

Participant's Guide to Group RRSPs



Servus Credit Union is a member-owned financial institution that offers a complete line of financial services and solutions, including investment, insurance and trust services, to members throughout Alberta.

We're the largest credit union in the province and the third largest in Canada. Our service-driven philosophy and core values have brought innovation and growth. And this has benefited our members, our employees and the communities we serve.

Our member-owners are entitled to share in our profits each year in return for their support, which is a feature unique to Servus.

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*Mutual funds and other securities are offered through Aviso Wealth, a division of Aviso Financial Inc.

What is a group registered retirement savings plan (RRSP)?

A group RRSP is a collection of individual RRSPs administered by your employer. Being part of the plan means you can contribute to your retirement savings directly from your paycheque.

The benefit of having a group RRSP, compared to making individual contributions, is the immediate tax savings you get using pre-tax payroll contributions.

An advisor will help you understand the many options we offer and figure out how much you need to contribute to meet your retirement needs.

How does it work?

Very simply. Making pre-tax contributions from your paycheque lowers your taxable income, which means you pay less income tax on each paycheque and put more money in your pocket throughout the year.

As an added bonus, your investments grow within the RRSP without incurring taxes on capital gains, dividends or interest income. In fact, the only time you'll pay taxes on your RRSP is when you withdraw from it. The following example shows the benefits of making a group RRSP contribution through your paycheque versus making an individual contribution from your take-home pay.

	Group RRSP	Individual RRSP
Monthly salary	\$4,167	\$4,167
Group RRSP contribution	\$417	\$0
Taxable income	\$3,750	\$4,167
Income tax deducted	\$938	\$1,053
Take-home pay	\$2,812	\$3,114
Individual RRSP contribution	\$0	\$417
Take-home pay	\$2,812	\$2,697

With a group RRSP, you could increase your monthly cash flow by \$115! The above chart is presented for illustrative purposes only. The information is based on federal and Alberta tax rates for 2019. Consult a tax professional for complete details.

Other features of the Servus Credit Union group RRSP

- A broad selection of investment products and services
- Socially responsible* investing options
- Easy access to a qualified Servus financial advisor who can work with you to build a personalized retirement plan
- Semi-annual or quarterly statements to keep you informed about investment performance
- Access to high-quality financial planning tools

How do I get started?

1. Complete a group RRSP application.

You must complete a group RRSP application (and if applicable, a supplemental agreement) before any contributions can be made to your plan.

A Servus Credit Union Group Self-Directed Retirement Savings Plan Application form (and if applicable, a Servus Credit Union Supplemental Agreement) is available from your human resources department. This application form is used to direct your contributions into the variable RRSP and GICs described later in this guide.

Please note that mutual fund applications are only available through an Aviso Wealth advisor.

2. Submit your application.

You can submit your application form to your human resources department.

3. Advise your human resources department.

It is your responsibility to let your human resources and payroll departments know that your application has been submitted directly to a Servus advisor and/or the amount you would like to deduct. Contributions to your group RRSP will then begin.

4. Talk with a Servus financial advisor.

An advisor will help you understand the many options we offer and determine how much you need to contribute to meet your retirement needs. To talk with a Servus financial advisor:

- Visit any one of our 100 locations across the province.
- Call us toll free at 1.877.378.8728.
- Contact us via our website at servus.ca.

*Available through Aviso Wealth

Investment options

Whether you're looking at long- or short-term options, we can get you on the right track and saving for your retirement today.

Variable RRSP

If you want to invest short term, our variable RRSP is a great option. It's also a good choice for building up the minimum amount you need for other investments. Any retirement savings you keep in a variable RRSP are 100% deposit guaranteed.

Guaranteed investment certificates (GICs)

If you're looking for a secure way to invest with higher returns than our variable RRSP, our GICs may suit your needs. GICs are also 100% deposit guaranteed, and you can start buying them with a minimum of \$500.

