



YOUR GOVERNMENT OF NEWFOUNDLAND AND LABRADOR MONEY PURCHASE PENSION PLAN (GMPP)

General

- You will receive a number of different documents which will provide information to you about your plan. While every effort has been made to ensure the accuracy of this overview, your rights and benefits as a member of the above mentioned pension plan are governed by the terms of the plan documents and the Pension Benefits Act, 1997.
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Type of Plan

- The Money Purchase Pension Plan (MPPP) is also known as a defined contribution pension plan. With this type of plan, contributions are made to the plan at least monthly. These contributions along with interest and/or investment gain/loss are used to purchase a pension at retirement. The exact amount of your pension can only be determined when you retire.
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Eligibility

- If you do not qualify to participate in the following plans (for example, part-time employees or casual workers):
 - Public Service Pension Plan (PSPP)
 - Uniformed Services Pension Plan (USPP)
 - Teachers Pension Plan (TPP)
 - Members of the House of Assembly Pension Plan (MHAPP)

you are eligible to join this plan.

- If you were hired after April 1, 1989 or subsequent to the date your employer joined the plan, and do not qualify for participation in the above plans, membership is mandatory.
 - Students and any other group specifically excluded by the Minister of Finance are ineligible for membership.
 - If you transfer between employers participating in the Government Money Purchase Pension Plan (GMPP), your membership will continue and your records will simply be changed to reflect your new employer.
 - Plan members who transfer into an employment class that would normally make them ineligible for membership in the GMPP may stay in the plan as inactive members but no further employee, employer or additional voluntary contributions will be permitted.
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How To Enrol

- Complete the Application for membership in the Government Money Purchase Pension Plan form.
 - If you require assistance completing the form, or if you need help to understand your investment options call GRS Access Line at 1-800-724-3402.
 - Return your completed forms to your Human Resources or Payroll Department to begin payroll deductions.
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1-800 Number for Service

- Information and service on your GMPP is available:

- By calling **1-800-724-3402**, you can obtain plan and account information, check your account balance, transfer assets between investments, change your investment directions for future contributions, view current interest rates and net unit values, update your address or obtain a form to change your name and/or beneficiary designation.
 - When you call you will be asked a few brief questions to verify your identity.
 - Hours of service are: Monday 8:00 am to Friday, 8:00 pm EST.
 - Restrictions: changes to payroll deductions for voluntary contributions and requests for withdrawals on termination or retirement should be directed to your Payroll Department.
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Internet Website •

The Website located at www.grsaccess.com provides access to retirement and investment planning information.

- The site also gives you direct Internet access to your account 24 hours a day, seven days a week. It offers a secure and easy way to check your account balance and to process investment transactions.
 - A logon ID and password will be issued to you separately by mail. These two items will allow you to access your account quickly and easily.
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Contributions

Required Contributions

- You are required to contribute 5% of your regular earnings each year by payroll deduction.
- Your employer will match your required contributions, for a combined total contribution each year of 10% of your regular earnings.

Additional Voluntary Contributions

- You may make additional voluntary contributions through payroll deduction.

Additional information regarding Contributions

- The total of employee, employer and voluntary contributions may not exceed the lesser of 18% of your current year's earnings and the maximum amount allowed each year as specified under the Income Tax Act (Canada).
 - You are responsible for monitoring your contribution limit to ensure that your plan does not exceed the tax deductible limit.
 - Contributions are reported as a Pension Adjustment (PA) on your T4 slip and are deducted in the calculation of your RRSP contribution limit.
 - Contributions made by the employer and employee reduce the contribution room available in RRSPs.
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Tax Implications • of Contributions

Employee contributions are deductible from your income and your tax benefit will be received immediately as payroll will lower your tax withholdings to reflect your pension contributions.

- Employer contributions are not tax deductible or added to your income.
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Changing your Contribution Amount

- You may change your voluntary contribution amount by contacting your Human Resources or Payroll Department.
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Vesting Period

- Once you are vested, you own all employer contributions and investment earnings on those contributions which have been made to your account.
 - Contributions made **prior to January 1, 1997** are fully vested and locked-in after the completion of 10 years of **continuous service** with the same employer, and has attained the age 45 or after completion of 5 years of **plan participation**.
 - Contributions made **on or after January 1, 1997** are fully vested and locked-in after the completion of 2 years of **plan participation**.
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Termination of Employment**Pre 1997**

- Completion of 10 years of continuous service with the same employer and attained the age of 45 - 100% vested, locked-in
- 5 years plan participation or more - 100% vested, locked-in
- Less than 5 years plan participation - Not vested, not locked-in

Post 1996

- 2 years plan participation or more - 100% vested. locked-in
 - Less than 2 years plan participation - Not vested, not locked-in
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Options on Termination and Retirement

If your funds are not vested or locked-in, your withdrawal and/or transfer options are:

- cash (tax withheld)
- transfer to a new employer's pension plan if that plan permits (no tax withheld)
- transfer to an RRSP/RRIF (no tax withheld)
- purchase an annuity (no tax withheld)

If your funds are vested and locked-in, your transfer options are:

- transfer to a new employer's pension plan if that plan permits (no tax withheld)
 - transfer to a locked-in RRSP/LIRA to age 69 (no tax withheld)
 - purchase a life annuity (no tax withheld)
 - transfer to a LRIF (no tax withheld)
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Normal Form of Pension

