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GRS' Latest

A new look and more value for plan members online

As you're probably aware, the URL for our Plan Member Services website has been changed from www.sunlife.ca/member to mysunlife.ca. We've added more up-front value for your members on the sign-in page by increasing its educational content and creating more awareness of the online self-service options. And you'll also have noticed that we've updated the layout of the sign-in page to give it a similar look and feel to the public page at www.sunlife.ca.

Making it easier for plan members to provide investment instructions

To make things simpler for plan members who want to change their fund allocation for existing assets and future contributions at the same time, we've made some changes to the Plan Member Services website at www.mysunlife.ca.

Here are some of the highlights:

- We've introduced a new **Change investments Wizard** under the **Requests** menu. This allows members to:
 - make fund transfers by selecting **Move my money to different funds**
 - give investment instructions by selecting **Change how my future contributions are invested**
 - **copy their instructions** across money sources and products.
- We've rolled most of the **Investment profile manager** feature into **Change investments**.
- We've added a **Plan summary** section to **Change investments** to tie members' asset allocations and retirement plans to their intentions to make fund transfers or change their investment instructions.
- We've added fields for members to provide their **planned retirement age and year**. You can then choose to highlight the closest target date fund to a member's planned retirement date.
- We've made **Automatic asset mix re-balancing** easier to access and understand.
- We've incorporated **Payroll deduction** elements into the flow.
- You can make the **Asset allocation tool** mandatory so members have to complete it before making transfers or changing their investment instructions.
- The **Plan transfer** feature – which allows members to transfer funds from their non-registered savings plans to their registered retirement plans – can now be found in the **Requests** menu.

We haven't made any changes to how transfers and investment instructions are handled for **my money for life** coverage.

Have bonuses work towards your retirement

In response to your requests for an easy online method for handling reward or bonus allocations, we've launched a new generic online **reward allocation tool** on www.mysunlife.ca. This tool allows members to direct their rewards to their group RRSP or NREG plans.

We're also updating the reporting section of the Plan Sponsor Services website so you can generate a report showing all your members who have submitted allocations. You can then use this report to send us a contribution file and wire.

This new online tool allows you to customize almost all aspects of the rewards election including:

- name
- eligible payroll groups
- period window opening and closing, specified to the hour
- allocation by percentage or dollar amount
- product options available for allocation
- special messages for members on the reward allocation screen

Your members can then access the tool on mysunlife.ca in any of the following ways:

- the home page broadcast message
- the [Quick Links](#) menu
- the main menu, under [Requests](#)

New faces at Sun Life Financial

We're pleased to announce the following appointments:



Isabelle Hudon

President, Sun Life Financial, Quebec

Isabelle Hudon has been appointed to our new executive position in Quebec, which has been created to build upon our success across our businesses in the province.

Isabelle is well known in Quebec as an entrepreneur and business leader. She has been recognized as one of Canada's Top 40 Under 40 and as one of the country's most influential women in the Top 100 of Canada's Most Powerful Women. She most recently served as President of Marketel, a Montreal-based marketing and public affairs company after a successful term as President and CEO of the Board of Trade of Metropolitan Montreal.

Dave McLellan

Vice-President, Market Development

Dave McLellan brings extensive experience in the defined contribution industry, most recently as President, Fidelity Investments Insurance Company. His strong background in product development, client relationship management and corporate development makes him an excellent match for this position and a great addition to our team.

Jean-François Proulx

National Vice President, Corporate Accounts

Jean-François Proulx has more than 15 years of experience in the financial services and investment management industry, working in advisor markets. During this time he has gained considerable expertise in business development and practice (sales) management.

In his most recent role as Director, Wealth Sales Promotion (in the Individual Wealth Management area of Sun Life Financial), Jean-François helped plan advisors with business-building strategies by providing unique wealth solutions and sales tools.

Keeping plan members informed with *At a Glance*

Our *At a Glance* newsletter focuses on plan member education – with topics ranging from retirement savings to tax planning to investments. Here's what we covered in our most recent issues:

August 2010 issue: *Life can be a*

rollercoaster. This article encourages plan members to keep savings and retirement plans on track through life's ups and downs.

