

On May 28, 2004 the Joint Forum of Financial Market Regulators released the final version of the Capital Accumulation Plan (CAP) Guidelines which outline the rights and responsibilities of CAP Sponsors, CAP members and service providers and aims to ensure that CAP members are provided with the investment information and assistance they need. In general the Guidelines offer a road map of best practices within which to operate a CAP.

As a CAP sponsor, it is recommended that you verify and record your level of adherence to the CAP Guidelines. The purpose of this document is to make you stop and think on your current governance process and on actions to be taken in order to achieve an acceptable level of compliance with the outlined principles. In order to get the best out of this tool, you will need to consult the CAP Guidelines, which are available at www.jointforum.ca. Certain sections contain comments as to some of the issues to consider when assessing if a given guideline is met. Also, you will be able to see what support is provided by Standard Life to the CAP sponsor or CAP members in order to meet the various requirements. It is important to note that the support activities and tools listed in this document are limited to those within scope of the services provided by Standard Life and funds available under the Quality & Choice investment program™.

In addition, it is recommended that you also verify and record your level of adherence to the various requirements provided under Guideline No. 6 on Pension Plan Prudent Investment Practices and the Self-Assessment Questionnaire on Prudent Investment Practices issued by the Canadian Association of Pension Supervisory Authorities, which are available at www.capsa-acor.org. Although Guideline No. 6 applies to pension plans only, it may be relevant for CAP sponsors of other types of CAPs, such as group RRSPs, to use this Guideline No. 6 in your plan compliance review .

Your local Customer Relationship Manager is available should you need assistance or guidance in the completion of this document.

Plan sponsor:		
Standard Life policy number RS:		
Plan type(s):	<input type="checkbox"/> RPP	<input type="checkbox"/> RRSP
	<input type="checkbox"/> DPSP	<input type="checkbox"/> STRP
		<input type="checkbox"/> Other
Date: (DD/MM/YYYY)	<input type="text"/>	Completed by:

Comments made by Standard Life in regards to the Joint Forum's CAP Guidelines have not been reviewed nor endorsed by the Joint Forum. Such comments represent the sole opinion of Standard Life on these matters. Note that Standard Life's comments are meant to complement, not replace, the CAP Guidelines, which we encourage you to read carefully. While every effort has been made to ensure the accuracy of the information, no warranty is expressed or implied as to the accuracy, adequacy or completeness of the information, and The Standard Life Assurance Company of Canada and Standard Life Assurance Limited are not responsible for any errors and omissions, or for the results obtained from the use of such information.

Section 1 - Introduction

1.3.1 Decisions about establishing and maintaining the plan have been properly documented.

Location of documents:

Follow-up required?

Yes

No

With whom?

By when?

(DD/MM/YYYY)

Comments:

- ▶ When setting up a Capital Accumulation Plan, the plan sponsor needs to document the decision, often by way of a Board resolution, and decide on the type of plan and its features, including the level of employer contributions, if any.
- ▶ If decision-making authority has been delegated, you should document the delegation as well.

Comments or follow-ups:

Section 2 - Setting up a CAP

2.1.1 The plan's purpose has been clearly defined and documented.

Where is the plan purpose stated?

Is the plan purpose still valid?

Follow-up required?

Yes

No

With whom?

By when?

(DD/MM/YYYY)

Comments:

- ▶ Many of the CAP Guidelines expectations have to be considered in light of the purpose of the plan, so it is fundamental that you clearly define and document why the plan is being established.
- ▶ For an existing plan, the purpose needs to be reviewed, documented and communicated in order to have a means of assessing whether or not the plan continues to meet its objectives and to better manage member expectations.

Standard Life support:

- ▶ Summary of plan provisions
- ▶ Plan summary
- ▶ Plan text booklet

Comments or follow-ups:

Section 2 - Setting up a CAP (continued)

2.2.1 A range of investment options have been selected in light of the purpose of the plan and the specific characteristics of the group and plan using specific criteria:

- ▶ The number of investment options to be made available
- ▶ The fees associated with the investment options
- ▶ The CAP sponsor's ability to periodically review the options
- ▶ The diversity and demographics of CAP members
- ▶ The degree of diversification among the investment options to be made available to the members
- ▶ The liquidity of the investment options
- ▶ The level of risk associated with the investment options

Follow-up required? Yes No

With whom?

