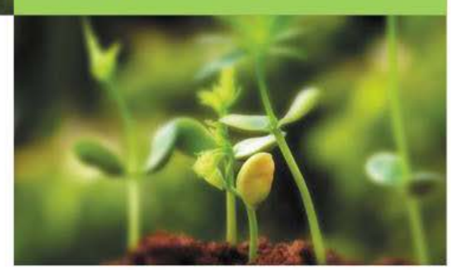
Your plan, your way
Plan summary

GROUP RETIREMENT SAVINGS



PLAN SPONSOR NAME:
McMaster University

PLAN NAME:
Group Retirement Savings Plan for McMaster University

GROUP NUMBER:
G003908-0001

McMaster University

Desjardins Insurance
LIFE • HEALTH • RETIREMENT

Cooperating in building the future

Your Plan sponsor's[1] responsibilities

- Enrol employees in accordance with the terms of employment and Plan rules and initiate termination of participation when Plan-eligible employment ceases
- Select a "menu" of investment options to be made available to Plan members and monitor the investment options on an ongoing basis
- Facilitate communication to participants of the Plan's features, investment information and decision-making tools
- Select and monitor the record-keeper for the Plan (Desjardins) and other third-party service providers

Your responsibilities

- Fully complete the enrolment process[2]
- Access the investment information and decision-making tools provided by Desjardins and your Plan sponsor, as you deem appropriate
- Obtain qualified, independent financial advice as you deem appropriate
- Make decisions on your investment choices and contribution amounts, and periodically revisit those decisions to determine if they continue to be appropriate
- In consultation with your qualified independent advisors, continually evaluate your personal and financial circumstances to assess the extent to which you are on track to meet your retirement objectives
- Provide accurate and up-to-date information to Desjardins and your Plan sponsor

Desjardins' responsibilities

- Help Plan participants to understand their retirement program and investments
- Encourage Plan participants to take an active role in retirement planning
- Promote Plan participant involvement through user-friendly tools and services

1 Plan sponsor refers to McMaster University. Your Plan sponsor has delegated certain responsibilities to Desjardins.

2 Until you complete the online enrolment process, your money will sit in a fund that pays no interest and your account balance will not grow. In addition, Desjardins cannot register your account with the Canada Revenue Agency, which means you will not receive the tax receipt you will need to claim a deduction for your contributions when you file your personal income tax return.

The Plan sponsor has selected Desjardins Financial Security Life Assurance Company (Desjardins) for the day-to-day administration of your Plan. For more information, access your account at http://www.dfs.ca/participant or contact our Customer Contact Centre at 1-800-968-3587.
Email: grouppension@dfs.ca. Fax: 1-877-350-8555.

Registered Retirement Savings Plan (RRSP)

Plan provisions

(For more details, please refer to the section "Additional Information on your RRSP".)

Eligible employees	Eligible employees are defined by each employee group's agreement. See "Highlights of the McMaster University Group Registered Retirement Savings Plan (RRSP)" ("Group RRSP Highlights") for the employee group to which you belong.
Eligibility rules	See Group RRSP Highlights for the employee group to which you belong.
Participation	Mandatory. However, an employee may be eligible for delayed enrolment in their first year of eligible McMaster employment if their maximum allowable contributions have already been reached.
How to enrol	To join the Plan, simply complete the enrolment form available from your Employer or register online.
Employee contributions	See Group RRSP Highlights for the employee group to which you belong.
Employer contributions	Your mandatory employee contributions to the Plan are matched by your Employer dollar-for-dollar, subject to the annual contribution limit under the Income Tax Act (Canada). Employer contributions made to your RRSP are a taxable benefit. For the calculation of your maximum allowable contributions, you must take into account the Employer contributions.
Additional voluntary contributions	This Plan allows you to make voluntary contributions in addition to your other contributions. You can make voluntary contributions provided that you have the available contribution room to do so. It is your responsibility to monitor your RRSP contribution room to ensure you do not exceed your maximum allowable contribution amount. Your employer does not match voluntary contributions.

