeatwork.com). Click on your initials in the top right of the screen and select Your Profile > Beneficiaries and add or change your beneficiary.

If you don't have a successor holder at the time of death and you have designated a beneficiary, benefits are paid directly to the beneficiary, without the delays associated with processing an estate. Estate taxes (sometimes referred to as probate fees) are also avoided. Any investment gains or interest accrued between the time of your death and the time the benefit is paid to your beneficiary is taxable to your beneficiary.

Without a successor holder or a beneficiary, any benefits will be paid to your estate.

### **... the plan terminates?**

We expect to continue the group TFSA indefinitely, however, we reserve the right to amend or terminate the plan at any time. If the plan terminates, you'll be entitled to the value of your account.

## **Additional information & resources**

### **Your rights and responsibilities**

It's your responsibility to inform yourself about the account and your rights under it, by using the tools provided both by us and by Canada Life. You have the right to request a paper statement of your account, a copy of your application for membership, a copy of the group policy and any other documentation to which you are entitled to receive under the applicable legislation. Some of these rights are also available to your plan beneficiary or another claimant. You're also responsible for the investment decisions you make, including any investment decisions you allow others to make for you, regardless of any advice or recommendation that you may have been given by Carleton University, or any of their service providers. The decisions you make will impact the amount of money accumulated for your savings. To help you make those important decisions, you should consider obtaining investment advice from qualified individuals in addition to the information you may obtain from Carleton University.

### **Assuris coverage**

Canada Life is a member of Assuris. Assuris is the not-for-profit organization that protects Canadian policyholders if their life insurance company fails.

Details about Assuris' protection are available at [assuris.ca](http://assuris.ca) or by calling the Assuris Information Centre at 1-866-878-1225.

## **Legal actions**

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act* (for actions or proceedings governed by the laws of Alberta and British Columbia), *The Insurance Act* (for actions or proceedings governed by the laws of Manitoba), the *Limitations Act, 2002* (for actions or proceedings governed by the laws of Ontario), or other applicable legislation. For those actions or proceedings governed by the laws of Quebec, the prescriptive period is set out in the *Quebec Civil Code*.

## **Administration and investment expenses**

Administration expenses, investment expenses and other reasonable expenses related to the plan will be payable by you, unless we pay for all or part of these expenses. For detailed information on the fees payable by you, please refer to the member schedule of fees.

## **Process to make a complaint**

If you have a concern regarding one of Canada Life's financial products or services, please let them know. You can call 1-800-724-3402 or, outside Canada and the United States, 519-432-5281.

You can also contact Canada Life on their website [canadalife.com](http://canadalife.com) under Contact us > Report a problem > Customer complaints.

## Contact information

When you want to...	My Canada Life at Work <a href="http://mycanadalifeatwork.com">mycanadalifeatwork.com</a>	Canada Life* 1-800-724-3402	Your human resources department	Other sources of information or related forms
Plan for your savings	✓			
Enrol in the plan	✓		✓	
Transfer between investment options/change where contributions are invested	✓	✓	✓	• <i>Member Investment Instructions</i> form
Review your account balance	✓	✓		
Create a statement	✓			
Receive investment education and information	✓	✓		
Request a withdrawal	✓	✓	✓	• <i>Request for Withdrawal</i> form • Request an online withdrawal
Change your address	✓	✓	✓	
Add or change a successor holder	✓		✓	• <i>Designation of successor holder</i> form
Designate or change your beneficiary	✓		✓	• <i>Designation of revocable beneficiary/trustee appointment</i> form
Change the amount of your contributions	✓	✓	✓	
Learn more about other retirement planning topics	✓	✓		

\*To speak with a client service representative, call Canada Life between Monday and Friday between 8 a.m. and 8 p.m. ET.

# Protecting your personal information

Canada Life recognizes and respects every individual's right to privacy. Canada Life wants to ensure that you understand your rights as a plan member/account holder and encourages you to read and understand the message below which explains how your personal information will be used.

