REGISTERED RETIREMENT INCOME FUND (RRIF)

Maximum flexibility for retirement savings

SSQ Financial Group

Values in the right place

Advisor's document

Investment

IS YOUR CLIENT READY FOR RETIREMENT?

When retirement finally arrives, a considerable number of important **decisions** about such things as living arrangements and new leisure activities, as well as their priorities typically need to be made. But one of the first decisions your clients will need to make concerns their **financial future**. What should be done with the savings accumulated over the years in retirement savings plans?

There are numerous financial products and options available that will modify the nature of the portfolio. The choices that are made ultimately depend on the personal asset management style of each investor.

If your clients want to retain control over their investments, the **Registered Retirement Income Fund** (RRIF) and its locked-in versions (LIF, LRIF and PRRIF) are ideal choices.

RRIF PLANS: FOR MAXIMUM FLEXIBILITY

The Registered Retirement Income Fund (RRIF) and its locked-in versions (LIF, LRIF and PRRIF) are registered retirement products that allow for the reinvestment of equity while also offering various benefit options. Investors receive regular income payments while maintaining the opportunity, in some cases, to withdraw additional amounts as needed.

In addition, RRIFs provide investors with a great deal of flexibility so that they can review their investment portfolio mix from time to time to make sure it corresponds to their financial objectives.

PRINCIPAL FEATURES OF SSQ RRIFs

	RRIF	Locked-in RRIF (LIF, LRIF and PRRIF)
Source of investment amounts	• Registered retirement savings plan (RRSP) • Non-locked-in amounts from a simplified pension plan (SIPP) or registered pension plan (RPP) • Deferred profit sharing plan (DPSP) • Other RRIF	• Registered pension plan (RPP) • Locked-in amounts from a simplified pension plan (SIPP) • Locked-in RRSP (LIRA, LRSP, RLSP) • Other locked-in RRIF under the same legislation
Taxation	Invested funds continue to generate a tax-free return Payments are taxable	
Minimum Investment	$5,000 ($25,000 under the Select GIA)	
Investment options	• Full range of compound interest **GIAs**—both short and long term—with enhanced rates on higher amounts • Some 50 **SSQ Guaranteed Investment Funds (GIFs)** managed by renowned money managers, several of whom are pension plan managers	
Guarantee options for segregated funds	• Basic guarantee (75% at maturity, 75% upon death) • Enhanced guarantee (75% at maturity, 100% upon death) • Optimal guarantee (100% at maturity, 100% upon death) *For more information about the guarantee options, please refer to the Information Folder.*	
Payment options	• Minimum income • Fixed income • Level income	• Minimum income • Fixed income • Level income (FRRP) • Maximum income (LIF or LRIF)
Bank deposits	• Direct deposit in the client's bank account on the day and frequency chosen (weekly, every two weeks, monthly, every two months, quarterly, semi-annually or annually) • Minimum transaction amount is $100	
Investment withdrawal order	• All investment withdrawal orders specified by investors are possible, whether it be from redeemable GIAs, SSQ GIFs or both	
Lump-sum redemptions	Unscheduled lump-sum redemptions are permitted at any time provided that the plan and the investment vehicle selected allow it (redemption fees may apply)	

DIFFERENT BENEFIT OPTIONS

Different options allow investors to withdraw funds from their RRIF or LIF[1]:

Minimum income: The minimum income RRIF and locked-in RRIF allow your clients to retain as much tax-sheltered income as possible for future needs. They need only withdraw the minimum income prescribed by law.[2]

Fixed income: The fixed income RRIF and locked-in RRIF provide income stability. The investor determines the amount of the annuity (greater than the minimum annual amount) according to different criteria (such as needs, type of investment, etc.). LIF and LRIF payments are subject to the maximum amounts permitted by law.[2]

Level income (RRIF or PRRIF): With the level income RRIF or PRRIF, investors can spread out total income over a fixed period of time. This means that their income is distributed equally over the desired number of years.[3]

Maximum income (LIF or LRIF): The maximum income LIF or LRIF allows investors to withdraw the maximum amount of income possible to meet current financial needs. Your clients can therefore withdraw the maximum income prescribed by law[2].

