



## **FREQUENTLY ASKED QUESTIONS**

**Q:** *I understand the Canadian Entertainment Industry Retirement Plan (the Plan) consists of two parts?*

**A:** Yes. They are as follows:

1. *Group Registered Retirement Savings Plan* – This plan is tax-deferred under government legislation for Employer/Producer contributions made on behalf of members, as well as member payroll deductions and lump-sum contributions subject to Canada Revenue Agency (CRA) limits. Contributions to your registered plan must cease by the end of the year in which you turn 71.
2. *Group Non-Registered Savings Plan for Members* – This is a plan for member payroll deductions, as well as redirected Employer/Producer contributions. Contributions are made with after-tax dollars and investment earnings are taxable to the member.

**Q:** *What is the difference between a Group RRSP and an individual RRSP?*

**A:** An employer or organization can sponsor a Group RRSP that offers you specific benefits that otherwise would be unavailable to you under an individual plan. Some of these benefits include:

- Access to a wide variety of institutional investment funds which are normally unavailable to individual investors.
- A reduction in the fees you will pay. The average individual fund in Canada has a management expense ratio (MER) of 2.51%.<sup>1</sup> Currently, the highest Investment Management Fee (IMF) charged under the Canadian Entertainment Industry Retirement Plan is 1.10% plus additional expenses of approximately 0.10% for total fees of an estimated 1.20%. (See IMF definition in the Glossary for more information).

**Note:** It is important to understand that along with lower Investment Management Fees (IMFs), the Canadian Entertainment Industry Retirement Plan does not charge you any Front-End Loads or Deferred Sales Charges (DSCs).

**Q:** *What are Front-End Load and Back-End<sup>2</sup> Load funds?*

**A:** Many Funds have a sales charge and most investors have two choices, in how to pay these charges. You can either pay a Front-End Load – where the fund manager claims a small percentage of your investment right away – or you can pay a Back-End Load where you may have to pay later if you remove your money from the fund within the first 5 or 6 years.

Redemption charges for Back-End Load funds' apply to each deposit/premium and separately to each fund; however charges usually decline each year that you have the fund and usually reach zero after about 6 years.

<sup>1</sup> Taken from The Globe and Mail newspaper July 19, 2001

<sup>2</sup> Duff Young's "Fund Monitor 2000" – Prentice Hall Canada

If you are not sure which kind of Funds you currently own, look at your statement – if it says “DSC” (Deferred Sales Charge) beside the fund name, then it is a Back-End Load fund. The Canadian Entertainment Industry Retirement Plan does not charge front-end or back-end fees.

**Q: *What are No-Load Funds?***

A: No-Load funds, like those available through the Canadian Entertainment Industry Retirement Plan, are funds where no sales fees are deducted on the purchase of the funds and where there are no redemption charges when you sell the fund.

**Q: *What exactly is the Management Expense Ratio (MER)?***

A: The fees charged by mutual fund companies to manage your investment funds. This is the most important fee for you to consider in assessing your different investment options. It is the total of all the management fees plus any other expenses divided by the number of fund units.

**MER equals MGMT FEES plus OTHER EXPENSES divided by  
NUMBER OF FUND UNITS**

Other expenses include:

- Legal costs of running the fund
- Accounting fees
- Custodial services and safekeeping costs
- Cost of producing prospectuses
- All other recording material

All else being equal, the higher the management expense ratio (MER), the more money spent by the manager and the lower the return to the investor. You should make sure you understand how fees are recovered when considering any fund purchase.

**Q: *What exactly is the Investment Management Fee (IMF)?***

A: The IMF, like the MER, is an important fee for you to consider in assessing your different retirement plan investments under the new Canadian Entertainment Industry Retirement Plan.

The Investment Management Fee charged to your investments is collected by the insurance company and used to pay the investment managers, who manage these different funds directly. It is also used to cover the fund's other day-to-day costs.

There are additional expenses incurred, which are also charged to the fund, but are not incorporated in the IMF.

