

Administrative Guide

Operations, Savings and Financial Services

For Fundserv business
partners

Updated November 1, 2018



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1. INTRODUCTION

This guide is for advisors and their staff.

It aims to provide information on the administrative rules and procedures in order that documents submitted for transactions made by Operations, Savings and Financial Services for La Capitale Civil Service Insurer Inc. (the Insurer) are in compliance.

It highlights the details of annuity contracts and how they are processed.

This guide will also help standardize transactions by providing quality service consistent with sound business practices.

Subject to applicable legislation and contract terms and conditions, this guide may be amended at any time.

2. INVESTMENT ACCOUNTS

La Capitale investment accounts are offered within **registered** annuity contracts only. They are not mutual funds or segregated funds.

As with traditional and equity index GICs, advisors must have a representative's certificate for the insurance of persons in order to offer investment accounts.

IMPORTANT

La Capitale investment accounts are included in the *Segregated Funds* category of Fundserv. This means that they are listed on statements in that section. It is important to tell advisors and clients that these accounts do not belong there.

3. MANUFACTURER CODES FOR INVESTMENT ACCOUNTS

The manufacturer code for carrying out transactions is *LCA*.

4. THE PLANS

4.1 **Minimum age for annuity contracts**

The minimum age for taking out an annuity contract is age 18, whether the plan is registered or non-registered. Contracts are not available for minors.

4.2 **Locked-in registered annuity contracts**

Locked-in Retirement Account contracts (LIRA) or Locked-in Retirement Savings Plans (LRSP) and Life Income Funds (LIF) are available for all provinces.

- When the source of the funds is the contractholder, the contractholder is the participant.
- When the source of the funds is the breakdown of a conjugal relationship or a death, the contractholder is the settlor.



However, Restricted Life Income Funds (RLIF) are not yet available.

5. CREATING A NEW CONTRACTHOLDER

When creating a new contractholder, the following character limits must not be exceeded:

Full name

- 20 characters for the last name line
- 20 characters for the first name line

*If you enter more characters, they will be cut off.

Address

- 30 characters for the first address line
- 30 characters for the second address line

*If the address has more characters, the transaction will be rejected.

6. ENTERING A BENEFICIARY

A revocable or irrevocable beneficiary must be entered for all new plans. There is space for a maximum of five beneficiaries. Any beneficiaries over the maximum of five must be submitted by fax.

7. ADMINISTRATIVE RULES

7.1 Resident or non-resident eligibility

When taking out a new plan with the Insurer, the contractholder must be a resident of Canada and provide Canadian identity documents.

7.2 Processing date

Investment account deadlines

All transactions (purchases, withdrawals, transfers) must be entered before 4 p.m. Eastern time to be considered as processed on the same day. After 4 p.m. Eastern time, the transactions will be considered as processed on the following business day.

The time of entry in Fundserv or the time the fax was received is proof of the effective date.

Transactions can be entered on statutory holidays but purchases will be dated the following business day by head office.

7.3 Cancellation or change to a transaction

- A transaction can be cancelled using Fundserv if the request is entered before 4 p.m. Eastern time of the same day.
- After 4 p.m. Eastern time, you must fax a letter of indemnity with precise instructions for cancellation or correction of the transaction.

7.4 **Cheque specimen**

All cheque specimens must be stored in your files.

7.5 **Change of advisor**

In the case of annuity contracts, requests to transfer blocks of business between brokers under the same general agent cannot be carried out with Fundserv.

7.6 **Commissions**

Consult your general agent.

8. TRANSACTIONS

8.1 Plan Application/Instructions forms

APPLICATION-INSTRUCTIONS	Documents required
Non-registered, RRSP, LIRA, RRIF, LIF ⇒	T097 Application/Instructions Form for non-registered plan, RSP, RIF, LIRA (QC), LIF, Annuity, Deferred Life Annuity, Deferred Life Annuity-LIRA (QC)
TFSA ⇒	T087 TFSA Application-Instructions form
Pan-Canadian LIRA/LIF ⇒	T053 Application/Instructions – Pan-Canadian Retirement Savings Plan/Pan-Canadian Retirement Income Fund

8.2 Transactions processed by Fundserv

8.2.1 Purchase

A transaction cannot be done using the number of units.

This transaction can be done using four types of payment methods:

- N\$M
- Preauthorized Debit (PAD)
- Single payment
- Cheque


8.2.2 N\$M

- Same-day transactions
- Postdated or backdated transactions are not accepted


8.2.3 Preauthorized debit - periodic payments (PAD)



The payor may be different from the contractholder only in the case of contributing spouse RRSPs.