By when?
(DD/MM/YYYY)

Standard Life support:

- ▶ Avenue portfolios™
- ▶ The Monitored Avenue Portfolio Program (MAPP)
- ▶ Quality & Choice investment program™ Management report

Comments or follow-ups:

Section 2 - Setting up a CAP (continued)

2.2.2 The investment funds are compliant with applicable investment rules:

- ▶ Qualified investment under the *Income Tax Act* (Canada)
- ▶ Investment rules under applicable pension legislation

Follow-up required? Yes No

With whom?

By when?
(DD/MM/YYYY)

Standard Life support:

- ▶ Statement of Pooled Fund Investment Policies and Goals
- ▶ Fund Managers' Statement of Investment Principles
- ▶ Standard Life Compliance Certificates
- ▶ Audited financial statements – Pooled and indexed funds
- ▶ Audited financial statements – Third party funds

Comments or follow-ups:

Section 2 - Setting up a CAP (continued)

2.2.4 A policy has been established for members who fail to make investment decisions.

Default fund(s)

Follow-up required?

Yes

No

With whom?

By when?

(DD/MM/YYYY)

Comments:

- ▶ Establish a default investment option and policy for members who, for whatever reason, do not choose their investment mix.
- ▶ The decision of the default investment option and the policy should be documented and communicated to members before any action can be taken under the policy.
- ▶ Plan sponsor may consider monitoring members in the default option, and where appropriate, develop communication aimed at reminding them of the benefits of using a longer-term investment option.

Standard Life support:

- ▶ Enrolment seminars
- ▶ Enrolment material
- ▶ Fund Utilization Report

Comments or follow-ups:

Section 2 - Setting up a CAP (continued)

2.3 Plan record-keeping is being taken care of and plan documents are being retained according to a set documentation retention policy.

Follow-up required?

Yes

No

With whom?

By when?

(DD/MM/YYYY)

Comments:

Questions to be considered:

- ▶ Have you made an inventory of the types of documents to be maintained?

- ▶ Who should have access to the documents for the purpose of the establishment, administration and review of the plan, taking into consideration privacy legislation?

- ▶ Who will be handling your plan's record-keeping?

- ▶ Have you established a document retention policy?

- ▶ If you have hired a provider, are the record-keeping services to be provided clearly defined?

- ▶ Have you requested a copy of the service provider's document retention policy?

Standard Life support:

- ▶ Standard Life's policies on record management/retention

Comments or follow-ups:

Section 3 - Investment information and decision-making tools for CAP members (continued)

3.1 The types of tools and information for members have been determined in light of the purpose of the plan and the specific characteristics of the group and plan:

- ▶ Type of decisions members must make
- ▶ Cost of the information and decision-making tools
- ▶ CAP sponsor's ability to periodically review the options
- ▶ Location, diversity and demographics of CAP members
- ▶ Members' access to computers and the internet

Follow-up required? Yes No

With whom?

By when?
(DD/MM/YYYY)

Standard Life support:

Our tools and information focus on the long-term nature of retirement planning. These include:

- ▶ VIP Room website for members (Demo)
 - Retirement Calculators
 - Your Retirement checkup
 - Investment performance
 - Historical fund information
 - e-Learning modules (The Financial Education Centre)
- ▶ Member Services Centre
- ▶ Enrolment kit
- ▶ Seminars (enrolment, refreshers)
- ▶ Plan for life™ site

Comments or follow-ups:

Section 3 - Investment information and decision-making tools for CAP members *(continued)*

3.2 Decision-making information has been determined and provided to members.

3.3 Decision-making tools have been determined and provided to members.

Follow-up required?

Yes

No

With whom?

By when?

(DD/MM/YYYY)

Standard Life support:

- ▶ Summary of plan provisions
- ▶ Your guide to the basics
- ▶ Quarterly fund returns (Demo)
- ▶ Investment returns and fees (Demo)
- ▶ Investment seminars
- ▶ Member statements (Demo)
- ▶ Investor profile questionnaire (Demo)
- ▶ Retirement Calculators
- ▶ VIP Room website for members (Demo)
- ▶ e-Learning modules (Demo)
- ▶ Online asset rebalancing (Demo)
- ▶ Member Services Centre

Comments or follow-ups:

Section 3 - Investment information and decision-making tools for CAP members *(continued)*

3.4 Whether or not to provide individual personal investment advice has been decided.

3.4.1 If so, a service provider has been selected using established criteria.

Follow-up required?

