

Frequently asked questions

Q - How do I enter or update my instructions for contributing to the Group RRSP through payroll deduction?

A - Effective January 1, 2010, your payroll deduction instructions will be submitted directly to Manulife through the secure website.

When enrolling in the Group RRSP, you will be asked to enter the dollar amount to be deducted for each pay period. Your instructions will be sent to FortisAlberta and contributions will be deducted from each subsequent pay.

If you are a member and would like to update your payroll deduction instructions, follow these steps:

1. Log in to your account by selecting 'Access your account' from the left navigation menu.
2. After logging in, select 'My Account', then 'View/Change My Payroll Deduction Amount' from the navigation menu.
3. You will see your current contribution instructions as well as the dates of the next four pay periods.

John Smith
Registered Retirement Savings Plan

Policy Number: 20001933
Member Number: 000012345

Your payroll deductions

Ongoing deductions

To change your payroll deductions, type in a dollar amount. To leave this instruction unchanged, click the "Next >>" button at the bottom of the screen.

Contribution Type: RRSP Contributions

Pay Period	Existing Contribution	Stop	Change to:	Changes allowed until 4pm ET:
Jan 2, 2010 – Jan 15, 2010	\$0	<input type="checkbox"/>	\$ <input type="text"/>	January 7, 2010
Jan 16, 2010 – Jan 29, 2010	\$0	<input type="checkbox"/>	\$ <input type="text"/>	January 21, 2010
Jan 30, 2010 – Feb 12, 2010	\$0	<input type="checkbox"/>	\$ <input type="text"/>	February 3, 2010
Feb 13, 2010 – Feb 26, 2010	\$0	<input type="checkbox"/>	\$ <input type="text"/>	February 18, 2010
and all future pay periods				

Next >>

Reset

Cancel/Return to Menu

4. Enter the new dollar amount to be deducted from each pay period. The amount can be the same or different for each pay period. The final amount entered will apply for all future pay periods, unless you make a change at a later date. If you are contributing to a Spousal RRSP, your deduction amount

will be allocated between the Group RRSP and the Spousal RRSP according to the Spousal Split form on file with Manulife.

5. You can update your payroll deduction instructions at any time and as often as you wish. Once the option to enter instructions for a specific pay period is closed, the pay period will no longer appear on the screen.

John Smith
Registered Retirement Savings Plan

Policy Number: 20001933
Member Number: 000012345

Your payroll deductions

Ongoing deductions

To change your payroll deductions, type in a dollar amount. To leave this instruction unchanged, click the "Next >>" button at the bottom of the screen.

Contribution Type: RRSP Contributions

Pay Period	Existing Contribution	Stop	Change to:	Changes allowed until 4pm ET:
Jan 2, 2010 – Jan 15, 2010	\$0	<input type="checkbox"/>	\$100	January 7, 2010
Jan 16, 2010 – Jan 29, 2010	\$0	<input type="checkbox"/>	\$100	January 21, 2010
Jan 30, 2010 – Feb 12, 2010	\$0	<input type="checkbox"/>	\$100	February 3, 2010
Feb 13, 2010 – Feb 26, 2010 and all future pay periods	\$0	<input type="checkbox"/>	\$100	February 18, 2010

Next >> Reset Cancel/Return to Menu

6. You will be asked to confirm your instructions. Once confirmed, your instructions will be sent to FortisAlberta.

Confirm your payroll deductions

Contribution Type: RRSP Contributions

Pay Period	Contribution
Jan 2, 2010 – Jan 15, 2010	\$100
Jan 16, 2010 – Jan 29, 2010	\$100
Jan 30, 2010 – Feb 12, 2010	\$100
Feb 13, 2010 – Feb 26, 2010 and all future pay periods	\$100

I authorize my employer to deduct the amount I've confirmed above from each pay and submit these contributions directly to Manulife Financial for investment in my group savings plan.

<< Back Confirm Cancel

Q -How do I contribute a lump sum amount to my Group RRSP account?

A - Making a lump sum contribution is easy. Simply click on 'Access your account' from the left navigation menu. After logging in, select 'My Account', then 'Make a Lump Sum Contribution' from the navigation menu and follow the prompts.

If you contribute to a Spousal RRSP, your lump sum contribution will be allocated between your account and your spouse's account according to the instructions on file.