The article sets out five useful tips: (1) stay focused on your retirement savings plan, (2) start an emergency fund to cover unexpected expenses, (3) start automated savings plans for other savings goals, (4) re-evaluate your financial goals and retirement plan when unexpected events occur, and (5) consider the side effects of life changes.



September 2010 issue: *What can a financial*

planner do for you? This article focuses on the role of financial planners. It explains how to decide if you need the services of a financial planner, how to find a financial planner who's right for you, what questions to ask in the first meeting, and how to make the most of the relationship.



You can find issues of *At a Glance* at www.sunlife.ca/ataglance.

Defined benefit plan sponsors in the West get ready for the next perfect storm

On September 21 and 22, 2010, Peter Muldowney of Sun Life Financial joined Soami Kohly from McLean Budden to host The Better Risk Management Forum in Vancouver and Calgary, respectively. The events were well attended by plan sponsors and consultants who participated in spirited discussions about what comprises better risk management for defined benefit pension plans.

After presentations on de-risking, risk management and the costs of living longer, a panel of consultants wrapped up the forums with their perspectives on risk management.

Requirement to inform us about plan member terminations

One of your duties as plan sponsor is telling us about the termination of a plan member in a timely manner so that we can contact the member as soon as possible. You must change the code on the plan member's contribution file, and then either:

- e-mail us a notice of termination that shows both the termination date and the date of the member's last contribution, or
- fill out and send us a *Notice of termination of service* form.

You can also find this requirement in your updated plan sponsor *Administration Guide*.

SLF's Latest

Illuminating investors' futures with a world-class lineup

On October 25, Sun Life Global Investments Canada Inc. launched its new family of 12 world-class mutual funds to bring greater investment choice and innovation to Canadian retail and group plan investors.

Our exciting fund lineup brings U.S. powerhouse MFS to the Canadian retail marketplace, draws upon McLean Budden's expertise in high quality investing, and offers our innovative Milestone funds. The lineup features six equity funds and one balanced fund from MFS, four Milestone funds from Sun Capital Advisors/Sun Life Assurance, and one money market fund from McLean Budden:

- Sun Life MFS Global Growth Fund
- Sun Life MFS Global Value Fund
- Sun Life MFS U.S. Growth Fund
- Sun Life MFS U.S. Value Fund
- Sun Life MFS International Growth Fund
- Sun Life MFS International Value Fund
- Sun Life MFS Global Total Return Fund
- Sun Life Milestone 2020 Fund
- Sun Life Milestone 2025 Fund
- Sun Life Milestone 2030 Fund
- Sun Life Milestone 2035 Fund
- Sun Life Money Market Fund

All funds are eligible for registered status as part of RRSPs, RRIFs, and TFSAs.

Industry and Regulatory News

Reminder about reporting DCP and DPSP overcontributions before year end

As we approach the end of another calendar tax year, we'd like to bring to your attention a couple of issues that could affect you and your members. Once we cross into 2011, any **overcontribution errors made in 2010** with respect to employee and/or employer contributions **cannot be returned without tax reporting issues**. The CRA shows no leniency to plan sponsors who are not aware of the contribution limits and filing deadlines or have not monitored the contribution limits as they should have.



Overcontributions made to Deferred Profit Sharing Plans (DPSPs) in 2010

If you tell us about an overcontribution before the end of 2010, we'll refund the excess amount to you. We don't need approval from the CRA if the plan text provides for the refund (either as a specific plan amendment or if the plan has been amended using CRA Form EP97-10).

If you don't tell us and the overcontribution isn't discovered until 2011, we'll have to issue a T4A slip to you, and withholding tax will apply in 2011.

Overcontributions made to Defined Contribution Pension Plans (DCPPs) in 2010

If you tell us about an employee or employer overcontribution before the end of 2010, we'll either (1) make an adjustment to future contributions for 2010, or (2) refund the excess amount to you. We may need to get approval for the refund from the pension regulator, depending on where the plan is registered. We're not required to issue a T4A slip to you or your member, and withholding tax will not apply.