To start periodic payments (PAD)	
Comments	<ul style="list-style-type: none"> - If the date of the first withdrawal is within 30 days of signing, the application will be declined. <p> A PAD that is rejected by the system must be re-entered with a later date.</p>
Documents required	<ul style="list-style-type: none"> - Complete the Preauthorized Debit (PAD) Agreement section of the form for the pertinent plan (T087-097) - Mandatory contractholder and payor (if different from the contractholder) signatures, except if authorization was already obtained and the bank information is the same - Personalized cheque specimen

8.2.4 Single payment

For the first single payment	
Comments	<ul style="list-style-type: none"> - It takes up to three business days to withdraw funds from the bank account after the date the request is processed - The withdrawal cannot be made from a business account or a third-party account (except for a spousal RRSP) <p> The debit will be made from the bank account indicated in the client's file.</p>
Documents required	<ul style="list-style-type: none"> - Complete the Preauthorized Debit (PAD) Agreement section of the form for the pertinent plan (T086-096) - Mandatory contractholder or payor (if different from the contractholder) signatures, except if authorization was already obtained for the PAD and the bank information is the same

8.2.5 Cheque


To make deposits by cheque	
Comments	<ul style="list-style-type: none"> - Post-dated cheques are not accepted - -Cheques from an employer are not accepted as a cash deposit
Documents required	<ul style="list-style-type: none"> - Personalized cheque made out to the general agent OR - Personalized cheque made out to La Capitale and deposited in La Capitale's bank account by ATM.

8.2.6 Withdrawals


When there is a request for withdrawal, clients have two options for receiving the funds:

- Direct deposit into a bank account
- Cheque

8.2.7 Direct deposit into a bank account

To make a withdrawal	
Comments	<p>When funds are withdrawn from an investment account, they are deposited in the client's bank account within three business days following the date that the unit value is known.</p> <p> The funds are deposited into the bank account indicated in head offices' file for the client.</p>
Documents required	<ul style="list-style-type: none"> - IND136 Request for cash withdrawal form


8.2.8 Cheque

To make a withdrawal	
Comments	<p>Withdrawals can be entered according to the gross or net amount, or as a percentage, total amount, mature units, free units or as a 10% penalty-free portion.</p> <p> Cheques are always sent to the address entered in our system.</p>
Documents required	- IND136 Request for cash withdrawal form

8.2.9 Inter-investment account transfer

Two transactions are possible:

- Transfer from one investment account to another investment account
- Transfer of the 10% penalty-free portion to the purchase fee series


Transfer from one investment account to another investment account Transfer of the 10% penalty-free portion to the purchase fee series	
Comments	<p> If periodic payments are already authorized for the source account, they will continue with no change. To change or terminate periodic payments, see Section 8.4.</p> <p>If periodic payments are not in effect on the source account and the total account balance is being transferred to the replacement account, the source account will be automatically closed with no further notice.</p> <p>If the source account has a zero balance, it will be automatically closed with no further notice.</p>
Documents required	- K044 Inter-account Transfer form

8.2.10 Incoming transfers (T2033)

- Any incoming transfer must be done in Canadian dollars.
- A maximum of 10 accounts can be processed for the same request.
- The transfer form (T2033) is forwarded directly by advisors to the other institution or employer.
- Forms rejected by the other financial institution are sent by the Administration to advisors by email so they can do the necessary follow-up.
- Requests for which funds have not been received and which have been pending for four months are automatically cancelled without notice.



New LIRA/LRSP, RRIF and LIF plans cannot be entered in Fundserv, and the transfer form and follow-up are done by the advisor.

Funds from another institution	
Comments	<ul style="list-style-type: none"> - New and existing RRSPs and TFSAs - Existing LIRAs/LRSPs, RRIFs and LIFs only
Documents required	<ul style="list-style-type: none"> - T2033 form OR - Authorization for the transfer of non-registered funds <p> If the transfer is from a LIRA/LRSP or a LIF, you must complete all of Section C – Recipient and indicate the legal jurisdiction (federal, Quebec, Ontario, etc.) The content of this section is in compliance with the Transfer of Locked-in Funds Agreement.</p>

8.3 Transactions processed by head office

8.3.1 Purchase

A transaction cannot be done using the number of units.


8.3.2 Transfer

8.3.2.1 Incoming transfers (T2033)

- Any incoming transfer must be done in Canadian dollars.
- A maximum of 10 accounts can be processed for the same request.
- The transfer form (T2033) is forwarded directly by advisors to the other institution or employer.
- Forms rejected by the other financial institution are sent by the Administration to advisors by email so they can do the necessary follow-up.
- Requests pending for four months for which funds have not been received are automatically cancelled without notice.



New LIRA/LRSP, RRIF and LIF plans cannot be entered in Fundserv, and the transfer form and follow-up are done by the advisor.

Funds from another institution	
Comments	<ul style="list-style-type: none"> - New LIRAs/LRSPs, RRIFs and LIFs only
Documents required	<ul style="list-style-type: none"> - T2033 form OR - Authorization for the transfer of non-registered funds <p> If the transfer is from a LIRA/LRSP or a LIF, you must complete all of Section C – Recipient and indicate the legal jurisdiction (federal, Quebec, Ontario, etc.) The content of this section is in compliance with the Transfer of Locked-in Funds Agreement.</p>

Funds from the employer	
Comments	Locked-in plans
Documents required	- T2151 form - Transfer of Locked-in Funds Agreement form and in Section 3 "Recipient", indicate the legal jurisdiction (federal, Quebec, Ontario, etc.)