Your bank account information must be entered in your account profile before you request this transaction. Choose 'Add/Change Banking Information' from the 'My Profile' section of the navigation menu and enter the necessary bank information. Transaction requests received by 2:00 p.m. MT will be processed same day.

Q - Can I invest only a portion of my money in the target date fund?

A - Yes. If you choose to invest in a BlackRock LifePath Index fund, you have the choice of allocating only a portion of your contributions to that fund.

Q - What happens to my BlackRock LifePath Index fund if I change the year I want to retire?

A - You can move the assets in your current BlackRock LifePath Index fund to a fund that reflects your new retirement date, and direct your future contributions to that same fund.

Q - All the BlackRock LifePath Index funds are dated for an expected year of retirement, except for the fund named MLI BlackRock LifePath Index Retirement Fund. Why would a person choose that fund?

A - The MLI BlackRock LifePath Index Retirement Fund is designed for people currently near or in retirement, and seeking income and moderate long-term growth of capital.

Q - How can I find out more about how the BlackRock LifePath Index funds?

A - In the Fund Selection section, click on each fund's name to learn more about that fund. Also, the **BlackRock LifePath Portfolios Description** provided by BlackRock provides further explanation. Should you have questions about the BlackRock funds, please contact a Financial Education Specialist at Manulife Financial at **1-888-727-7766**.

Q - What's the difference between the Money Market fund and the 5 Year GIA?

A- Money Market funds invest in high-quality, short-term fixed income securities. By investing in fixed income securities, these funds are essentially making a short-term loan to a government or corporation and earning interest on its principal. Money market funds are typically managed to maintain liquidity, protect the initial investment and provide a moderate level of income.

Guaranteed Interest Accounts are similar to Guaranteed Investment Certificates (GICs) offered by banks and trust companies, as these accounts guarantee an interest rate from the date of contribution until maturity. At maturity, original investments and interest earned will reinvest for the same term unless you provide Manulife Financial with different instructions.

When contributions are invested in these accounts, they earn the current interest rate at the time of the deposit. That interest is credited to the account monthly and is compounded annually. Each contribution made to a GIA accumulates for the term selected at the guaranteed rate in effect on the date Manulife Financial's head office receives the contribution. The GIA operates on a compound interest basis which means the guaranteed interest rate applies to both principal and accumulated

interest.

Q - Are there penalties for moving assets out of the GIA before 5 Years?

A - Yes, if a GIA is cashed out before maturity, the value of the GIA will be re-calculated based on changes in interest rates that have occurred since the investment was purchased. This is called a Market Value Adjustment.

Q - What are the GIA rates? Are they better than my bank's?

A - FortisAlberta plan members will receive an enhanced rate of 0.45% over Manulife's posted rate. Please visit Manulife's secure website or contact Manulife's Customer Service Centre to obtain the current rate.

Q - What happens to pension contributions while I am on maternity and/or parental leave?

A - FortisAlberta continues to contribute to your DC Pension Plan account while you are on a maternity and/or parental leave of absence. The amount of the contributions is calculated based on your regular earnings prior to the leave.

Q - What happens to my pension assets if my marriage ends?

A - The value of your account accumulated during the period of your marriage may be split between you and your former spouse as part of the division of assets. You should consult a lawyer about the laws governing this situation and the options available to you and your former spouse. Your former spouse cannot receive more than 50% of your account.

Q - Are my pension assets protected from creditors if I declare personal bankruptcy?

A - Your assets are invested in a defined contribution registered pension plan and would be protected if you declared personal bankruptcy.

Q - What is a LIRA?

A - LIRA stands for Locked-in Retirement Account. If deposits originate from a pension plan, they continue to be locked-in under a locked-in retirement account (LIRA) or locked-in RRSP. 'Locked-in' refers to the restrictions and limitations that are imposed by the applicable provincial pension legislation.

Q - When I leave the company or retire, do I have to sell my pension funds?

A - You have the option of keeping your funds with Manulife Financial even after you leave FortisAlberta. Manulife Financial has its own LIRAs which include some of our new pension funds. This means you can stay invested in your funds.

Manulife Financial's LIRAs (the Manulife Financial Personal Plan) have about 65 different investments available. The investment management fees are higher compared to the fees within the FortisAlberta Retirement Program.

Q - When I leave the company or retire, do I have to sell my RRSP funds?