## A message concerning privacy from Canada Life

We recognize and respect the importance of privacy.

### Your personal information:

- We establish a confidential file that contains your personal information like your name and contact and financial information.
- Your information is kept in our offices or the offices of an organization authorized by us.
- You may exercise your rights to view and correct information in the file by sending a written request to us.

### Who has access to your information:

- We limit access to personal information in your file to our staff or persons authorized by us who require it to perform their duties, and to other persons to whom you have granted access.
- In order to assist in fulfilling the purposes identified below, we may use service providers located within or outside Canada.
- Your personal information may also be subject to disclosure to government authorities or others authorized under applicable law within or outside Canada.

### What your information is used for:

- Personal information that we collect *will* be used for the purposes of administering and servicing the products you have with us, and for our internal data management and analytics purposes.
- This may include investigating claims, paying benefits, and creating and maintaining records concerning our relationship.

Your consent will be valid until we receive written notice that you have withdrawn it, subject to legal and contractual restrictions. For example, if you withdraw your consent, we may not be able to allow you to remain in the plan.

From information provided to you on your application form and/or this member booklet, you understand the reasons your personal information is required, and the purposes for which it will be used, and your consent is given explicitly on a member application form or implicitly by your participation.

### If you want to know more:

For a copy of our Privacy Guidelines, or if you have questions about our personal information policies and practices (including with respect to service providers), write to our Chief Compliance Officer or refer to [canadalife.com](http://canadalife.com).

# Glossary of terms

## **Applicable Legislation**

Applicable legislation refers to the Income Tax Act and regulations, and any other legislation governing the administration of the plan.

## **Common-law partner**

A common-law partner is an individual with whom you cohabit in a conjugal relationship and:

- Has so cohabited with you for a continuous period of at least one year, or
- You and that individual are the natural or adoptive parents of a child

The individual must also be recognized as a common-law partner under the Income Tax Act.

## **Income Tax Act**

Income Tax Act refers to the *Income Tax Act* (Canada) and regulations, as amended.

## **Plan**

Plan refers to Carleton University's TFSA qualifying arrangement.

## **Spouse**

A spouse is an individual who is married to you and is recognized as a spouse under the Income Tax Act.

## **Successor holder**

A successor holder is the member's spouse or common-law partner who was appointed by the member to be successor holder under the plan if the member dies.

The successor holder must be the member's spouse or common-law partner at the time of the member's death.

**Group Tax-free Savings Account - Member's Certificate**  
**Policy/Plan No. <See the no. on mycanadalifeatwork.com or your member statement/See the no. on the cover of your guide >**

In this certificate, "you" and "your" refer to the holder/member of the group tax-free savings account (the Plan), and "we," "us," and "our" refer to the issuer, The Canada Life Assurance Company. We can be contacted at 1-800-724-3402 or by visiting mycanadalifeatwork.com.

We will pay benefits in accordance with this certificate.

**Section 1. Interpretation**

In this Plan:

**"Administrative Rules"** means our rules and procedures relating to the operation of the Plan.

**"Applicable Legislation"** means the Income Tax Act and any other legislation affecting tax-free savings accounts.

**"Common-law Partner"** has the meaning given to it under the Income Tax Act.

**"Contributions"** means amounts paid to us and includes a transfer from any source permitted under the Income Tax Act.

**"Income Tax Act"** means the *Income Tax Act* (Canada) and regulations, as amended.

**"Investment Option"** means any of the guaranteed investments and variable investment funds available under the Plan.

**"Investment Rules"** means our rules and regulations relating to the management of an Investment Option.

**"Maturity Date"** of this certificate means the date you attain age 100.

**"Member"** means the holder as stated on the application for membership who has attained the minimum age for entering into a tax-free savings account provided under the Income Tax Act and for whom benefits are to be provided under the Plan. The Member must qualify as a holder under the Income Tax Act.