Below is an example of a person retiring at age 65 who invests $100,000 for a 5-year term.[4] The average monthly payments and residual value at the end of five years are as follows:

	Average monthly payment	Residual value after 5 years
Minimum Income	$355	$93,000
Fixed Income	$500	$83,600
Level Income (RRIF or PRRIF)	$1,790	$0
Maximum Income (LIF or LRIF)		
Manitoba, Quebec and Nova Scotia	$567	$79,200
British Columbia, Alberta, Ontario, New Brunswick and Newfoundland and Labrador	$582	$78,200
Federal	$443	$87,200

1 Subject to the limits stipulated in the *Income Tax Act* and applicable pension legislation.

2 The minimum and maximum annual income rules are established at the beginning of the year as a percentage of the residual value of the RRIF or the locked-in RRIF and are based on the age of the annuitant or spouse. In some jurisdictions, it is possible for anyone retiring before age 65 to ask for a temporary income that will allow them to withdraw amounts higher than the maximum income before age 65.

3 To request the level income, please check the "Other" box in section 8C of the application form and indicate the income duration.

4 The examples provided are valid as of January 1, 2017, and are based on the assumption of a 3% rate of return, whether placed in GIAs or in funds. This return is not guaranteed and may vary.

INVESTMENTS THAT MATCH THE CLIENT

The RRIF allows clients to choose the mix of investment products that will best meet their retirement needs and specific objectives. They may invest in the investment funds (SSQ GIFs), guaranteed interest accounts (GIAs), or a combination of the two, in order to continue to obtain a return on investment even if the withdrawal period has begun.

INVESTMENT OPTIONS

Guaranteed interest accounts (GIAs)	• Redeemable GIA Option 1 • Redeemable GIA Option 2 • Non-redeemable GIA *Non-redeemable GIAs are not eligible for periodic or lump-sum redemptions.* • High Yield Account • Redeemable or non-redeemable Select GIA
SSQ Guaranteed Investment Funds (GIFs)	The complete range of SSQ GIFs is offered, including many portfolio funds and alternative asset classes.

WHICH GUARANTEED INTEREST ACCOUNT (GIA) TO CHOOSE?

Depending on the income needed every year, the GIAs offer different possibilities.

- Rates offered are posted every week on our website.
- The GIAs are automatically renewed at maturity offering the same features and the same duration, unless instructed otherwise.

Redeemable GIA Option 1	• With the redeemable GIA Option 1 cash redemptions are possible for an annual total up to 20% of the market value of redeemable GIAs held in the contract as at last December 31 **without redemption fees** • Additional redemptions may be made, but redemption fees will apply (market value adjustment), unless the GIA has come to term • Interest rates applied to these GIAs are usually higher than those in Option 2
Redeemable GIA Option 2	• With the redeemable GIA Option 2 **planned periodic** cash redemptions are possible for an annual total of more than 20% of the market value of redeemable GIAs held in the contract as at last December 31 **without redemption fees** • Additional **unscheduled lump-sum** redemptions may be made, but redemption fees will apply (market value adjustment), unless the GIA has come to term • Interest rates applied to these GIAs are usually lower than those in Option 1
Non-redeemable GIAs	• It is possible to have non-redeemable GIAs and thus obtain a higher interest rate, but these GIAs **cannot be** redeemed (periodic or lump-sum redemptions)
High Yield Account	• The High Yield Account is a redeemable investment which works as a savings account. Interest rates are usually higher than for traditional savings accounts • This is a great alternative to the money market fund for funds awaiting investment
Select GIA	• For GIAs of $25,000 and more, you can offer your clients an enhanced rate in return for a reduced commission. Certain conditions apply • The Select GIA may be redeemable or non-redeemable, but the latter cannot be redeemed as a periodic or lump-sum redemption • For the redeemable Select GIA, Option 1 and Option 2 described above are also offered

WHICH SSQ GUARANTEED INVESTMENT FUND (GIF) TO CHOOSE?

The client may choose from among the wide range of SSQ GIFs, from income funds to specialty funds, and including balanced funds, index and Canadian or foreign equity funds.

- Income funds
- Balanced funds including four SSQ Strategy GIFs and four SSQ Celestia GIFs
- Canadian equity funds
- Foreign equity funds
- Specialty funds including global infrastructure and real estate
- Index funds

For each of the SSQ GIFs, the investor may withdraw up to 20% of the fund's market value invested with the back-load sales charge option **with no redemption fees**.[1]

[1] Subject to the limits on revenue stipulated in the *Income Tax Act* and applicable pension legislation. For further details about the calculation of this exemption, please refer to the *Information Folder*.