A - Once Manulife receives notification that you are leaving FortisAlberta and your final contribution has been received, Manulife will send you a statement outlining your options. If you do not transfer your funds within 60 days and if the balance of your RRSP account is less than \$1,000, your account will automatically be cashed out and the proceeds of the account (less withholding taxes) will be sent to you. If your account balance is greater than \$1,000, your account will be transferred to the

Manulife Financial Personal Plan. You will receive another statement from Manulife Financial reflecting these transactions when the process is completed.

Q - How soon will a Manulife Customer Service Representative return my phone call or answer my email?

A - A Customer Service Representative will always be available by phone when you call between 6 am and 6 pm MT. If you leave a message during these hours, your call will be returned within 1 – 2 business days. Manulife Financial will respond to emails within 2 business days.

Q - How often will I receive a member statement for my account?

A - Member statements are sent to your home address four times a year. You can also access your account information at any time through the Retirement Savings Pathway or by calling the automated interactive voice response phone service at **1-888-727-7766**.

Q - What is an RRSP?

A - A Registered Retired Savings Plan (RRSP) is an investment vehicle into which investors can make tax-deferred contributions to be used towards retirement savings. The funds remain in a tax shelter until retirement and are then taxed as they are withdrawn, at which point the contributor may be in a lower tax bracket.

Q - Why should I join the Group RRSP?

A - A Group RRSP through an employer provides many benefits in helping you save for your retirement:

- Contributing through payroll deductions is convenient. Your contribution is deducted before your earnings reach your bank account.
- You get a tax deduction for the amounts contributed (up to certain limits). Therefore, you can effectively set aside a part of your income each year to save for retirement on a pre-tax basis. Because you are participating through FortisAlberta, contributing through your payroll will provide you with immediate tax relief on amounts you contribute.
- Earnings on the assets in your RRSP accumulate tax-free. This helps your RRSP grow faster, as savings compound more quickly if the return is not subject to tax.
- RRSP funds are only taxed when withdrawn. This can mean real savings if you withdraw the funds in years when your income (and marginal tax rate) is lower, such as when you retire.

Q - How can I find out my current RRSP contribution room?

A - This information is on your most recent Notice of Assessment from the Canada Revenue Agency (CRA). This is the notice you receive after your income tax return is processed by CRA.

Q - What is RRSP carry-forward?

A - If you don't contribute the maximum allowable to your RRSP in any year, you can carry the unused portion forward indefinitely. Any amounts "carried forward" are reflected in the statement provided by the Canada Revenue Agency with your Notice of Assessment.

Q - What happens if I accidentally over-contribute to my RRSP?

A - Although it's not usually a good idea to over-contribute, you may contribute up to \$2,000 over your limit with no penalty. You can then carry forward the contribution and use it as a tax deduction in another year. If you over-contribute by more than \$2,000, you pay a 1% penalty per month, until you withdraw the excess amount. You may wish to consult a tax advisor if you find yourself in this situation.

Q - Can I transfer outside RRSPs into the Group RRSP? Are there any fees from Manulife Financial?

A - Yes, you can. There are no transfer-in fees from Manulife Financial. You should check with the financial institution where the RRSP is currently held to find out if they will charge fees. Funds transferred in benefit from the very low investment management fees of the FortisAlberta Group RRSP.

Q - Can I transfer my Group RRSP account to my personal RRSP?

A - Yes, you can do so at any time. Please note, however, you would be giving up the advantage of the low fees you have access to as part of the FortisAlberta Group RRSP. Be sure you understand the investment options and fees associated to each plan before transferring your savings.

Q – How do I make a withdrawal or transfer from my Group RRSP? Are there any restrictions to making withdrawals?

A - You can withdraw money from your Group RRSP while you are employed with FortisAlberta. Withdrawals can either be in the form of cash (provided savings are not locked-in), or a transfer to an external RRSP.

If you are planning to make a withdrawal from the Group RRSP, please consider the following:

- Cash withdrawals are subject to applicable tax.
- A market-value adjustment may apply to withdrawals from a Guaranteed Interest Account.
- The contribution room permitted to you for your RRSP by Canada Revenue Agency is not restored if you make a cash withdrawal.
- All RRSPs have different options and fees. If you are transferring funds from your Group RRSP to another RRSP, compare the investment options and fees of each RRSP before submitting your instructions.