**"Plan"** means the Plan Sponsor's Tax-free Savings Account qualifying arrangement.

**"Plan Sponsor"** means the employer, association or other organization sponsoring this Tax-free Savings Account, and as applicable, includes any other employers authorized to participate in the Plan.

**"Spouse"** means an individual who is recognized as a spouse under the Income Tax Act.

**"Successor Member"** means your Spouse or Common-law Partner who has been appointed by you to be the successor holder under the Plan on your death and who is your Spouse or Common-law Partner at the time of your death.

**Section 2. Group Plan**

This certificate describes your rights and benefits under the Plan. The Plan will be maintained for your exclusive benefit, disregarding the right of a person to receive a payment out of or under the Plan on or after your death. Contributions to the Plan will be used, invested and applied for the purpose of making distributions to you as permitted under the Income Tax Act. While there is a Member, no person other than us or the Member will have any rights under the Plan relating to the amount and timing of distributions and the investing of funds.

**Section 3. Plan sponsor as Agent**

The Plan Sponsor is required to provide us with any information or instructions required by us to administer the Plan.

We are entitled to rely on any information or instructions provided to us by the Plan Sponsor respecting you or on your behalf as if such information or instructions were provided to us directly by you. Upon joining this Plan, you appoint the Plan Sponsor as your agent for all purposes in connection with the provision of information or instructions to us respecting the Plan until such time as we receive notice that you are no longer a member of the Plan.

**Section 4. Investment Rules**

We have established Investment Rules relating to the management of the guaranteed investments and variable investment funds available under the Plan. The operation of the Plan and your rights will be subject to the Investment Rules. We may amend the Investment Rules at any time and will provide the Plan Sponsor with prior notice of material changes wherever possible. From time to time changes to the Investment Rules may be imposed on us by funds managers and in those circumstances prior notice may not be possible.

**Section 5. Contributions**

We will establish an account for the Member and Contributions will be allocated to the Member's account. It shall be your responsibility to ensure all Contributions are within the contribution limits for tax-free savings accounts permitted by the Income Tax Act and to ensure contributions are not made if you are a non-resident of Canada.

**Section 6. Investment Options**

Contributions will be invested in one or more of the various Investment Options which we make available to the Plan from time to time, as directed by you, and will be allocated to your account. If no election has been made by you, new Contributions will be invested in the default Investment Option(s) selected for the Plan. Contributions invested in an Investment Option will be subject to the Investment Rules. We may amend the terms of any Investment Option or add or withdraw any Investment Option at any time. We will provide 60 days notice to the Plan Sponsor of any material change to an Investment Option.

**a) Guaranteed Investments**

Contributions may be invested in guaranteed investments of various durations at guaranteed interest rates. Investments in the guaranteed investments described in this certificate are guaranteed both as to principal and interest. Contributions invested in a guaranteed investment will earn interest in the manner and at the rate applicable to that investment in accordance with the Investment Rules. The interest rate on any such investment is compounded daily and guaranteed until the end of the month in which the selected interest guarantee period expires.

At the end of the interest guarantee period of any guaranteed investment, you may select any new interest guarantee period we are then offering, so long as it does not extend beyond the Maturity Date of this certificate. Alternatively, you may select any other Investment Option we are then offering. If no selection has been made by you, the Contributions and interest will be reinvested for the same term, at the guaranteed interest rate in effect at the time of reinvestment.

Subject to the terms of this certificate, you may withdraw amounts from any guaranteed investment before the end of the interest guarantee period. If Contributions are withdrawn from a guaranteed investment, the value withdrawn will be calculated in accordance with the Schedule of Fees applicable to the Plan.

**b) Variable Investment Funds**

Contributions may be invested in variable investment funds. These funds are segregated funds offered and administered by The Canada Life Assurance Company. Contributions invested in a variable investment fund are not guaranteed either as to earnings or as to principal. The value of your account in a variable investment fund will fluctuate with the financial experience of the fund.

