

**The Indian Pension Plan Funding Program  
Available through Indian and Northern Affairs  
Canada (INAC)**

INAC provides funding to Bands and Tribal Councils to support the cost of the employer's share of contributions for Employee Pension Plans as well as cost sharing the Group Insurance Plan; for Employees contributing to the Canada Pension Plan the Employer also matches this amount.

Employees working for a Band or Tribal Council can have their pension contributions matched to a maximum of 5.5% plus the applicable C.P.P. in the current year of application.

**How much can I contribute to my pension account?**

For the 1996 tax year, up to 2002, you may contribute the lesser of 18% of your salary or \$13,500. That figure is scheduled to rise to \$14,500 in 2003 and \$15,500 in 2004. After that, the level will be indexed to reflect the average growth in wages.

**Who can join the plan?  
Is it compulsory?**

Any employee has the option to opt out if they are in service when the plan commences.

Any employee who commences employment after the plan is in effect must participate.



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Federation of Saskatchewan  
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*“Providing Superior Financial Service to  
Indian Governments and Their  
Employees.”*

The Federation of Saskatchewan Indian Nations and Sun Life of Canada, a strong partnership providing you with long-term security and superior service. Sun Life works with the National Indian Financial Corporation and its subsidiary, First Nations Insurance Services to provide you with this innovative plan.

#### **Why did First Nations Insurance select Sun Life as a Pension Partner?**

Sun Life is one of the largest insurance companies in Canada and is one of the strongest financial institutions in North America. Financial strength, stability and service have made Sun Life a leader in the insurance industry for over a century. Sun Life holds Standard and Poor's AAA (Superior) Claims Playing Ability Rating ... the highest rating available from a leader in the investment rating industry. This strong financial position means a worry-free investment for you. The surplus ratio – which compares capital and surplus to liabilities – puts Sun Life ahead of all Canadian Life companies. This accurate measurement of financial strength positions them ahead of the five Canada-wide banks and Trust Companies. With more than \$123 billion of life insurance in force world wide, they offer you a safe and competitive environment for your retirement savings.

#### **What relationship exists between Sun Life and the Federation of Saskatchewan Indian Nations (F.S.I.N)?**

Sun Life is endorsed by F.S.I.N. and works in cooperation with First Nations Insurance Services, to provide retirement benefits tailored to the specific needs of F.S.I.N. Staff, Indian Institutions, Tribal Councils, Member bands, and owned enterprises.

#### **When I make my deposits, where does my money go?**

Your Sun Life account works the same way that your personal bank account does. When you put money into your account – by making a deposit or arranging for a payroll deduction – that money goes into an individual account in your name. No one else can access your private account.

These deposits are held for you by Sun Life, in funds which you have chosen to participate. Your individual account is monitored by Sun Life and you receive a personal statement detailing the activity in your account.

#### **What investment options are available to me through this plan?**

You may contribute to a guaranteed fund or any combination of the many Investment Funds offered through Sun Life.

#### **What are the 1, 4 and 5 Year Guaranteed Funds?**

A Guaranteed Fund pays a set amount of interest over a specified term. Banks and trust companies offer similar investments known as Guaranteed Investment Certificates or GIC's. When you put your money into Guaranteed Funds, you know exactly how much your investment will earn and you know that if left to maturity both your principal and your interest are fully guaranteed by Sun Life.

#### **Will there be any penalty if a withdrawal is made before the guaranteed funds mature?**

No! Any withdrawal from Guaranteed Funds that results from a plan member terminating employment or dying or any withdrawal used to purchase an annuity (monthly pension) will be made at full value. This represents the value of the deposits and interest right up to the date of withdrawal.

The 1-Year Fund always pays out at book value. If you transfer money out of the 3-Year or 5-Year Fund into another fund, a market value adjustment will be made.

#### **What are Investment Funds?**

An Investment Fund is a pool of assets with a determined value attached to them. They may be a list of mortgages or a portfolio containing blue chip stocks. A fund may contain bonds issued by governments or large corporations. Balanced, or Diversified funds contain a mix of all the above types of assets.

As the market value of each asset increases or decreases, so does the overall value of the fund. Economic conditions, market factors and interest rates.

will cause rise and falls in the value of your investment. All investment funds contain some volatility and should be used as long term investments.

#### **Can I split my contributions between these investments?**

Yes! Many people choose to “balance” their investments between market based funds, which offer more potential for growth but carry some risk, with safe, steady guaranteed investments.

#### **Sun Line**

You can check your account details anytime of the day, any day of the week using Sun Line. This toll-free service can be reached from any touch tone phone in North America. Check information including your account balance, the current interest rate and the performance of your fund.

#### **Who regulates the Registered Pension Plan to ensure funds are secure on behalf of the employees?**

The Pension Benefits Standard Act is in existence to ensure funds are deposited into the employees individual accounts. Reports are filed annually with the Office of the Superintendent of Financial Institutions to ensure all deposits have been made. Certified Financial Statements, also required by OSFI, accompany the annual reports. If an employee of the Registered Pension Plan has complaints regarding their pension plan, this would be the office that would deal with it.

#### **Beneficiary Designation – is there a limit to how many beneficiaries I may name?**

If the member dies before retirement and a death benefit is payable, the benefit will be paid to the designated beneficiary, **UNLESS there is a spouse**. If there is a Spouse at age 55 in the form of an annuity payment. The spouse has more flexible options and should consult with a financial advisor to make an appropriate decision.