If you don't tell us and the overcontribution isn't discovered until 2011, we'll have to issue a T4A slip to the member for any refund for an employee overcontribution, and to you for any refund of an employer overcontribution. We may need to get approval for the refunds from the pension regulator, depending on where the plan is registered. Special tax withholding rates will apply in 2011.

Please make any necessary adjustments to your contributions before the end of 2010 to avoid the necessity of withholding taxes and issuing a T4A slip in the new year. Sun Life Financial may charge a fee, as applicable.

Confirming or changing name/date of birth info for TFSA holders

If your plan members need to verify or **change their name or date of birth** with the CRA, you should **advise them to call the CRA directly** themselves. The only other person that can make the call is a legal representative specifically authorized to deal with the CRA on a member's behalf.



Members should call the **CRA General Income Tax Enquiries** line at: **1-800-959-8281** (English) or **1-800-959-7383** (bilingual), and identify themselves as TFSA holders.

Federal pension reforms receive Royal Assent

On July 12, 2010, **Bill C-9**, the **Jobs and Economic Growth Act** (the "Bill") received Royal Assent. While some amendments to the **Pension Benefits Standards Act, 1985**, are already in force – mostly related to defined benefit pension plans – others will not take effect until a later proclamation date that has not yet been determined. The amendments to come related to defined contribution pension plans (DCPPs) are:



Changes to DCPPs that took place on July 12, 2010

- You no longer need approval from the Superintendent to transfer a DCPP to another DCPP. The Superintendent will still need to be advised of the transfer after it takes place.
- Only the Superintendent can declare a plan partially terminated.

Changes to DCPPs that will take effect on the proclamation date

- Upon the termination of a member:
 - immediate vesting on all contributions will apply
 - locking-in will be after two years of plan membership (for contributions made on or after October 1, 1967).
- Upon the death of a member:
 - immediate vesting on all contributions will apply and be payable to the surviving spouse or common-law partner, or to the designated beneficiary or estate if there is no surviving spouse or common-law partner
 - locking-in will be after two years of plan membership (for contributions made on or after October 1, 1967).
- The 25 per cent withdrawal of locked-in contributions (made on or after October 1, 1967 but before January 1, 1987) will no longer be permitted.
- Variable benefits/retirement income can be paid directly from the plan.
- Disclosure requirements to members on plan termination will be revised.
- There will be changes to the timeframes for notifying the Superintendent of a plan winding up.

Changes to DCPPs that will take effect on January 1, 2011

- You must start making monthly contributions to DCPPs. You will no longer be permitted to make quarterly contributions.

Mandatory e-filing of AIRs coming to BC

Effective January 1, 2011, it will become mandatory to electronically file AIRs for pension plans registered under the **British Columbia Pension Benefits Standards Act**. You'll no longer be permitted to file paper copies of the returns, and access to paper PDF formats will be removed from the **BC Financial Institutions Commission** website (FICOM) on December 31, 2010.



For instructions on how to file electronically, visit the BC FICOM website at www.fic.gov.bc.ca/.

Ontario pension reforms delayed

The Ontario Ministry of Finance recently confirmed that **Bill 236, the Pension Benefits Amendment Act, 2010** will not come into force for quite some time. The Ministry hopes to finalize further changes (Phase 2) to the pension legislation in mid-fall before finalizing the Bill 236 regulations. We'll keep you informed of any updates as they become known.



Ontario pension plans – new filing options for AIRs

With the new online form launched on September 1, pension plan administrators now have three options for filing **Annual Information Returns (AIRs)**:



- electronically, using the new online form that can be accessed via the **Pension Services Portal (PSP)**
- electronically in XML format
- filling in the paper form

To learn more, visit the **Financial Services Commission of Ontario** website at www.fSCO.ca.

Changes to the QST place of supply rules

Although **Quebec** has not yet issued its material on the **QST**, our understanding, based on documents from the Quebec budget, is that the place of supply rules are changing in the province. As with the **HST** place of supply rules that came into effect on July 1, 2010, **QST** will now be calculated based on **place of consumption**.