The assets of a variable investment fund belong to us but they are available only for the benefit of unit holders of the fund. If you invest a Contribution in a variable investment fund you will acquire units in the fund equal to the value of your Contribution on the date the investment is made.

We determine the value of the units of a variable investment fund on each valuation date of that fund and investments into and withdrawals from a fund can only be made on a valuation date. Most funds offered by us are valued on a daily basis but we may value funds less frequently in accordance with the Investment Rules. The unit value of a fund on a valuation date is determined by dividing the value of the assets of the fund, less the investment management fee described below, by the number of units in the fund immediately before the valuation date.

An investment management fee is charged and includes a fee for managing the variable investment funds, a fee for providing other services under the Plan and may include an amount for administrative expenses and other services under the Plan in accordance with the Schedule of Fees applicable to the Plan. This fee may either be deducted from the value of the assets of the fund (as part of the calculation of the unit value of a fund), or with our consent, the Plan Sponsor may elect to pay this fee separately.

#### **Section 7. Benefits - Income at Maturity**

If you are living on the Maturity Date we will liquidate the value of funds held in your account and will either pay the proceeds in cash to you or apply the value to provide a life annuity to you.

If an annuity is selected, we undertake to provide an annuity that provides for annuity payments in equal periodic amounts payable yearly or more frequently. The annuity will be issued in accordance with our rules and issue rates for annuities which are then applicable. You must provide us with satisfactory proof of the date of your birth and sex on or before the Maturity Date. If there has been any misstatement, we will make any adjustments we consider equitable.

However, if this certificate is governed by laws of the province of Quebec, an annuity will be provided to you on the Maturity Date. The amount of the annuity payments will be determined by multiplying the value of your account (less any applicable fees and charges) one month before the date annuity payments commence by the greater of:

- i) our then current annuity rate for a single life non-participating annuity with a guaranteed period of 10 years; and
- ii) for each \$1,000 of the value:
  - if you are male and you elect to commence annuity payments
    - in the month next following the month you attain the age of 80 years, \$5.10;
    - in the month next following the month you attain the age of 90 years, \$5.95; or
    - if an election is not made the rate will be \$5.96 in the month next following the Maturity Date when you attain age 100.
  - if you are female and you elect to commence annuity payments
    - in the month next following the month you attain the age of 80 years, \$4.84;
    - in the month next following the month you attain the age of 90 years, \$5.92; or
    - if an election is not made the rate will be \$5.96 in the month next following the Maturity Date when you attain age 100.

#### **Section 8. Distribution of Funds**

You may withdraw all or part of the value of your account by giving notice to us and may elect:

- i) to purchase any form of annuity that we are offering at that time;
- ii) to transfer the funds directly to another tax-free savings account as permitted under the Income Tax Act; or
- iii) to receive payment in cash.

Without limiting the generality of the foregoing, you may make withdrawals at any time in order to reduce the amount of tax otherwise payable by you under sections 207.02 or 207.03, or any successor provision, of the Income Tax Act in respect of contributions made while a non-resident of Canada or contributions in excess of the maximum contribution limits for tax-free savings accounts permitted by the Income Tax Act.

The value of your account will be reduced by the amount of any withdrawals.

All such elections will be completed in accordance with the Administrative Rules and the Investment Rules.

#### **Section 9. Termination of Plan**

If the group policy of this Plan is terminated or if you cease to be eligible to participate under the group policy, no further Contributions may be made under this certificate. When we receive notice that such an event has occurred, the Plan Sponsor will cease to be your agent and we may, without accepting any obligation or responsibility to do so, withdraw (for Quebec, make a single annuity payment) or transfer the value of your account from the Plan. We may exercise this right at any time. You will be given 60 days from the date we receive notice of the occurrence of the event to provide us with withdrawal or transfer instructions. If you do not provide such instructions within the 60 day period, you appoint us to act as your agent for the purpose of completing an alternate tax-free savings account application on your behalf or withdrawing your funds from the Plan, as we consider appropriate.

