

# MERCER PLANISPHERE™

AN ALTOGETHER EASIER RETIREMENT SAVINGS PROGRAM

## MEMBER BOOKLET

### WINDSTREAM

### CANADIAN RETIREMENT PROGRAM



**Desjardins**  
**Insurance**

LIFE • HEALTH • RETIREMENT

G700062

GROUP NUMBER

PLAN PARTICIPANT NUMBER



We are pleased to introduce a retirement savings plan (the “plan”) for eligible Windstream employees. This plan is designed and overseen by Mercer, and delivered in partnership with Desjardins Financial Security Life Assurance Company (Desjardins Insurance). It features a registered retirement savings plan (RRSP) for both yours and the contributions made by the Company on your behalf. The plan also features a tax-free savings account (TFSA).

Whether you’re just starting your career, close to retirement, or somewhere in between, retirement is always on the horizon. Your retirement plan is an easy-to-use, affordable plan to help you achieve your retirement goals. The plan is designed to give you the freedom to make your own decisions – to direct your own retirement savings and planning – or select an investment option that automatically adjusts your investment mix.

#### WHY PARTICIPATE?

Some people say that finding the discipline to save regularly is one of the hardest things to do. Contributing to your Company plan makes it easy to save. In addition to convenient payroll deductions that you hardly need to think about, here are some other good reasons to participate in your plan:

- **Company contributions** – the Company will make matching contributions to the plan. Take advantage of this additional money which can quickly increase your savings!
- **Range of investment options** - you have access to a variety of investment options that have been carefully selected by a team of experts to fit all investor profiles. The lineup of investment options is continually revisited to ensure the options are of good quality and are aligned to market best practices.
- **Competitive investment management fees** – take advantage of group buying power and benefit from competitive investment management fees, which can have a significant positive impact on your personal returns.
- **Professional support** – access to first-class support, resources and tools from Desjardins Insurance.
- **Immediate tax savings** – contributions made to your plan result in immediate tax savings for you.
- **Control and flexibility** – you have the freedom to choose your investment options and mix, and how you would like to receive your retirement income. You can even take advantage of your RRSP savings today by using a portion to purchase your first home through the Home Buyers’ Plan or further your education through the Lifelong Learning Plan.
- **No hidden transaction fees** – unlike many of the funds offered to individuals, your retirement plan has no front-end or back-end load or deferred sales charges.

## WHAT WILL BE THE SOURCE OF YOUR RETIREMENT INCOME?

Government plans only replace between 20% and 40% of the average Canadian’s annual income. Today, most of us would find it challenging to live on Canada Pension Plan/Quebec Pension Plan (CPP/QPP) and Old Age Security (OAS) only. What’s more, not everyone is eligible to receive the same amounts.

Don’t rely on the government to provide you with enough income in retirement. To maintain your standard of living, some financial advisors say that you’ll need approximately 70% of your average gross annual income from the last three years of work. This percentage generally increases for low earners, and decreases for high earners. You can determine your own retirement income target using the *On Target Retirement*<sup>®</sup> tool, accessible through Desjardins Insurance’s participant services website.

You can supplement your retirement income from sources such as:

- Your Company-sponsored retirement savings plan,
- Other individual retirement plans, and
- Your personal assets.

## OVERVIEW OF CONTRIBUTIONS

Your retirement savings plan features a group registered retirement savings plan (RRSP). The RRSP provides tax-deferred savings with tax-free investment income until the funds are withdrawn. The plan also features a tax-free savings account (TFSA).

YOUR CONTRIBUTIONS	You make regular contributions to an RRSP account in your name through payroll deduction, or lump-sum contributions, up to your maximum annual RRSP deduction limit as determined under the <i>Income Tax Act (Canada)</i> <sup>1</sup> . When you take money out of your RRSP, you pay tax on that amount.
COMPANY CONTRIBUTIONS	<p>The Company matches your contributions via payroll deductions to your RRSP at 3% of Earnings and \$0.50 on the dollar of the contribution you make on the next 2% of Earnings (maximum match is 4% of Earnings).<sup>2</sup></p> <p>You only pay tax when you take your money out of the RRSP.</p> <p>Earnings are generally defined as your base pay plus bonus, overtime, and shift premium.</p>

### Your Tax Free Savings Account (TFSA)

YOUR CONTRIBUTIONS	You can make contributions to a TFSA in your name <b>through payroll deductions or lump-sum contributions</b> up to \$5,500 per calendar year. <sup>2</sup> Because contributions are made from after tax dollars, you will not receive a tax deduction; however, any investment income you earn in the TFSA is tax-free.
COMPANY CONTRIBUTIONS	None – only you contribute to the TFSA.