Spousal contributions (You contribute on behalf of your spouse)	You can make spousal (spouse or common-law partner) contributions under the Plan. These contributions are included in your total contribution limit as determined by the *Income Tax Act* (Canada), and you will benefit from the tax deduction claimed on your income tax return. However, please note that once contributions have been made on your spouse or common-law partner's behalf, these contributions belong to your spouse. Your Employer does not match additional voluntary contributions to a spousal account.
Vesting of your contributions	The contributions made to this RRSP are fully vested as soon as they are allocated to you. **Definition:** Vesting refers to the length of time before you have rights to the Employer-provided contributions.
Withdrawal of contributions	Withdrawal of your mandatory employee and Employer contributions (and the related investment earnings, if any) while you are employed by McMaster University is not permitted. Employee additional voluntary contributions (including those made to a spousal account) may be withdrawn, subject to payment of the applicable fees. For transferred-in funds from other sources and additional voluntary contributions only, you may borrow funds against your RRSP balances for the purposes of the Home Buyers' Plan (HBP) or the Lifelong Learning Plan (LLP), according to the guidelines of those plans, including repayment of the applicable fees.
Investment instructions	You decide how to invest your contributions as well as your Employer's contributions on your behalf.
Default Fund	If we receive your signed paper enrolment form but no investment instructions, we will invest your contributions in the default fund selected by your Employer which is the BlackRock® LifePath® Index Fund based on your date of birth assuming you will retire at age 65. Completing the online registration will allow you to select the fund(s) in which your account is invested from the available options. *BlackRock® is a registered trademark of BlackRock, Inc. Used under license. LifePath® is a registered trademark of BlackRock Institutional Trust Company, N.A. Used with permission.*

Transfers from other plans	Direct transfers can be made from a registered plan with a former employer or from another RRSP in your name or your spouse or common-law partner's name. Locked-in contributions transferred from these plans will remain locked-in.
Termination of Employment	If your employment ends or you pass away, you will exit the McMaster University Group RRSP and Desjardins will mail a Benefits Statement with the available options for you or your dependent/beneficiary to choose from (see section 7. *What happens if your employment ends or you pass away?* for details).

Plan fees

Fees	**Fees:** are payable out of your RRSP account balance. **Investment fees**: variable depending on the Fund Manager, as indicated in the document *Your investment funds, your way* that is provided when you enrol, and in the Group RRSP Highlights prepared for your employee group, which can be found on the McMaster website https://hr.mcmaster.ca/retirees/grrsp. You can also find the information on these fees on our website www.dfs.ca/participant. Select the tab ***Your Account / Investment options*** or call our Customer Contact Centre. **Management fees**: represent costs related to the management and administration of the plan and they are deducted from the market value of the funds. 0.35% - effective August 1, 2019 **Withdrawal fees while employed** $25 per withdrawal **Duplicate copies of RRSP receipts and income tax slips** $10 **Other fees** Other fees may apply to special or non-recurring requests such as duplicates, marriage breakdown statement, etc. Contact our Customer Contact Centre for more information.

Additional Information on your RRSP

1. The goal of your Plan

The Plan's primary purpose is to help participants achieve their retirement savings goals. Contributions to the Plan made on your behalf, together with any investment earnings on those contributions, grow in a tax-sheltered environment. Tax sheltering will help you accumulate more retirement savings. Your savings under the Plan are intended to supplement your personal savings and any benefits that may be available to you under government programs, such as Canada Pension Plan (CPP). Tools and services are available under the Plan that will help you plan for your retirement. You are encouraged to engage a qualified, independent financial advisor when planning your retirement savings.

2. How are your contributions made?

Mandatory contributions to your RRSP are made by payroll deduction. Additional voluntary contributions can be made by payroll deduction, through online banking or by cheques payable to Desjardins Financial Security Life Assurance Company.

When you make contributions by payroll deduction, you may do so on the basis of your pre-tax pay (i.e., the full amount of the contribution is remitted to Desjardins, rather than the amount based on your net pay after withholding tax).