These additional expenses include:

- accounting
- valuation
- reporting
- annual auditing costs
- GST

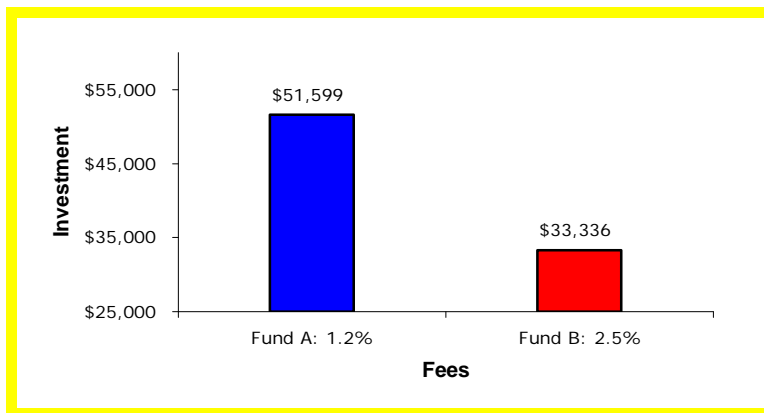
These additional expenses are subject to change annually, but currently range from .07% to .10%, depending on the fund.

**Q: Why are lower fees so important?**

A: Lower fees can allow your retirement savings to grow faster. For example, let us consider two identical funds: Fund A has a 1.2% fee and Fund B has a 2.5% fee. If you invested \$10,000 in each fund at age 30 with no further purchases and achieved an average rate of return before fees of 6%, the difference in the capital accumulated under each fund at age 65 is dramatic.

Fund A has a net rate of return of 4.8% per year (6% gross return minus 1.2% fees). Fund B has a net return of 3.5% (6% gross return minus 2.5% fees).

At age 65, Fund A would have savings of \$51,599. Fund B has savings of \$33,336. The lower fees of Fund A provide \$18,263 (or 55%) more in overall savings.



**Q: How did this Plan obtain such low fees?**

A: We were able to negotiate low fees through the following process:

1. Initially the I.A.T.S.E. Local 891 RSP Committee, together with an independent consultant, conducted an extensive search and review of all of the available providers in the market. After interviews with 14 companies over 8 months, the I.A.T.S.E. Local 891 RSP Committee narrowed the selection to the ones that would best fit the I.A.T.S.E. Local 891 membership and provide them with the best combination of investment choices and member education. Thanks to the buying power of I.A.T.S.E. Local 891, the RSP Committee was also able to negotiate the lower fees.
2. Effective 2005 the I.A.T.S.E. Local 891 Plan merged with the I.A.T.S.E. and formed the I.A.T.S.E. Canadian Retirement Plan with a new Retirement Committee appointed by the I.A.T.S.E.
3. Effective September 1, 2008 the Directors Guild of Canada joined forces with the I.A.T.S.E. to launch the Canadian Entertainment Industry Retirement Plan with the goal of becoming the retirement savings plan for the entire entertainment industry. A new Retirement Committee was appointed with representation from both the I.A.T.S.E. and the DGC.

The Retirement Committee is committed to providing all participating Plan members with meaningful investment choices and member education. Additionally, there will be increased buying power as the Plan grows, allowing the Retirement Committee to continue to negotiate the lower fees.

4. There are no sales commissions paid on the Canadian Entertainment Industry Retirement Plan.

**Q: *What are my investment choices under the Registered part of the Retirement Plan?***

A: The Plan offers a range of 20 professionally managed investment funds, including six asset allocation funds, nine “lifestyle” funds, two ethical funds, a five-year guaranteed investment fund, a daily interest fund and a money market fund.

**Q: *What are my investment choices under the Non-Registered part of the Retirement Plan?***

A: The same as outlined above for the Registered part of the retirement plan.