Submitting your withdrawal instructions to Manulife

- **If you are withdrawing an amount less than or equal to \$10,000 in cash or transferring any amount less than or equal to \$50,000 to another RRSP**, there are three ways you can provide Manulife with your withdrawal instructions:
- Complete the [Group RSP Withdrawal form](#) and mail it to Manulife at the address indicated on the form.
- Contact a Customer Service Representative at **1-888-727-7766**, Monday to Friday, 6 a.m. to 6 p.m. MT / 8 a.m. to 8 p.m. ET to request a cash withdrawal. Requests to transfer savings to another financial institution must be submitted online or by using a paper form.
- Access your account and submit your instructions online.

- Log in to your Group RRSP account.
- Select 'Make a withdrawal' from the 'My Account' section and follow the prompts to submit your instructions.

Withdrawals requested online before 2 p.m. MT / 4 p.m. ET will be processed on the **same business day**. The money will be deposited into the bank account you specify within a few days.

- **If you are making a cash withdrawal that exceeds \$10,000, or transferring more than \$50,000 to an RRSP with another Canadian financial institution**, you must provide your instructions to Manulife using a paper form. Please print off the [Group RSP Withdrawal form](#) and submit it to Manulife using the address indicated on the form.

Q – Can I make a withdrawal from my Defined Contribution (DC) Pension Plan account?

A - In accordance with current Alberta pension legislation, withdrawals from the DC Pension Plan are not allowed while you are employed with FortisAlberta.

Q - What is a Spousal RRSP?

A - A Spousal RRSP is the same as a regular RRSP, except that a Spousal RRSP is registered in your spouse's or common-law partner's name while you, as the contributing spouse, take a full tax deduction for all the contributions to the spousal plan.

Q - How much can I contribute to a Spousal RRSP?

A - Contributions made to a Spousal RRSP – plus those you make to your own RRSP - cannot exceed your personal contribution limit. Contributions to a Spousal RRSP do not affect your spouse's RRSP contribution limit for the year.

Q - Why would I contribute to a Spousal RRSP?

A - The primary reason for establishing a Spousal RRSP is to allow for income splitting at some time in the future, usually retirement. This is accomplished as a result of the assets in a Spousal RRSP being considered the property of the plan holder (your spouse). Although there are some restrictions, when funds are withdrawn from the RRSP they are taxed in the hands of your spouse, at that person's marginal tax rate. The most advantageous scenario for a Spousal RRSP occurs when the plan holder would otherwise have little retirement income, while the contributing spouse would have a significant amount of income.

Q - What happens if my spouse makes an RRSP withdrawal?

A - If you have made a contribution to your spouse's plan in the current year or in either of the two preceding years, a withdrawal by your spouse from a Spousal RRSP is taxable to you (up to the amount of the contributions you made during that period). This attribution rule also does not apply if, at the time of withdrawal, and as a result of the breakdown of your marriage, you and your spouse are living separate and apart pursuant to a court order or written separation agreement. In addition, the

rules do not apply where your spouse receives funds from the RRSP in the form of a regular annuity which cannot be commuted.

Q - Why should I name a beneficiary for my Group RRSP?

A - By naming a beneficiary, the plan does not form part of the estate assets that require probate. This may result in significant savings in some provinces where probate fees are charged on the value of the estate. You should review your designation whenever there is a change in your personal circumstances such as marriage or divorce, death or birth. It's also important to consider the tax implications of your choice of beneficiary. Upon your death, the market value of your RRSP will be taxed differently if you have named your spouse as beneficiary than it would if you have named a child, grandchild or charity. As individual situations vary, contact a qualified individual for information and advice.

Q - At what age must I collapse/ convert my RRSP?

A - At the end of the calendar year in which you turn 71, your RRSP must be collapsed and converted to either a RRIF or an annuity, or be withdrawn as cash.

Q - If I want to transfer outside RRSP money into the Group RRSP, where do I start?

A - You should talk with the financial institution holding your personal RRSP to determine if there are any fees associated with withdrawing those funds. If you decide to proceed with the transfer, print the [Group RSP Transfer-in of External Registered Investments Form](#) found on the Retirement Savings Pathway and send it to the external financial institution.

Q - Do spouses pay the same IMFs as an employee for their Spousal RRSP?

A - Yes.

Q - Does FortisAlberta provide any reimbursement towards the cost of a financial advisor?

A - Yes. You can claim the fees charged by a financial planner against your Wellness Account.

For questions related to the transfer of your savings from Morneau Sobeco to Manulife Financial, please click [here](#).