This means that the location of the service recipient (the plan sponsor or member) will be used to determine the sales tax that will apply to our services. Previously, the location of the supplier (i.e., Sun Life Financial) was used. Taxes on fees charged directly to plan members will be based primarily on their province of residence. As of July 23, 2010, plan members residing in Quebec have begun to see **QST**, in addition to **GST**, applied to taxable fees.

Inside Investments

The following information was released in the third quarter. For full details of all investment updates, plan sponsors can refer to Morningstar®, which is available through the [Plan Sponsor Services](#) website.

Personnel updates

Fidelity Investments

In August Fidelity Investments Canada ULC (Fidelity) and Pyramis Global Advisors (Pyramis) announced the appointment of **Andy Matteis** as **Director of Research and Global Head of the Fundamental Equity Research team**.

Mr. Matteis has more than 20 years experience building and leading research teams. He joined Pyramis from Putnam Investments (Putnam) where he was Director of Global Equity Research since 2008. There he led a group of 40 domestic and international equity analysts and managed Putnam's Global Sector Fund. He has also served as Director of Domestic Large Cap Equities and Global Credit Research, Director of Fixed Income Research, and Director of Municipal Bond Research and Director of Information Management for the Equity Division during almost 15 years there.

UBS (Canada) Global Asset Management

UBS has completed the restructuring of its **Canadian Equity** team with its August announcement of the addition of two new analysts. **Curtis Gillis**, CFA has joined as **Energy Analyst** and **Natalie Taylor** as **Financials Analyst**.

In the last 14 years, Mr. Gillis has acquired a broad range of Canadian Energy sector experience in both the buy side and the sell side, with a special focus on energy services and energy trusts. He joined UBS from Scotia Asset Management, where his research responsibilities included coverage of the North American energy sector.

Ms. Taylor has five years of analyst selling experience. She joined UBS from Scotia Capital Inc., where her responsibilities included creating financial models for the valuation of banks and diversified financials.

Global Currents Investment LLC

In August, **Legg Mason Inc.** (Legg Mason) and **Global Currents Investment Management LLC** (GCIM), a wholly owned, independently operated subsidiary of Legg Mason, announced that effective June 2010, **ClearBridge Advisors** (CBA) has taken over responsibility from GCIM for trade execution for institutional client accounts.

This change affects two funds offered through the **Sun Life Financial Core Investment Selection**:

- **Legg Mason GC International Equity Segregated Fund**
- **Legg Mason GC Global Equity Segregated Fund**

This change is part of Legg Mason's overall streamlining of its business model over the next 12 to 18 months. It allows GCIM to leverage the institutional sales and consultant relations resources at CBA while strengthening its own focus on investment management and client service.

Phillips, Hager & North Investment Management Ltd.

In October, **Phillips, Hager & North Investment Management Ltd.** (PH&N) announced the retirement (effective September 30) of **Patricia Croft**, Chief Economist for PH&N and, more recently, for **RBC Global Asset Management**.

In her 30-year investment career, Ms. Croft spent the last seven years at PH&N, where she led PH&N's Macroeconomic Research Group and participated as a member of the group's Asset Mix Committee.

Since 2008, she also served as a member of the RBC Investment Strategy Committee, whose 11 members were responsible for global asset mix recommendations for the key client groups of RBC Asset Management.

Allan Seychuk has assumed Ms. Croft's day-to-day responsibilities for macroeconomic research within PH&N.

TD Asset Management Inc.

TD Asset Management Inc. (TDAM) has announced that after a 20-year tenure with the firm, **Barb Palk** will retire as **President** effective December 31, 2010.

Kevin LeBlanc, currently **Vice-Chair at TDAM**, will assume Ms. Palk's responsibilities in the capacity of **Chief Operating Officer** following her retirement. Mr. LeBlanc has been with TDAM for 17 years and reported to Ms. Palk for many of those years while being very involved in the management of the business. Mr. LeBlanc will work closely with Ms. Palk during the next three months to ensure a smooth leadership transition.