**Q: *Why do I need a “Non-Registered Savings Plan for Members”?***

A: The “Non-Registered Savings Plan for Members” may be used as a savings account for employee payroll contributions, or in the event that certain circumstances prevent an individual from contributing to an RRSP. This should be arranged with your Administrator/Payroll, as applicable.

**Q: *How and why did the Retirement Committee make these particular investment selections for the Plan?***

A: We believe the unique blend of funds provides members with a plan that offers a broad range of investment choices that best fits the needs of the membership according to their age, risk tolerance and their personal retirement savings goals.

The Plan Sponsor of this Group Retirement Savings Plan carries a fiduciary responsibility to consistently monitor the performance of the funds that its members invest in. In an effort to make this monitoring feasible, the Retirement Committee needed to stipulate the number of fund choices in which its members invest.

**Q: *What are the exceptions that will allow me to withdraw my Employer/Producer Contributions prior to age 55?***

A: You can withdraw your ‘locked-in’ Employer/Producer contributions from the Retirement Plan to take advantage of the following government Plans:

1. The Home Buyers’ Plan (HBP); and
2. The Lifelong Learning Plan (LLP).

**Q: *Are there any other ways that I can withdraw my ‘locked-in’ Employer/Producer contributions?***

A: You must meet one of the following criteria in order to withdraw ‘locked-in’ Employer/Producer contributions:

- Your membership in the participating local/Guild has been terminated/resigned; or
- You have become a permanent non-resident of Canada; or
- You are age 55 or older

**Q: *Once I am enrolled in the Plan can I terminate from the Plan?***

A: You can withdraw from the Plan in the following circumstances:

- (a) you have terminated/resigned Membership in a Participating Union/Guild and have not within 60 days reinstated, become or remained a Member of a Participating Union/Guild;
- (b) the Participating Union/Guild in which you belong has terminated its participation in the Plan; or
- (c) the Retirement Committee has otherwise permitted or authorized you to terminate from the Plan.

**Q: *What are my options if I terminate my Membership in a Participating Union/Guild? Can I keep my RRSP with Great-West Life?***

A: You will be given the option to keep your RRSP/NRSP in the Great-West Life Continuing Plan; transfer your RRSP/NRSP to another financial institution outside of Great-West Life; or receive cash. The investment management fees (IMF's) charged under the Great-West Life Continuing Plan differ from those of the group Plan and will depend on your plan balance.

**Q: *What happens if I decide to reinstate, will my account automatically be moved back into the Group Plan?***

A: Removal from the Group plan is irreversible. If you reinstate in the Participating Union/Guild you will have to re-enrol for both the registered and non-registered accounts and arrange with Great-West Life to transfer your assets back into the group Plan.

**Q: *I am 30 years old and earning about \$30,000 a year. My Employer/Producer contributions average about \$125 per month or \$1,500 per year. Will this make much difference in the amount I will accumulate by the time I retire at age 65?***

A: Yes, it most certainly will. If you save \$125 at the end of every month over the next 35 years and assuming you can earn 6% per year on your investment, you will have accumulated \$171,700 in your 'locked-in' Registered Account by age 65.

**Q: *I feel like I can only save an extra \$50 per month for retirement; is it worth it?***

A: Absolutely. If you voluntarily contribute an extra \$50 at the end of every month, or \$600 per year and earn 6% per year on these monies you will accumulate an additional \$68,680 in your Member Account by age 65. By doing this, in addition to your employer/producer contributions you would accumulate a total of \$240,380 in retirement savings by age 65!

**Q: *Why is 6% consistently used as the average rate of return on investments in all the Q & A examples?***

A: Saving for your retirement is a long-term process. We believe it is better to use conservative estimates to project a return on investment. A willingness to take risks, combined with strong future markets may help you earn more. However, given the volatility of the markets, it is also possible you could earn less; therefore we feel 6% is a reasonable expectation.