CHOICE BASED ON THE INVESTOR PROFILE

If clients do not wish to spend a lot of time monitoring the markets and their portfolio, or if they aren't familiar with investing, then the diversified funds like our **SSQ Strategy GIFs** and **SSQ Celestia GIFs** are an excellent way of hedging against market risks. These products are backed by a team of professional managers with a variety of investment styles who invest in a wide range of products and who monitor these investments.

Each SSQ Strategy GIF and SSQ Celestia GIF is designed to cater to a specific investor profile and includes a combination of specially selected investment vehicles and fund managers. These funds allow investors to automatically benefit from an asset mix carefully selected by expert fund managers to diversify each portfolio and maximize long-term investment growth.

The *Investor profile* will help guide your clients through the world of investment funds and help them choose the SSQ GIF that suits them best.

DOCUMENTS AND ADMINISTRATION

APPLICATION FORM

On the application form for the regular product (FRA641A), investments may be selected in Section 7, including the redeemable Option 1 and Option 2 GIAs:

High-Yield Account **Minimum $400**

Amount of $ _____

SSQ Guaranteed Investments (GIA)

Type of GIA	($)	Term	Interest[2] (S or C)	Redeemable[3] (Y or N)	Options[4] (1 or 2)
Regular	Min. $400	1 to 120 months			N/A
Regular (If RIF, LIF, PRRIF and LRIF)	Min. $400	1 to 120 months	C	Y	
Laddered	Min. $5,000	3,5,7,10 years			N/A
Select	Min. $25,000	12 to 120 months			N/A
Select (If RIF, LIF, PRRIF and LRIF)	Min. $25,000	12 to 120 months	C	Y	

[4] Option 1: Exemption of redemption fees up to 20% of the market value of redeemable GIAs held in the contract. In the absence of instructions, Option 1 will be used.

Option 2: Exemption of redemption fees on selected cash payments for the purchase of redeemable GIAs (at least 20% of the market value of redeemable GIAs held in the contract).

Periodic payment terms and conditions are selected in Section 8:

Section 8: Pre-authorized Transaction Program MANDATORY: Attach a personal cheque specimen marked "VOID".

A • Type of transaction (Select one only)	**Subsection to complete**	**Not available for**
☐ **Pre-authorized Purchase Program (PPP)**	B and D	LIRA, RIF, LIF, PRRIF and LRIF Plans
☐ **Pre-authorized Redemption Program (PRP)***	B, E and C if RIF, LIF, PRRIF or LRIF	LIRA
☐ **Pre-authorized Transfer Program (PTP)**	B, D and E	N/A

B • Frequency (Select one only)

☐ Weekly** ☐ Every two weeks** ☐ Monthly ☐ Every two months ☐ Quarterly ☐ Semi-annually ☐ Annually ☐ Lump sum**

Y Y Y Y | M M | D D

Date of first withdrawal or first redemption*

If no selection is made, in the case of RIF, LIF, PRRIF or LRIF the date will be the first business day of December of the year following receipt of the form. Otherwise, the date will be the first business day of the month following receipt of the form.

* For the PRP, select a date between the 1st and the 27th of the month.
** For these frequencies, please select a business day.

C •RIF, LIF, PRRIF or LRIF gross payments (Select one only)

☐ Minimum ☐ Maximum (LIF or LRIF only) ☐ Fixed: $ _____ ☐ Other: _____

Document used to identify Investor or to validate the age: ☐ Birth Certificate ☐ Passport ☐ Driver's Licence ☐ Other _____

Document Number: _____ Delivery Location: _____

In the absence of any choice, the minimum income payments are calculated based on the age of the investor. If legislation permits, you may request that the minimum income payment be calculated based on the age of the spouse by checking this box: ☐ Calculate based on age of spouse **(Attach copy of birth certificate)**

E • Redemption (PRP) or Transfer "from" (PTP)

SSQ GIF **Minimum $100 / Redemption**

Fund code[1] (MANDATORY)	($)***
Total:	$

*** For a RIF/LIF/PRRIF/LRIF income payment, the allocation must be in %.

SSQ Guaranteed investments (Redeemable GIA)[4] **Minimum $100 / Redemption**

($)	GIA No.	GIA maturity date
		Y Y Y Y | M M | D D
		Y Y Y Y | M M | D D
		Y Y Y Y | M M | D D