<sup>1</sup> Refer to <http://www.cra-arc.gc.ca/limits/> for up-to-date RRSP deduction limits.

<sup>2</sup> Up to limits as determined under the *Income Tax Act (Canada)*.

## SUMMARY OF YOUR RETIREMENT PLAN

RRSP	
ELIGIBILITY	Immediate
MEMBERSHIP	Voluntary
YOUR CONTRIBUTIONS	You can make contributions up to your maximum annual RRSP deduction limits as determined under the <i>Income Tax Act (Canada)</i> <sup>3</sup> .
COMPANY CONTRIBUTIONS	The Company matches your contributions to your RRSP at 3% of Earnings and \$0.50 on the dollar of the contribution you make on the next 2% of Earnings (maximum match is 4% of Earnings). <sup>4</sup>
DEFINITION OF EARNINGS	Earnings are generally defined as your base pay plus bonus, overtime, and shift premium.
INVESTMENT OPTIONS	<p>You can choose between two investment options:</p> <ul style="list-style-type: none"> <li>• <b>Option 1: Do it for me</b> – you determine when you aim to retire, and your account balances will be invested based on your target date for retirement.</li> <li>• <b>Option 2: Let me do it</b> – for those who want more control over their investments. You direct how your account balances are invested based on a selection of investment funds.</li> </ul>
DEFAULT INVESTMENT OPTION	If you do not provide complete investment direction, the default investment option is the <b>Do it for me</b> option.
TAX IMPACT	<p>All contributions to the RRSP reduce your RRSP deduction limit in the current year.</p> <p>Your contributions reduce your taxable income for the current year.</p> <p>Any investment income is tax deferred.</p> <p>You only pay tax when you withdraw your balance or begin receiving it as income.</p>

<sup>3</sup> Refer to <http://www.cra-arc.gc.ca/limits/> for up-to-date RRSP deduction limits.

<sup>4</sup> Up to limits as determined under the *Income Tax Act (Canada)*.

## RRSP

TRANSFERRING OTHER SAVINGS	To take full advantage of your plan and consolidate your savings, you can transfer any savings you may have earned under another pension plan or in another registered retirement savings plan (RRSP) to your Company-sponsored retirement plan. However, any transfers will not be matched by the Company.
OWNERSHIP OF YOUR SAVINGS	You own your RRSP balance – it is made up entirely of your own contributions (or transfers in) and matching contributions from your employer.
WITHDRAWALS (WHILE WORKING FOR THE COMPANY)	<p>You may borrow funds against your RRSP balances for the purposes of the Home Buyers' Plan or the Lifelong Learning Plan, according to the guidelines of those plans.</p> <p>Otherwise, you can withdraw any contributions which have not generated a Company match, subject to applicable taxes.</p> <p>You will be responsible for paying any applicable taxes as a result of your withdrawal.</p> <p>Withdrawals are subject to a \$25 fee for each withdrawal. There is no charge for transfers to a Desjardins related financial institution.</p>
HOW YOU RECEIVE YOUR RETIREMENT INCOME	<p>You can purchase a retirement income product.</p> <p>You can take a lump-sum payment, subject to applicable taxes.</p>
IF YOU TERMINATE EMPLOYMENT	When you leave or retire, you are entitled to all of your savings and can transfer your balance to another RRSP or a registered pension plan sponsored by another company.
IF YOU DIE BEFORE RETIREMENT	All of your savings will be paid to your named beneficiary(ies) as a taxable cash payment. If your beneficiary is your spouse or common-law partner as defined under the <i>Income Tax Act (Canada)</i> , the amount due can be transferred to his or her registered plan on a tax-sheltered basis. If you do not have a surviving named beneficiary, the balance of your account will be paid to your estate.
IF YOU GO ON A LEAVE OF ABSENCE OR DISABILITY	Contact your Human Resources department for information about your options under the RRSP during such a leave.