**Q: *I have been a member of the Union/Guild for some time. What about my existing money under my Union/Guild's former plan? Will that be 'locked-in' if I transfer it to the new Plan?***

A: No. If your Union/Guild had previously sponsored a group RSP prior to this Plan, any funds under the former plan, will not be 'locked-in'.

**Q: *This Plan sounds great. Now that I know that my 'locked-in' money will be tracked separately from my 'nonlocked-in' money, can I transfer in funds from my other RRSPs to benefit from lower fees on a 'nonlocked-in' basis?***

A: Yes, you can. You will find information on how to do that in "How to enrol" and in the Information Booklet.

**Q: *Can Great-West Life track which of my contributions are my own and therefore not 'locked-in' and those that are transfers from other plans?***

A: Yes. As previously stated, *Great-West Life* systems will be able to track Employer/Producer and Member contributions, including transfers into the plan, and determine whether or not they are 'locked-in'.

**Q: *How does the Plan Sponsor protect the privacy of my financial information?***

A: The Plan Sponsor has taken all reasonable precautions to protect your privacy under its new Retirement Plan. The Administrator is also required to sign a confidentiality agreement. *Great-West Life*, our record-keeper, is required to comply with privacy legislation. If applicable, all retirement money will be kept in separate bank accounts and audited separately from other Participating Union/Guild accounts.

**Q: *I am a member in more than one Canadian Participating Union/Guild. How will my contributions be handled by each Participating Union/Guild?***

A: As a member of more than one Canadian Participating Union/Guild, you will be required to designate a Home Division/Subgroup. The Administrator of your Home Division/Subgroup will maintain your file.

**Q: *What does the term 'locked-in' mean?***

A: As a participant in the Plan, contributions made by an Employer/Producer on your behalf are 'locked-in'. This means that the Employer/Producer contributions cannot be withdrawn until you terminate/resign membership in the Participating Union/Guild, turn 55 years of age, or become a permanent non-resident of Canada; whichever occurs first.

**Q: *I want to make voluntary contributions. Will they also be 'locked-in'?***

A: Member payroll deductions and lump-sum contributions are not 'locked-in' and will be shown separately on your semi-annual Member's Statement.

**Q: *How much can I contribute to my RRSP every year?***

A: Your RRSP deduction limit is shown on the latest Notice of Assessment or Notice of Reassessment from the Canada Revenue Agency or online at [www.cra-arc.gc.ca/myaccount](http://www.cra-arc.gc.ca/myaccount). Overpaying into your RRSP may incur a penalty tax. Contact the Canada Revenue Agency at 1-800-989-8281 (English) or 1-800-959-7383 (French) if you have any questions or concerns.

**Note: if you have ascertained that you have reached your allowable RRSP deduction limit you should notify your Administrator/Payroll, likewise when you wish to transfer and / or redirect your payroll contributions back into your Registered account.**

**Q: *How can I obtain information about the Canadian Entertainment Industry Retirement Plan?***

A: Contact your Administrator directly at 403-250-2199 or [drs@iatse212.com](mailto:drs@iatse212.com) or visit [www.ceirp.ca](http://www.ceirp.ca).

**Q: *Am I able to obtain information about my individual account from Great-West Life at any time?***

A: Yes. You will be mailed an Access ID, and then a few days later, a second letter containing your password. These are mailed separately for security purposes. With these two pieces of information, you can access both the Great-West Life-GRS Access ([www.grsaccess.com](http://www.grsaccess.com)) and Access Line.

- Great-West Life Access Line is an automated voice response telephone system. This line gives you easy access to your Retirement Plan Information 24 hours a day, 7 days a week at 1-800-724-3402
- Visit the Great-West Life website at [www.grsaccess.com](http://www.grsaccess.com) to update your address, phone and email addresses, as well as view and make changes to your investment instructions. You can also print a current statement at any time. The site also provides many useful tools for retirement planning.
- Contact a Customer Service Specialist at the Group Retirement Client Service Centre, weekdays from 6:00 am to 6:00 pm MST. *If you call after hours, your call will be returned the next business day*