High-Yield Account

Amount of $ _____

[1, 2, 3, 4] **For a description of the annotations, please refer to the box in Section 8 General Information and Instructions for Completing the Application Form.**

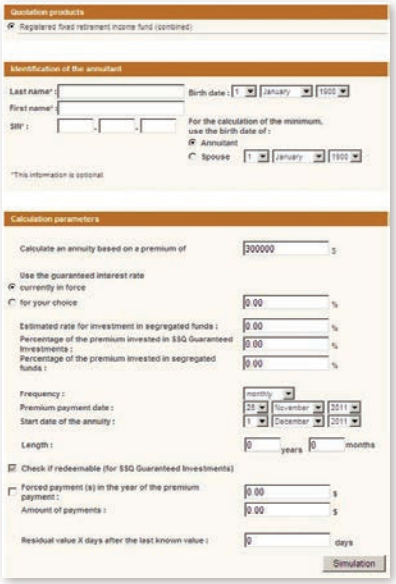
Please refer to the *Information Folder* for more details on the SSQ GIFs, GIAs and applicable redemption fees.

A PRACTICAL ILLUSTRATION TOOL

This is a software application that lets you illustrate the payments based on parameters selected by the investor. The tool will let you demonstrate the amounts and duration of payments to your clients based on different scenarios and project the residual value in the contract year after year.

It can also be used to determine if desired payments are lower or higher than 20% of the market value of redeemable GIAs, and thus help determine if Option 1 or Option 2 is preferable and therefore validate the interest rate. You are not required to give us a copy of this illustration.

This application is available for our advisors on our secure website.



ONGOING COMMUNICATION

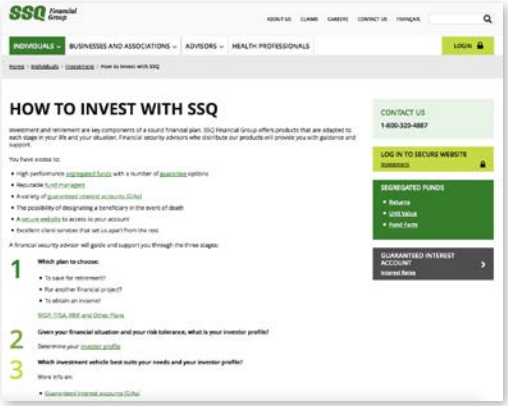
For RRIFs and LIFs, SSQ Financial Group will be sending out the following information to investors:

- **Semi-annual statements of investment** which provide investors with information about the value of their investments and transactions under the contract. They include a personalized rate of return, allocation of investments and other interesting information.
- **Transaction statements** when a transaction is made; for example, the purchase of a GIA or transfer between funds.
- An **annual confirmation letter of the minimum and maximum payments** permitted in the following year.

The advisor will receive a copy of all of these documents.

In addition, our **website** allows you to consult your clients' accounts at any time and monitor the evolution of their savings. You may, if you so desire, give your clients access to their portfolio. They will have access to information about their fund returns and will be able to obtain our latest news and updates.

Lastly, our **devoted and accessible Client Services** team is there to answer any questions you or your clients may have, free of charge. Don't hesitate to call us!



SSQ Financial Group

ABOUT SSQ FINANCIAL GROUP

With $11 billion in assets under management, SSQ Financial Group is a prominent mutualist diversified financial institution in Canada. The Group serves over 3 million customers and employs 2,000 individuals. SSQ Financial Group is recognized for its leadership in the group insurance industry and excellence and expertise in the investment sector. SSQ Financial Group has also made its mark through sustained growth in the general insurance and individual insurance markets.

For more information, please visit **ssq.ca**.

SSQ Financial Group

Values in the right place

QUEBEC SALES OFFICE
Tel.: 1-888-292-8483

ONTARIO, WESTERN AND ATLANTIC CANADA SALES OFFICE
Tel.: 1-888-429-2543

CLIENT SERVICES
2515 Laurier Boulevard
P.O. Box 10510, Stn Sainte-Foy
Quebec QC G1V 0A3

Tel.: 1-800-320-4887
Fax: 1-866-559-6871

service.inv@ssq.ca

ssq.ca

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