## SUMMARY OF TFSA CONTRIBUTIONS

TFSA	
ELIGIBILITY	Immediate
MEMBERSHIP	Voluntary
YOUR CONTRIBUTIONS	You can contribute up to \$5,500 per calendar year.
COMPANY CONTRIBUTIONS	None
INVESTMENT OPTIONS	<p>For all of your accounts, you can choose between two investment options:</p> <ul style="list-style-type: none"><li>• <b>Option 1: Do it for me</b> – you determine when you aim to retire, and your account balances will be invested based on your target date for retirement.</li><li>• <b>Option 2: Let me do it</b> – for those who want more control over their investments. You direct how your account balances are invested based on a selection of investment funds.</li></ul>
DEFAULT INVESTMENT OPTION	If you do not provide complete investment directions, the default investment option is the <b>Do it for me</b> option.
TAX IMPACT	<p>Your contributions reduce your TFSA contribution room in the current year.</p> <p>There are no tax deductions for contributions.</p> <p>There is no tax on growth or on withdrawal.</p>

## TFSA

### OWNERSHIP OF YOUR SAVINGS

You own your TFSA balance.

### WITHDRAWALS (WHILE WORKING FOR THE COMPANY)

You can make withdrawals at any time. The first withdrawal per calendar year is free, after which there will be a \$25 fee per withdrawal.

### HOW YOU RECEIVE YOUR RETIREMENT INCOME

When you leave or retire, you are entitled to all of your savings.

### IF YOU TERMINATE EMPLOYMENT

When you leave you are entitled to all of your savings.

### IF YOU DIE BEFORE RETIREMENT

Your plan beneficiary is entitled to the value of your TFSA at the date of your death without being subject to withholding taxes. Your plan beneficiary is your designated beneficiary or estate.

### IF YOU GO ON A LEAVE OF ABSENCE OR DISABILITY

Contact your Human Resources department for information about your options under the TFSA during such a leave.



## MEMBER RESPONSIBILITIES

As a member of a group retirement plan, you have certain rights and responsibilities as outlined by the Joint Forum of Financial Market Regulators.<sup>5</sup>

### The Company will:

- Provide you with investment information and decision making tools,
- Provide ongoing communication,
- Offer sufficiently diversified investment options that meet your needs, and
- Allow a reasonable amount of flexibility to transfer funds from one investment option to another.

### In turn, you should use the information and decision-making tools provided by Desjardins Insurance to:

- Make decisions on your contribution amounts and investment choices (or choose the “Do it for me” option),
- Provide accurate and up-to-date information to Desjardins Insurance and your plan sponsor, and
- Consider getting investment advice from an appropriately qualified individual.

## ENROLLING IN THE PLAN

For more details about enrolling in your company-sponsored retirement savings plan, read the enclosed **Enrolment Guide**, which provides details about enrolling online and more information about the plan. Enrolling online should take less than 20 minutes.



<sup>5</sup> Guidelines for Capital Accumulation Plans.



## QUESTIONS & ANSWERS

### 1. WHAT FEES DO I PAY UNDER MY PLAN?<sup>6</sup>

ASSET CLASS	FUND NAME <sup>7</sup>	INVESTMENT/ MANAGEMENT FEES
TARGET DATE	DFS BlackRock <sup>®</sup> LifePath <sup>®</sup> 2055 Index Fund; <i>through to the</i> DFS BlackRock <sup>®</sup> LifePath <sup>®</sup> Retirement Index Fund I	1.48-1.55%
FIXED INCOME	DGIA Money Market	1.21%
	Desjardins Enhanced Bond Fund (AllianceBernstein)	0.86%
CANADIAN EQUITY	CC&L Canadian Equity Fund	1.48%
AMERICAN EQUITY	DFS BlackRock <sup>®</sup> U.S. Equity Index Fund <sup>8</sup>	1.27%
GLOBAL EQUITY	Baillie Gifford Global Equity	1.84%
INTERNATIONAL EQUITY	Baillie Gifford International Equity <sup>8</sup>	1.88%
GUARANTEED FUND	5-Year Guaranteed Fund <sup>9</sup>	N/A

BlackRock<sup>®</sup> is a registered trademark of BlackRock, Inc. used under license.

<sup>6</sup> The fees include those paid to Desjardins, Mercer and the investment managers. For a full list of the fees you pay refer to the plan participant website.