In addition, **Robin Lacey**, **Vice-Chair**, will assume the role of **head of distribution** at TDAM, including his ongoing responsibilities for the firm's institutional business. Mr. Lacey has also been a key leader in establishing TDAM's institutional success in Canada since joining the firm in March 2004.

Revisions/updates to Statements of Investment Policies and/or Objectives

Revised Simplified Prospectus for Franklin Templeton Investments

Effective June 2010, Franklin Templeton Investments (Franklin Templeton) revised its Simplified Prospectus for the following funds:

- Bissett Canadian Equity Fund
- Bissett Bond Fund

The following change was made to the Simplified Prospectus to standardize the requirements/allowances on all of its funds:

Previous wording	New wording
The fund was recently granted a blanket exemption to permit short-selling, however, this is not currently part of the investment strategy of this fund. If utilized, these transactions will be used with the other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's returns.	As an exception to standard investment restrictions for mutual funds, the Fund has obtained approval of the Canadian securities regulators to permit the Fund to engage in a limited amount of short selling. These transactions will be used with the other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's returns.

Bissett confirmed with **Sun Life Financial** that the Bissett funds in our **Core Investment Selection** have not historically and do not currently engage in short selling, nor do they intend to do so in the future, though legally permitted to do so by Bissett's April 2007 exemption. This exemption permits all of the Company's funds to sell securities short, but the aggregate market value of all securities sold short by a fund cannot exceed 10 per cent of its total net assets on a daily market-to-market basis.

In addition, the following bullet point phrase has been removed from the Simplified Prospectus for the Bissett Bond Fund:

- Is overweighted in high quality corporate and provincial issues.

Revised Statement of Investment Policies and Guidelines for CI Investments Inc.

Effective July 2010, CI Investments Inc. (CI) revised its **Statement of Investment Policies and Guidelines** (SIP&G) to reflect the following changes for three funds:

- **CI Signature Income and Growth Fund:** "To achieve its objective, the portfolio advisor will actively manage the equity, fixed income, and cash components of the fund. The fund is not limited to how much it invests in each asset class. This will vary according to market conditions." This change formalizes the long-term absence of limits to asset classes as a characteristic of this fund.
- **CI American Value Fund:** "When deciding to buy or sell an investment, the portfolio advisor also considers whether the investment is a good value relative to its current price."
- **CI Value Trust Fund:** "The portfolio advisor generally holds 30 to 50 securities in the portfolio."

Revised Statement of Investment Policies and Goals for the Sun Life Financial Milestone Series of Segregated Funds

Effective July 1, 2010, Sun Life Assurance Company of Canada revised its Statement of Investment Policies and Goals to reflect the most recent quarter-end allocations, as of June 30, 2010, for the Sun Life Financial Milestone Series of Segregated Funds (Milestone Funds). The new figures are shown in the table under New benchmark as of July 1, 2010 column.

Milestone Fund	Old benchmark as of June 1, 2009		New benchmark as of July 1, 2010	
	Government of Canada Strip Bond	MSCI World	Government of Canada Strip Bond	MSCI World
2010	99.7% (matured June 1, 2010)	0.3%	N/A	N/A
2015	85.8% (maturing June 1, 2015)	14.2%	88.1% (maturing June 1, 2015)	11.9%
2020	73.0% (maturing June 1, 2020)	27.0%	75.9% (maturing June 1, 2020)	24.1%
2025	61.3% (maturing June 1, 2025)	38.7%	63.1% (maturing June 1, 2025)	36.9%
2030	53.9% (maturing June 1, 2029)	46.1%	55.1% (maturing June 1, 2029)	44.9%
2035	47.7% (maturing June 1, 2033)	52.3%	48.2% (maturing June 1, 2033)	51.8%
2040	43.7% (maturing June 1, 2037)	56.3%	43.7% (maturing June 1, 2037)	56.3%
2045	N/A	N/A	32.9% (maturing June 1, 2041)	67.1%

A copy of the revised SIP&G is available on the Sun Life Financial Plan Sponsor Services website at www.sunlife.com/sponsor. To access this information on the Plan Sponsor Services website home page, select **Group Retirement Services**, **Investments**, and from the **Investments** drop-down menu, select **Investment news**.