The Successor Member and/or beneficiary appointed by you under this certificate will also serve as the Successor Member and/or beneficiary under any alternate tax-free savings account issued to you by us to replace this certificate upon the termination of the group policy or your eligibility to participate under the group policy, until and unless you alter or revoke such appointment(s).

We may, on our own or at the request of the Plan Sponsor, resign as issuer, and allow for the appointment of a successor issuer. The Plan Sponsor will advise us of the identity of the successor issuer within 60 days of such resignation, and upon the transfer of all Plan assets to the successor issuer, we will be discharged from any further liability under the Plan.

#### **Section 10. Limitation of Liability**

The provision of a life annuity, or another form of annuity settlement option, or a withdrawal or transfer the value of your account, will constitute a full and final settlement of your rights or your beneficiary's rights, as applicable, with respect to the Plan, as against the Plan Sponsor, any employers authorized to participate in the Plan, any agents of the Plan Sponsor, us and any of our agents.

#### **Section 11. Legal Actions**

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act* (for actions or proceedings governed by the laws of Alberta and British Columbia), *The Insurance Act* (for actions or proceedings governed by the laws of Manitoba), the *Limitations Act, 2002* (for actions or proceedings governed by the laws of Ontario), or other applicable legislation. For those actions or proceedings governed by the laws of Quebec, the prescriptive period is set out in the *Quebec Civil Code*.

#### **Section 12. Death of the Member**

You may designate a person to receive all amounts payable to a beneficiary under this certificate. You may change or revoke a revocable beneficiary designation as permitted by law. If you die before the value of your account has been distributed and have appointed a Successor Member, we will continue to maintain the Plan in the name of the Successor Member. The Successor Member will acquire all your rights under the Plan, including the unconditional right to revoke any beneficiary designation made, or similar direction imposed, by you under the Plan or relating to the property held in connection with the Plan, and references to you in this certificate will be deemed to mean the Successor Member. If you die before the value of your account has been distributed and have not appointed a Successor Member, we will withdraw the value of your account and make payment to the beneficiary in one sum in accordance with our then current practices.

#### **Section 13. Election for Registration under the Income Tax Act**

We will file an election to register the Plan as a tax-free savings account under the Income Tax Act. Your rights are subject to the requirements of the Income Tax Act.

Except as permitted under the Income Tax Act, no advantage that is conditional on the existence of the Plan or this certificate may be extended to you.

#### **Section 14. Taxes**

All fees and charges payable to us are net of any applicable taxes and any such taxes will be payable or recoverable in the same manner as the fees and charges to which they relate.

### Section 15. General Provisions

Notice to the Plan Sponsor will be considered notice to the Member.

We have the right to amend the terms of this certificate i) at any time and without notice or your consent for the purpose of satisfying a requirement imposed by law or to the extent an amendment will not, in our sole discretion, adversely affect your rights under the Plan; or ii) otherwise on notice in writing to you, provided that, in neither case will such amendment disqualify the Plan from registration.

If we agree to amend or waive any provision of this certificate the amendment or waiver is effective only if it is in writing and signed on behalf of us by our authorized officer.

This certificate and your rights and benefits under this certificate are not assignable, except to the extent permitted under the Income Tax Act and any similar provincial legislation upon marriage or relationship breakdown.

You may request a paper statement of your account, a copy of your application for membership, a copy of the group policy and any other documents to which you are entitled to receive under the Applicable Legislation. Some of these rights are also available to your designated beneficiary or another claimant.

All payments to or by us will be in legal Canadian currency.

We may delegate some or all administrative functions to an agent. Notwithstanding any delegation to an agent, the ultimate responsibility for administering the Plan in accordance with the Plan's terms lies with us.

The Plan is subject to the Applicable Legislation. To the extent of any inconsistency between the Plan and the Applicable Legislation, the Applicable Legislation will override the terms of the Plan.



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President and Chief Executive  
Officer

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President and Chief Operating  
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