8.3.2.2 Internal transfers

To make a transfer from one contract to another contract	
Comments	- Non-registered to TFSA - Non-registered to RRSP - TFSA to RRSP  Carried out similar to a withdrawal or deposit. ⇒ Some fees and penalties may apply.
Documents required	- K044 Inter-account Transfer form



To make a transfer within the same contract	
Comments	N/A
Documents required	- K044 Inter-account Transfer form

8.4 Modification of a periodic payment

To change periodic payments	
Comments	- Changes to the payment date, amount or frequency must be done 14 days before the PAD date
Documents required	- IND073E Change or Termination of the Preauthorized Debit (PAD) Agreement form

To terminate periodic payments	
Comments	- Terminating an existing PAD must be done 14 business days before the PAD date.
Documents required	- IND073E Change or Termination of the Preauthorized Debit (PAD) Agreement form

8.5 Conversion from a registered plan to a RRIF, LIF or annuity

To convert registered plans at the latest by December 31 of the year in which the contractholder turns age 71	
Comments	<p> New LIRA/LRSP, RRIF and LIF plans</p> <ul style="list-style-type: none"> - Conversion of an RRSP to a RRIF or annuity - Conversion of a Quebec LIRA to a Quebec LIF or annuity - Conversion of a pan-Canadian LIRA/LRSP to a pan-Canadian LIF or annuity <p>In February of the year in question, a letter is sent to clients informing them of the conversion. Various reminders are sent to the advisor</p>
Documents required	<ul style="list-style-type: none"> - T097 Application/Instructions form for non-registered plan, RSP, RIF, LIRA (QC), LIF, Annuity, Deferred Life Annuity, Deferred Life Annuity-LIRA (QC) OR - T053 Application/Instructions–Pan-Canadian Retirement Savings Plan/Pan-Canadian Retirement Income Fund AND - Personalized cheque specimen <p> </p> <ul style="list-style-type: none"> - If the funds come from a LIRA or a LIF, attach a duly completed and signed copy of the “Spousal waiver of joint and survivor pension” form. - If the contractholder doesn’t have a spouse, a signature is not necessary.

8.6 Changes to a client file

8.6.1 Date of birth

- Forward a copy of one of the following documents:
 - Driver's licence
 - Health insurance card
 - Passport

8.6.2 Social Insurance Number

- Forward proof of the Social Insurance Number.

8.6.3 Beneficiary

- Complete the IND048E Change of Beneficiary form and have it signed.

8.6.4 Bank information

- Complete the IND073E Change or termination PDA form, Change of Bank Information section and have it signed.

8.6.5 Mailing address and email address

Complete the IND047E Change of Mailing Address and Email Address form and forward it to head office only if the address is **outside of Canada**.

SCHEDULE A

SCHEDULE A – SENDING DOCUMENTS

***When your administrative system is unable to support the transaction, please submit the complete request by fax.**

Transactions	Description	Fundserv	Processed by head office Submit by fax
Application From an RRSP or TFSA	To start periodic payments (PAD)		X
	Do a single payment	X	
	Cheque made out to the Insurer	GA	
	Cheque made out to the GA	X	
Withdrawals	Direct deposit into a bank account	X	
	Cheque	X	
Inter-investment account transfer	Transfer of the 10% penalty-free portion to the purchase fee series	X	
	In the same fee series	X	
Incoming transfer (T2033)	RRSP or TFSA	X	
	Existing LIRAs/LRSPs, RRIFs and LIFs	X	
	New LIRAs/LRSPs, RRIFs and LIFs		X
Incoming transfer (T2151)	Existing LIRAs/LRSPs, RRIFs and LIFs		X
	New LIRAs/LRSPs, RRIFs and LIFs		X
Internal transfers	From one contract to another contract		X
	Within the same contract		X
Redemption fee remittance request			X
Modifying a PAD	Date, amount or frequency		X
Termination of a PAD			X
Transfer of an RRSP loan			X
Conversion from a registered plan to a RRIF, LIF or annuity			X
Change to contractholder file	Date of birth		X
	Social Insurance Number		X
	Beneficiary		X
	Bank information		X
	Mailing address and email address		X

9. OUR OFFICIAL SITES

9.1 Website

Advisors can consult our website at: <https://www.lacapitale.com/en/brokers>.

Information on savings products and interest rates can be found there.

9.2 Advisor Centre

<https://advisorcentre.lacapitale.com>

This extranet is available for advisors to allow them to access file follow-ups, client portfolios and the document centre.

10. TO CONTACT US

10.1 Advisor support

Administrative support for business partners

Tel: 1 888 392-2583

Fax: 1 866 573-6604

Email: brokerage.support@lacapitale.com

Business hours: 8:30 a.m. to 5 p.m.

Address: 625 Jacques-Parizeau St, Quebec QC G1R 2G5

11. TABLE OF MAIN FUNDSERV REPORTS

File code	File name	Frequency
FS	Settlement instructions file	Daily
TS	Transaction reconciliation file	Daily
WS	Sales commission file	Weekly
NS	Demographic reconciliation file	Monthly or quarterly
PS	Position reconciliation file	Monthly or quarterly
HS	Transaction reconciliation file	History and upon occasional request
RS	Price/rate file	
LS	Detailed service fee file	