3. How much can you contribute in a taxation year?

In a taxation year, you can contribute up to the lesser of:

- 18% of your previous year's earned income, or
- the maximum dollar amount for that year as prescribed in the *Income Tax Act (Canada).*

Your mandatory contributions are calculated in accordance with the formula specific to your employee group. The sum of your mandatory employee contributions and the Employer contributions made on your behalf are capped by McMaster University at the maximum dollar amount for that year as prescribed by the Income Tax Act (Canada).

If you will not hit the Income Tax Act (Canada) maximum in a given year or if you have unused contribution room from prior years, you can make additional voluntary contributions to your RRSP. Additional voluntary contributions may be deducted from your taxable income when you file your annual tax return.

RRSP contributions must be made during the calendar year or within 60 days after the end of the calendar year to be tax deductible for that calendar year. Contributions made within the first 60 days of a calendar year can be applied to the calendar year in which they are made, or to the prior calendar year.

Please note that the Plan sponsor, your Employer, and Desjardins are **not** responsible for determining whether or not you have contributed too much to your RRSP (including as a result of additional voluntary contributions or other contributions you have made). It is your responsibility to ensure you do not exceed your RRSP contribution limit. The amount of your unused contributions is indicated on your *Notice of Assessment* (or *Notice of Reassessment*, if applicable), sent to you each year by the Canada Revenue Agency after you file your personal income tax return.

For more information on contributions, please refer to the Group RRSP Highlights for the employee group to which you belong, which can be found on the McMaster website https://hr.mcmaster.ca/retirees/grrsp.

4. Your investments, your way

For information on the investment options available to you, please refer to the document *Your investment funds, your way* that is provided when you enrol, or the Group RRSP Highlights for the employee group to which you belong, which can be found on the McMaster website https://hr.mcmaster.ca/retirees/grrsp/. If you need help understanding your investment choices or deciding what investments are right for you, please contact Desjardins. It is also to your advantage to consult a qualified investment advisor.

You may change your investment instructions at any time. We recommend that you review your investments at least annually and when a major life event occurs, like the birth of a child or the purchase of a new house.

You can also transfer from one investment option to another one offered in this Plan. Desjardins does not apply fees on transfers between funds. There may be a market value adjustment applied to guaranteed funds that are transferred or surrendered before maturity.

5. Your beneficiaries

You are permitted to designate one or more beneficiaries for your RRSP. There are legal and financial considerations when designating beneficiaries. Consult your legal and/or financial advisors to discuss your succession planning objectives and how you can best address those objectives.

If a beneficiary is not designated, your estate will receive the benefits payable.

6. Leave of absence

If you take a leave of absence, you need to check with your Employer to find out how that will affect the contributions to your plan. For more information on contributions during leaves of absence, please refer to the Group RRSP Highlights for the employee group to which you belong, which can be found on the McMaster website https://hr.mcmaster.ca/retirees/grrsp.

7. What happens if your employment ends or you pass away?

If your employment ends or you pass away, you will exit the McMaster University Group RRSP (the "Plan") and the following options will be available to you or your beneficiary:

Your options	When employment ends	Upon your death
Transfer your accumulated assets in the Plan to a registered pension plan, if permitted by that plan.	√	
Transfer your accumulated assets in the Plan to an individual RRSP with Desjardins or another financial institution.	√	If your spouse or common-law partner is your designated beneficiary under this Plan, they can transfer the death benefit to their RRSP.
Withdraw your accumulated assets in the Plan in cash, but be aware that you will have to pay taxes on that money. This option only applies to non-locked in money.	√	Your beneficiary may withdraw your accumulated assets in the Plan in cash, but be aware they will have to pay taxes on that money. This option only applies to non-locked in money.
Purchase an Annuity.	√	
Transfer your accumulated assets in the Plan to a RRIF – Registered Retirement Income Fund.	√	If your spouse or common-law partner is your designated beneficiary under this Plan, they can transfer the death benefit to their RRIF.
Transfer your accumulated assets in the Plan to a LIF – Life Income Fund (Locked-in).	√	If your spouse or common-law partner is your designated beneficiary under this Plan, they can transfer the death benefit to their LIF.