<sup>7</sup> The fund line-up, investment fees and management fees listed in this table are those offered at the time this booklet was created and are subject to change. Refer to the participant services website ([www.dfs.ca/planisphere/participant](http://www.dfs.ca/planisphere/participant)) or your financial statement for a list of the current investment funds and fees.

<sup>8</sup> Available for registered accounts only.

<sup>9</sup> Your contributions received for a Guaranteed fund totalling less than \$50, are deposited in a daily interest account. They are automatically invested in the Guaranteed fund when the balance of the account reaches \$50. Available for registered accounts only.

## 2. WHAT HAPPENS IF I DON'T ENROL IN THE RETIREMENT PLAN?

If you don't enrol in the retirement plan, you will not be a member of the retirement plan and will not receive any contributions towards your retirement, unless you enrol at a future date.

## 3. WHAT IF I ENROL BUT DON'T KNOW ANYTHING ABOUT INVESTING MONEY?

Regardless of the investment option you choose, you are leveraging the experience and expertise of Mercer's investment consultants (who consult for some of the world's largest pension funds as well as other institutional investors) and Desjardins Insurance (a leading recordkeeper and investment administrator in Canada).

You can do some research on retirement plans and investing on the member site at [www.dfs.ca/planisphere/participant](http://www.dfs.ca/planisphere/participant), or you can choose to take a back seat to the investment experts by choosing the "Do it for me" investment approach. Either way, you should consider getting financial advice.

## 4. WHAT IF I DON'T NAME BENEFICIARIES WHEN I ENROL?

If you do not name beneficiaries when you enrol in the retirement plan, any death benefits will be payable to your estate.

## 5. ONCE I SET MY CONTRIBUTION LEVEL FOR THE RRSP, CAN I CHANGE IT IN THE FUTURE?

Yes, you can increase or decrease the percentage of your contributions in increments of 1%. You are responsible for ensuring that you do not exceed your personal RRSP deduction limit. Your new contribution level will take effect in the next available payroll period.

To change the percentage (or amount) of your contributions, simply logon to the website: [www.dsf.ca/planisphere/participant](http://www.dsf.ca/planisphere/participant), then select Your transactions > Manage your contributions.

## 6. HOW DO I KNOW WHEN I'VE REACHED MY RRSP CONTRIBUTION LIMIT FOR THE YEAR?

It is your responsibility to ensure you do not over-contribute to your RRSP. Visit the Canada Revenue Agency (CRA)'s website at <http://www.cra-arc.gc.ca/limits/> for up-to-date RRSP deduction limits.

Your Annual Notice of Assessment from the CRA shows your available RRSP deduction limit for that calendar year. Remember, yours and the Company's RRSP contributions use up your deduction limit in the current year.

## 7. IF I ALREADY HAVE A PERSONAL RRSP ACCOUNT OR SAVINGS FROM ANOTHER PENSION PLAN, CAN I TRANSFER THOSE FUNDS INTO MY COMPANY RRSP?

Yes, you can. A transfer form is provided with your *Enrolment Guide* to transfer your other savings into your Company RRSP. By consolidating your retirement savings in the retirement plan, you will benefit from competitive fees and the convenience of a single point of access and support to manage your funds.

Contact Desjardins Insurance or visit the plan member site if you want more details on transferring and consolidating your funds.

## 8. CAN I OPEN AN RRSP ON BEHALF OF MY SPOUSE?

You cannot open an RRSP on behalf of your spouse through the retirement plan. However, you may open a personal RRSP for your spouse through Desjardins Insurance – call the Customer Contact Centre for more information.

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## FOR MORE INFORMATION

Call the Desjardins Insurance Customer Contact Centre at 1-844-861-3323, or visit the plan member website at [www.dfs.ca/planisphere/participant](http://www.dfs.ca/planisphere/participant).

This document is provided for information and illustrative purposes only, and does not replace or modify the official documents that legally govern Mercer Planisphere. While we have made every effort to ensure there is no inconsistency between this document and the terms of the plan, in the event of any inconsistency, the official documents and terms of applicable legislation will govern. Desjardins Insurance\*, Mercer and the Company reserve the right to modify, amend or terminate the plan, in whole or in part, at any time.

Desjardins Insurance, Mercer and the Company are not responsible for any advice provided by a financial advisor or for the performance of the funds.

\* Desjardins Insurance refers to Desjardins Financial Security Life Assurance Company