- If you have a spouse or cohabiting partner when you retire, you will receive a monthly pension payable for your lifetime and upon your death, payments of 60% of the amount you received will continue to your spouse or cohabiting partner until his/her death.
 - If you don't have a spouse or cohabiting partner when you retire, you will receive a monthly pension for your lifetime. In the event of your death, before 60 pension payments have been made, the balance of the 60 payments will be paid to your designated beneficiary.
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Pre-Retirement Death Benefit

- If you die before you retire your designated beneficiary is entitled to receive a cash refund equal to the accumulated value of your contribution and the employer's contributions made on your behalf. If your designated beneficiary is your spouse or cohabiting partner the cash refund may be transferred to: a RRSP, a RRIF, purchase a life annuity or transfer to another registered plan, if that plan permits.
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Beneficiary Designation

- Newfoundland and Labrador legislation requires that your spouse or cohabiting partner be named principle beneficiary of your GMPP.
- You should consult an estate planner for advice on designating a beneficiary and update this designation, in writing, as your personal circumstances change.

Investment Information

- Investment options include guaranteed investment accounts (GIAs) and a selection of fund options from Phillips, Hager & North Investment Management Ltd. (please see the "Investment Menu" section for the funds that are available to you).
- There is no minimum purchase amount required.
- Further details on the funds available can be obtained in the Fund Report, which is included in the enrollment kit, and is also available on GRS Access.

GIA Details

- You will receive an enhancement of 1/2 percent on the posted rate of the term purchased.
- GIAs may be purchase for the term(s) selected (1,2,3,4 and/or 5 years).
- GIAs will be purchased immediately for the term selected upon receipt of funds, providing the funds are received by daily cut off time (2:00 p.m. EST).
- On termination of employment, retirement, upon death, or at the end of the term selected, the guaranteed investment account value will be calculated at book value.
- For interfund transfers or withdrawal of contributions, the guaranteed investment account value will be calculated at market value.

Investment Options

These are your investment options as determined by the Plan:

- Guaranteed Investment Accounts (1-5 years)
- PH&N Bond Fund
- PH&N Balanced Fund
- PH&N Canadian Equity Fund
- PH&N Global Equity Fund

Fund Management Fees

- These fees are paid to the fund manager for day-to-day management of each fund.
- Please refer to your schedule of fees for details of the Investment Management
- Fee (IMF) or any other fees and expenses which you may pay indirectly through the fund(s).
- Please note that the IMFs may change from time to time as the size of assets under management change.

Investment Personality Questionnaire

- This helpful tool is included in your Retirement Guide and provides you with suggested investment mixes based on your investor profile.
- You begin by answering a series of questions that relate to your level of investment knowledge, comfort level with risk, years to retirement and personal information, and then total your score. Next, match your score to one of the recommended investment mixes provided.
- Please refer to the enclosed Fund Reviews and/or Fund Report

to determine the investment category into which each investment falls.

- Should you require assistance, please call the toll-free number and speak to a Customer Service Representative.

Investment Changes

- You may transfer between investments at any time by calling the toll-free number or by visiting the interactive website.
- You may change your investment direction for future contributions at any time by calling the toll-free number or by visiting the interactive website.
- For information about transaction deadlines please call the toll-free number and a Customer Service Representative will assist you.

Envision Smart Tools

- This software, included in your Retirement Guide, will assist you with making decisions to meet your retirement goals and objectives.
- This software will help with decisions regarding contributions and accumulations at retirement.
- Copies of this software are available by calling the toll-free number and a Customer Service Representative will assist you.

Statements

- Statements of participation show the value of your account and all the activity that has taken place.
- These statements are sent to your home address quarterly at the end of March, June, September and December.
- A confirmation statement will be sent confirming transfers between investment, and at the time of withdrawal. Also, confirmations are issued when a transaction takes place.

Withdrawals During Active Employment

- You may make one free withdrawal from your voluntary contributions per calendar year. Each additional withdrawal is subject to a \$50 fee which is deducted from the value of the funds withdrawn.
- Withdrawals from your required contributions are not permitted

Tax Reporting

- Total employee, employer, and any additional voluntary contributions are included in the Pension Adjustment (PA) reported on your T4, issued by your employer by the end of February of the following tax year. The PA is used to calculate your RRSP contribution room for the next tax year.
- For cash withdrawals, a T4A will be issued by Group Retirement Services, by the end of February of the following tax year summarizing any withdrawals from your plan in the year and any tax withheld.
- Tax slips are not issued for amounts transferred with no tax withheld to another registered plan.

Resources Available

- Your Retirement Guide
- Your Human Resources Department
- Your toll-free phone number **1-800-724-3402**
- Internet: www.grsaccess.com
- For information on PH&N variable investment funds, visit website <http://www.phn.com>

What You Should Know

- Read the enclosed material for an overview of retirement planning, investment strategies, and investment options.

- Complete the Investment Personality Questionnaire to determine your investor profile and the investment mix which is best suited to your profile, or call **1-800-724-3402** for assistance.
 - Complete the Application for membership in the Government Money Purchase Pension Plan form.
 - Return your completed forms to your Human Resources or Payroll Department to begin payroll deductions.
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