Mutual funds*

If you're looking to diversify your investment portfolio, you can invest in mutual funds. Aviso Wealth investment representatives at Servus will work with you and help you select the right mutual funds to invest in.

NEI Select Portfolios*

NEI Select Portfolios offer high quality "Fund of Funds" solutions in varied risk profiles that are designed to maximize opportunities and mitigate the risk of today's fast changing global markets. All NEI Select Portfolios include certain components of NEI's Responsible Investing Program. NEI Select RS Portfolios include the predominant approach of "Responsible Screens" (RS) automatically excluding investments in select categories.



Investment and financial planning tools

Servus Credit Union offers a variety of free investment planning tools to help you reach your goals.

Investor profile questionnaire

Using our online questionnaire will help you determine your investor profile. The questionnaire takes into account your investment goals, financial and personal situation, risk tolerance, investment time frame and investment knowledge.

With a profile in place, you can then find the best mix of assets for your retirement portfolio, whether they're held in cash, fixed income and/or equity investments. Talk with a financial advisor about including an investor profile questionnaire in your retirement plan.

Retirement services — *Understanding the Basics* booklet

This booklet provides general information about RRSPs, locked-in retirement accounts (LIRAs), registered retirement income funds (RRIFs), locked-in retirement income funds (LRIFs) and annuities. It's available at any of our branches and on servus.ca.

Planning for Your Retirement booklet

This booklet provides everything you need to know to plan for your future. You can get a free copy at servus.ca.

Other helpful brochures

Servus provides other tips and tools for enjoying your retirement. See the *Retirement Income Options* brochure, as well as information in the Personal Solutions/Retirement section of servus.ca.

Retirement planner calculator

If you'd like to figure out how much you need to save to reach your retirement and lifestyle goals, use our financial calculator. It's available for free at servus.ca.

Exclusive group banking benefits at Servus

Along with your employer's group RRSP, you can enjoy the financial benefits of being a Servus Credit Union member by opening an account with us.

Additional group benefits include:

- Premium interest rates on investments

As a Servus member, you'll also benefit from profit sharing. To enroll:

- Call our toll free number at 1.877.378.8728.
- Visit one of our many branches.
- Get in touch with us through servus.ca.

Be sure to tell us who you work for and that you're asking about group banking benefits.



Frequently asked questions

Can I change my investment options?

Of course. If at any time you want to change your investment options, we're here to help and offer advice.

Can I transfer investments from other financial institutions?

We're happy to help you consolidate your RRSPs or locked-in RRSPs at Servus Credit Union. It's always a good idea to discuss RRSP transfers between financial institutions with a Servus financial advisor to manage any potential transfer fees charged by the other financial institution.

How do I select a beneficiary?

Choosing a beneficiary for your plan is important. If you don't select a beneficiary, the default beneficiary for your RRSP is your estate. We'll do our best to remind you of this important step, but please note that it's your responsibility to ensure we always have your current beneficiary information on file, especially in the case of life-changing events. It's also your responsibility to ensure your chosen beneficiary is legally binding under current legislation. We recommend that you speak to a Servus financial advisor if you're going to select a minor as a beneficiary.

Can I contribute to a group RRSP for my spouse?

Yes, if your plan allows it. This can give you the advantage of income splitting in retirement. If you're able to contribute, your spouse must complete the Annuitant (Plan Owner) Information section of the Servus Credit Union Group Self-Directed RSP Application form. Your spouse must also sign as the annuitant in the Application for Participation section of the form.

As the contributor (and the one receiving the tax receipt), you also need to complete and sign the Spousal Plan Contributor Information section of the application form. You must provide your name, date of birth and social insurance number (for income tax purposes).

This is a lot to remember. If you need help, ask a Servus financial advisor to fill out the necessary documents with you.

Is there a maximum I can contribute?

Yes, there is. A Servus financial advisor can review your annual Notice of Assessment from the Canada Revenue Agency with you for details about your contribution limit. It's your responsibility to make sure you don't contribute more to the program than is allowed under the *Income Tax Act*.

Can I change the amount I contribute?

Yes, if it's applicable to your plan. To change your payroll deduction amount, contact your human resources or payroll department. They'll provide a new payroll authorization form.

Are there any withdrawal restrictions?

Your plan may include withdrawal restrictions. In most cases, you won't be able to withdraw your RRSP funds until you end your employment or membership with your group RRSP sponsor. Sometimes, your chosen investment option will determine if you can access your RRSP holdings on ending your employment or qualifying for an exception to withdrawal restrictions. Speak to a Servus financial advisor for details in these situations.

When you set up your group RRSP, you'll be asked to complete a supplemental agreement acknowledging the applicable withdrawal restrictions for your plan. If you need help with these documents, get in touch with a Servus financial advisor.

Do I receive a monthly statement?

Servus Credit Union group RRSP statements holding the Servus Credit Union variable RRSP or GIC are mailed quarterly in March, June, September and December of each year. They provide details about your Servus Credit Union group RRSP. For more information, speak to a Servus financial advisor.

How can I access my portfolio online?

Your Servus Credit Union group RRSP portfolio and recent transaction history are available through online banking. You can access this service through our corporate website (servus.ca). Call toll free at 1.877.378.8728 to sign up.

Do I receive tax receipts?

Servus Credit Union group RRSP contribution and withdrawal tax receipts are mailed in January, February and March for both the previous year and the first 60 days of the calendar year. For details about tax receipts for mutual fund plans, talk to a Servus financial advisor.

Can I change my personal information?

Yes, if you move, change your name or need to change your beneficiary, visit any one of our branches or call toll free at 1.877.378.8728.

Do I pay any administration fees?

There's no annual RRSP administration/trustee fee associated with Servus Credit Union group RRSPs invested exclusively in a Servus Credit Union variable RRSP and/or GICs.

However, some of the mutual fund programs do charge an annual administration or trustee fee. Refer to the corresponding account agreements and disclosure documents or ask your Aviso Wealth mutual fund investment specialist for more details.

Are there any other fees?

There may be fees associated with buying and/or selling specific types of investments, making withdrawals from your group RRSP, transferring your group RRSP to another financial institution or closing your group RRSP.

For fees related to Servus Credit Union group RRSPs invested in a variable RRSP and/or GICs, refer to the Servus Credit Union Group Self-Directed RSP Declaration of Trust and Servus Credit Union Membership Agreement.

For mutual fund investments, your Aviso Wealth advisor will provide the mutual fund Fund Facts and disclose the fees associated with the recommended mutual fund investment prior to your mutual fund(s) transaction.

As always, you can speak to a Servus financial advisor if you need more details.

What happens to my plan if I leave my current employer?

If you leave your current employer, you have the option to transfer your group RRSP to an individual plan. This isn't an automatic process since we'll need formal written notification from your former employer that you're leaving their plan. You may also need to complete additional documentation to make the change. We also recommend that you talk to your former employer before you make a transfer to ensure that all your group RRSP contributions have been received.

* Mutual funds and other securities are offered through Aviso Wealth, a division of Aviso Financial Inc. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Unless otherwise stated, mutual funds, other securities and cash balances are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer that insures deposits in credit unions. Mutual funds and other securities are not guaranteed, their values change frequently and past performance may not be repeated. NEI Investments is a registered trademark of Northwest & Ethical Investments L.P. ("NEI LP"). Northwest & Ethical Investments Inc. is the general partner of NEI LP and a wholly-owned subsidiary of Aviso Wealth Inc. ("Aviso"). Aviso is the sole limited partner of the NEI LP. Aviso is a wholly-owned subsidiary of Aviso Wealth LP, which in turn is owned 50% by Desjardins Financial Holding Inc. and 50% by a limited partnership owned by the five Provincial Credit Union Centrals and the CUMIS Group Limited.