

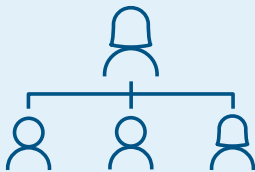
## Mackenzie Group Plans - Group Registered Retirement Savings Plan

# Member FAQ

This Group Registered Retirement Savings Plan (“the plan”) has been established to help you plan for your financial security during your retirement years.

The following pages contain a number of common questions and answers that explain how the plan works and the benefits available to the plan member.

### 1. Who do I contact?



#### Your employer

- Contributions and matching: for details on employer contribution structure.
- Eligibility: verify conditions for joining the plan.
- Plan restriction: understand limitations, rules and participation criteria.



#### Your advisor

- Additional deposits and transfers: make lump-sum contributions or transfer third-party/personal RRSP funds into the Group RRSP.
- Withdrawals and special programs: request withdrawals (if permitted) or explore funds for Homebuyers' Plan (HBP) and Lifelong Learning Program (LLP).



#### Mackenzie Investments

- Tax forms: access contribution receipts and tax forms.
- Online access: help with your password or access your current balances.
- Balances and plan information: access real-time account details.

### 2. What is the role of your financial advisor?

As a trained investment professional, your financial advisor can help you establish your financial goals. Your advisor will work with you and can make several recommendations, including recommending appropriate investment funds for you. Your advisor will also provide

you with periodic reviews to assess the success of your financial plan and to consider any changes to your investments necessary to better meet your current goals.



Your financial advisor can provide you with information about the investment options that are available under the plan, as well as appropriate tools to assist you in making investment decisions. You should contact your advisor if you have specific questions about which investment options are available under the plan and to assist you in making informed investment decisions.

### **3. What is the purpose of the plan?**

The primary goal of the plan is to help members build their retirement savings on a tax-deferred basis.

### **4. Who may join the plan?**

Each full-time member (employee) is eligible for the plan, based on policies established by your employer. Your employer may or may not also permit non-full-time employees to become members.

### **5. How do I join the plan?**

Your human resources department or your payroll administrator will notify you of your options once you have satisfied the eligibility criteria and will provide you with any forms you will need to enrol in the plan.

### **6. What are my rights and responsibilities under the plan?**

As a member of the plan, you are responsible for informing yourself about the plan through the various documents, information and tools that are available to you. Your financial advisor can assist you with any questions you might have. Your human resources department or payroll administrator is also available to provide information about the nature and features of the plan.

You are also responsible for meeting with your financial advisor, who will provide investment advice with respect to the investment options available under the plan. In consultation with your financial advisor, you can then determine the investments best suited to you.

Remember that investment funds are not guaranteed. The decisions that you and your financial advisor make, and the investment funds you choose, will affect your investment returns and therefore the amount of money that will accumulate in the plan.

### **7. Can I get in and out of the plan as I wish?**

If your employer is making contributions to the plan on your behalf, once you have become a member of the plan you must continue as a member until you leave the company.

If your employer is not making contributions on your behalf, then the plan is voluntary, and you can terminate your membership at any time.

### **8. What do I have to contribute to the plan?**

Members should speak with their human resources department to find out whether their employer is making contributions to the plan on their behalf. If your employer is making contributions on your behalf it will do so by allocating a portion of your taxable income to the plan and then deducting it via payroll deduction as a personal contribution to your RRSP.

Alternatively, your employer may set up the plan so that members make their own contributions.

Members are permitted under the income tax laws of Canada to contribute 18% of their previous year's earned income to an RRSP, subject to a maximum dollar limit established by Canada Revenue Agency (CRA). The CRA may adjust these limits in future years.

The CRA advises each taxpayer annually how much they are permitted to contribute based on prior year's earned income, pension adjustments, applicable dollar limits and other factors.

### **9. Can I withdraw money from the plan?**

If your employer is making contributions to the plan on your behalf, your employer may place restrictions on your ability to withdraw money from the plan. Members should contact their human resources department to obtain information on any restrictions that may exist. In addition, there may be tax consequences to you in doing so.



## **10. Where and how are contributions invested?**

All the contributions to the plan are invested in investment funds or other permitted investments as selected by you from the investments made available by your financial advisor and in compliance with the plan. With the help of your financial advisor, you will decide on the investment selections for all contributions made to the plan or that you may have transferred from another registered plan.

## **11. What fees, expenses and penalties will be charged to my plan?**

The fees that may be charged to the plan are set out in the funds' prospectuses and other disclosure documents. The fees charged by the Mackenzie mutual funds in which you invest include such things as management fees and operating expenses. If you purchased securities of the Mackenzie mutual funds that are under a deferred sales charge (DSC) purchase option, you may also be charged fees if you redeem your investments.