Additional notes

Age 71

The ultimate deadline when you must withdraw or convert your accumulated investments in the Plan into income is December 31st of the year you turn 71 or as permitted under applicable legislation.

Annuity

You may use your RRSP to purchase a retirement annuity. Annuity payments can start any time before the last day of the year you turn 71 or the age as permitted under applicable legislation. The amount of the annuity you receive will depend on a number of factors including your age, the accumulated value of your investments in the Plan, the annuity purchase rates that apply when you purchase the annuity and the type of annuity you select.

RRIF – Registered Retirement Income Fund

You can convert your RRSP into a RRIF, which is an arrangement between an insurance company, a trust company or a bank and you. Starting no later than the year after you establish a RRIF, you'll have to withdraw at least the minimum amount required by the *Income Tax Act*. You can also choose to withdraw the total value of your RRIF at any time. Funds in a RRIF are tax-sheltered, but amounts paid out of a RRIF are taxable upon receipt.

LIF – Life Income Fund (locked-in funds)

A LIF is considered a RRIF for the purpose of the *Income Tax Act*, so you will be required to withdraw a minimum amount equal to the minimum prescribed for the RRIF from your LIF each year. However, your annual withdrawal amount will be limited by the maximum withdrawal amount prescribed under the applicable pension legislation that regulates your LIF.

Locked-in contributions

Locked-in contributions and any investment earnings transferred from a registered pension plan cannot be paid in cash. They can only be transferred out according to the applicable legislation.

*For more information about forms to complete, fees and any applicable restrictions, please call the Desjardins Customer Contact Centre.

Other options may be applicable as per provincial legislation.

8. Can you assign benefits?

RRSP benefits cannot be assigned. This means you cannot transfer them to another person and your RRSP cannot be used as collateral for a loan.

9. Annuity guarantee

In accordance with the contract entered into with your Employer, Desjardins Financial Security Life Assurance Company guarantees you a minimum annual annuity based on the value of your investments.

10. Financial hardship

Depending on applicable legislation and subject to meeting certain criteria, it may be possible to withdraw part or all of your accumulated assets. Please contact our Customer Contact Center for more details. Please note that fees may apply.

11. Definition of a spouse

For purposes of this Plan, a spouse is a person to whom you are legally married.

12. Definition of a common-law partner

For purposes of this Plan, a common-law partner is a person (other than your spouse), with whom you are living in a conjugal relationship and to whom at least one of the following situations applies:

- the relationship must have existed for at least 12 continuous months. For this purpose, 12 continuous months includes any period you were separated for less than 90 days because of a breakdown in the relationship;
- the common-law partner is the parent of a child of whom you are also a parent.

13. Breakdown of marriage or common-law partnership

In the event of the breakdown of a marriage or common-law partnership, a calculation of benefits accumulated during the conjugal period may be provided upon request from the Desjardins Customer Contact Center. Please note that fees may apply.

14. Assuris protection

Desjardins Financial Security Life Assurance Company is a member of Assuris. Assuris is a not for profit corporation, funded by the life insurance industry, that protects Canadian policyholders against loss of benefits due to the financial failure of a member company.

Details about the extent of Assuris' protection are available at www.assuris.ca or in their brochure, which can be obtained from your financial advisor, Desjardins or Assuris from info@assuris.ca or by calling 1-866-878-1225.

15. Additional information

This document is a summary description of the Plan and its rules. If you require additional information on the Plan details, you may contact the Desjardins Customer Contact Centre at 1-800-968-3587.

Alternatively, you can go to the Desjardins website at www.dfs.ca/participant to find useful information, such as:

My account: view your financial summary of your asset allocation, rate of return, and contribution history, beneficiary information, investor profile, and investment options.

My transactions: change your investment instructions, make additional contributions, and view your account history.

My statements and documents: access your annual statement, tax receipts, and other general forms.

This document provides a summary of select features of your Plan. Additional terms and conditions apply. While every effort has been made to ensure the accuracy of this summary, your rights and obligations as a Plan participant are governed by the terms of the official Plan documents, which govern to the extent of any inconsistency with this document.