Yes

No

With whom?

By when?

(DD/MM/YYYY)

Standard Life support:

Standard Life services include access to:

- ▶ Member Education Representatives who organize seminars on various topics in relation to the services and products offered by Standard Life
- ▶ Financial Representatives (automated Info-Line) who provide guidance to members in respect of their plans
- ▶ Retirement Specialists (payout) who help members with the transition from saving to retirement.

Comments or follow-ups:

Section 4 - Introducing the Capital Accumulation Plan to CAP members

4.0 The purpose of the plan and the following information on how it operates has been communicated to eligible individuals:

- ▶ Nature and features of the plan
- ▶ Default investment option
- ▶ Rights & responsibilities
- ▶ Investment options
- ▶ Transfer options, including any applicable fees, penalties or taxes
- ▶ Applicable fees, expenses or penalties that they bear
- ▶ What additional information is available and how to obtain it

Follow-up required? Yes No

With whom?

By when?
(DD/MM/YYYY)

Comments:

We refer you to the specific requirements listed under Section 4 of the CAP Guidelines for each of the items mentioned above in order to properly assess your level of compliance with this principle.

Standard Life support:

- ▶ Enrolment kit and seminars
- ▶ Plan text booklet
- ▶ Plan for life™ site

Comments or follow-ups:

Section 5 - Ongoing communication to members

5.1 to 5.3 Statements of Account and other pertinent information have been provided to members.

Follow-up required? Yes No

With whom?

By when?
(DD/MM/YYYY)

Comments:

The following should be provided to members:

- ▶ Statements of account (at least every 12 months) – Please refer to the specific requirements under subsection 5.1 of the CAP Guidelines
- ▶ Access to additional information – Please refer to the specific requirements under subsection 5.2.1 of the CAP Guidelines
- ▶ Notification of any significant changes in investment options – Please refer to the specific requirements under subsection 5.2.2 of the CAP Guidelines
- ▶ Information regarding investment options were added, replaced or removed – Please refer to the specific requirements under subsections 5.2.3 and 5.2.4 of the CAP Guidelines:
 - Provide prescribed information including options regarding terminated investments
 - Performance reports on each investment option
- ▶ Performance reports for investment funds – Please refer to the specific requirements under subsection 5.3 of the CAP Guidelines

Standard Life support:

- ▶ VIP Room website for members (Demo)
- ▶ Info-Line (Interactive Voice Response system)
- ▶ Your Retirement checkup™ (Demo)
- ▶ Plan text booklet
- ▶ Fund summaries (Demo)
- ▶ Annual statement (Demo)

Comments or follow-ups:

Section 6 - Maintaining a CAP

6.0 The following have been reviewed based on set review policy, including quality service standards, performance objectives, etc.:

- ▶ Service providers
- ▶ Investment options
- ▶ Plan’s record-keeping
- ▶ Members’ decision-making tools

Follow-up required? Yes No

With whom? By when? (DD/MM/YYYY)

Comments:

A policy has to be established to provide rules governing the review process such as the frequency of the review for each CAP Guidelines principle, the person(s) responsible for the review and the reporting of the results.

The review shall take into consideration the specific requirements listed under section 6 of the CAP Guidelines for each of the items mentioned above.

Standard Life support:

- ▶ Standard Life’s Customer Complaint Filing Process
- ▶ Quality & Choice investment program™ Management report
- ▶ Audited financial statements – (Pooled and indexed funds), (Third party funds)
- ▶ Standard Life’s Internal Controls – Objectives and Procedures (CICA section 5970)

Comments or follow-ups:

Section 7 - Termination

7.2 Terminating members have been provided information regarding options available, actions to be taken, deadlines, impact on investments, etc.

Follow-up required?

Yes

No

With whom?

By when?

(DD/MM/YYYY)

Comments:

- ▶ Termination statements and support provided to all terminating members.
- ▶ Subsection 7.1.1 of the CAP Guidelines gives more details on the information that must be provided to members when a plan is terminating, and subsection 7.2.1 gives details on what information must be provided when the member's participation is terminating.

Standard Life support:

- ▶ Comprehensive termination option statements (for RPP)
- ▶ Detailed termination information (all other plan types)
- ▶ The Standard Life Advantage program™
- ▶ Retirement Income Illustrator (Demo)

Comments or follow-ups:
