

Defined Contribution Pension Plan

Options upon retirement or termination of employment



When leaving an employer where you have a defined contribution (DC) pension plan, it's important to understand the options available to you for your pension assets. The best option(s) for you will depend on your age and if you wish to continue working. It's important to note that not all of your DC pension plan's value must be invested in a single product.

Options

Transfer the value of your DC pension plan to a locked-in plan

- May consist of GICs, bonds, mutual funds, segregated funds, stocks, etc.
- Allows you to manage your own retirement portfolio.
- Returns on money invested in non-guaranteed investments are subject to market fluctuations. The amount of income you receive and how long it lasts will depend on:
 1. Investment returns,
 2. How you manage your portfolio, and
 3. How high an income level you choose.
- Within limits, you may delay income and/or vary the amount of income you receive.
- If you've reached age 65, income may qualify for a federal or provincial pension income tax credit as well as pension income splitting.
- Option for fixed indexing, which may help the income keep pace with inflation.
- In certain situations, you may be able to unlock all or a portion of your locked-in plan. To learn more about unlocking, please speak with your advisor.

Transfer the value or a portion of your DC pension plan to a locked-in payout annuity

- Guaranteed lifetime income with no market risk.
- Features and benefits may be similar to a defined benefit pension plan, to help you create a personalized retirement plan.
- If you're not yet age 65, income may qualify for a federal or provincial pension income tax credit and pension income splitting.
- Option for fixed indexing – may help the income keep pace with inflation.
- Survivor benefit – adding a guaranteed period provides a death benefit.
- Assuris protection may apply if an insurance company fails. Please consult assuris.ca for details.
- You can't exchange your annuity income stream for a lump sum cash payment.

2021

Defined Contribution Pension Plan

Next steps

1. Meet with your advisor to discuss your situation and possible options.
2. If it's determined that a payout annuity, perhaps in combination with other investments, is right for you, your advisor can obtain a payout annuity quote.
3. Meet with your tax advisor to discuss the transfer to a payout annuity and any tax issues that may arise.
4. Contact your pension plan administrator to request your DC pension plan statement and confirm:
 - That you're able to transfer your pension's value to a payout annuity at this time,
 - Their procedure for payout annuity transfers, and
 - The expected transfer amount.
5. Communicate the learnings from the conversation with your plan administrator to your advisor.

Spousal approval

Pension money is governed by the pension legislation applicable to the jurisdiction in which the income is earned. Each jurisdiction has its own rules, including special rights for spouses. In some situations, your spouse must waive these rights before an annuity can be issued and your income payments begin.



For more information, speak to your advisor or:

Visit [sunlifeglobalinvestments.com](https://www.sunlifeglobalinvestments.com) | Call **1-877-344-1434**

Sun Life Global Investments is a trade name of SLGI Asset Management Inc., Sun Life Assurance Company of Canada and Sun Life Financial Trust Inc. Sun Life Assurance Company of Canada is the issuer of guaranteed insurance contracts, including Accumulation Annuities (Insurance GICs), Payout Annuities, and Individual Variable Insurance Contracts (Sun Life GIFs).

© Sun Life Assurance Company of Canada, and its licensors, 2021. Sun Life Assurance Company of Canada is a member of the Sun Life group of companies. All rights reserved.