In addition to the fees charged directly by the funds in which you invest, your financial advisor may also charge a switch fee of 2% of the amount switched between the funds. This amount is negotiable with your financial advisor.

## **12. Is there a vesting period before contributions made to the plan belong to me?**

All contributions made to the plan by members or by your employer vest immediately. There is no waiting period.

## **13. How does the plan affect my income tax situation?**

If contributions to the plan are made by your employer on your behalf, they are treated as part of your income for income tax purposes and will be reported annually on your T4 reporting slip.

You will generally not pay tax on distributions or dividends that the plan receives from a fund. Nor will you be subject to tax on capital gains realized from switching between investment options, if you do not make a withdrawal from the plan. Amounts within the plan will compound on a tax-deferred basis.

You will generally be taxed at your personal tax rate if you withdraw money from the plan. You should consult with a tax advisor for full particulars of establishing, terminating or withdrawing money from the plan.



## Glossary

An **Annual Information Form (“AIF”)** contains valuable information about an investment fund and is required to be filed with securities regulators. The AIF can be obtained on the website of SEDAR at [www.SEDAR.com](http://www.SEDAR.com) or from your financial advisor. An AIF provides disclosure regarding such things as the investment management company responsible for managing and advising the fund, as well as information concerning the fund’s material contracts, important policies and the history of material changes.

A **Capital Accumulation Plan (“CAP”)** is a tax-assisted investment or savings plan that permits its members to make investment decisions among two or more options offered within the plan. Examples of a CAP may include a Defined Contribution Registered Pension Plan (DC plan), a Group Registered Retirement Savings Plan, a Registered Education Savings Plan and a Deferred Profit-Sharing Plan (DPSP).

A **Group Registered Retirement Savings Plan (“GRRSP”)** is a collection of individual RRSPs and is offered by a plan sponsor as an alternative to a pension plan or as an adjunct to a DPSP. A GRRSP provides some of the features of a DC plan but is not subject to provincial pension standards legislation and reporting. Member contributions are made through payroll deduction.

The **Management Report of Fund Performance (“MRFP”)** is required to be produced by all investment funds on an annual and semi-annual basis. The MRFP includes the portfolio manager’s comments on the fund’s investment performance over the period and discusses material factors that had a significant impact on performance, as well as any changes to the risk profile of the fund and important trends that the portfolio manager believes could affect future performance. The MRFP is designed to supplement a fund’s annual and semi-annual financial statements.

The **plan sponsor (employer)** is responsible for setting up and maintaining the plan and notifying the plan’s trustee and the financial advisor of any plan amendments, changes in participants, etc. In addition, with the help of the financial advisor the plan sponsor is responsible for providing investment information and decision-making tools to the plan members, introducing the plan to members, and providing on-going communication to members.

A **prospectus** is a document that contains valuable information about an investment fund and is required under securities laws to be distributed to all purchasers of the fund. A prospectus provides disclosure regarding the fund’s investment objectives and strategies, the fees charged by the fund, the series of securities which comprise the fund, the risks of investing in mutual funds generally and the names of the firms responsible for the management of the fund.

A **Registered Retirement Savings Plan (“RRSP”)** is registered with the CRA and allows individuals to save and invest for retirement in a tax-sheltered environment, with earnings, capital gains or interest not taxable until the amounts within the RRSP are withdrawn in the future. RRSPs are typically not subject to provincial pension rules except to the extent they may be “locked-in”. The CRA sets the annual maximum limits for tax-deductible contributions to RRSPs and advises taxpayers annually how much unused RRSP contribution room they have available for the coming year.

A **Registered Retirement Income Fund (“RRIF”)** is used to provide an ongoing annual flow of income to the annuitant. The minimum withdrawal amounts are governed by rules under the Income Tax Act. In some respects, a RRIF is like a continuation of an RRSP, which must be converted to an income producing account before the end of the year in which the holder reaches age 71. The assets in the RRIF remain tax sheltered and the annuitant can continue to choose which investments are held in the account.

This should not be construed as legal, tax or accounting advice. This material has been prepared for information purposes only. The tax information provided in this document is general in nature and each client should consult with their own tax advisor, accountant and lawyer before pursuing any strategy described herein as each client’s individual circumstances are unique. We have endeavored to ensure the accuracy of the information provided at the time that it was written, however, should the information in this document be incorrect or incomplete or should the law or its interpretation change after the date of this document, the advice provided may be incorrect or inappropriate. There should be no expectation that the information will be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise. We are not responsible for errors contained in this document or to anyone who relies on the information contained in this document. **Please consult your own legal and tax advisor.**