

SUN LIFE FINANCIAL INC  
Form 11-K  
June 23, 2010

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C. 20549

FORM 11-K

(MARK ONE)

x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

OR

p TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO  
\_\_\_\_\_

Commission file number 001-15014

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

SUN ADVANTAGE  
SAVINGS AND INVESTMENT PLAN  
(Formerly the UNITED STATES EMPLOYEES'  
SUN ADVANTAGE SAVINGS AND  
INVESTMENT PLAN)  
(Full title of the Plan)

One Sun Life Executive Park  
Wellesley Hills, Massachusetts 02481  
(Address of the Plan) (Zip Code)

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

SUN LIFE FINANCIAL INC.  
(Name of the Issuer)

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150 King Street, West, Suite 1400  
Toronto, Ontario Canada M5H 1J9  
(Address of the Issuer's Principal Executive Office) (Zip Code)

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REQUIRED INFORMATION

The following financial statements shall be furnished for the plan:

Items 1-3. The audited statement of financial condition and the audited statement of income and changes in plan equity are omitted pursuant to Item 4 of Form 11-K.

Item 4. Financial statements and schedules prepared in accordance with the financial reporting requirements of ERISA:

SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

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Note: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Administrator and Participants of the  
Sun Life Financial (U.S.) Services Company, Inc.  
Sun Advantage Savings and Investment Plan  
Wellesley Hills, Massachusetts

We have audited the accompanying statements of net assets available for benefits of the Sun Advantage Savings and Investment Plan (formerly the United States Employees' Sun Advantage Savings and Investment Plan) (the "Plan") as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2009 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2009 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ Deloitte & Touche LLP  
Boston, Massachusetts  
June 18, 2010



## SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
YEARS ENDED DECEMBER 31, 2009 AND 2008

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	2009	2008
ASSETS:		
Participant-directed investments, at fair value:		
Cash	\$ 380,904	\$ 270,779
Mutual funds	208,130,083	137,131,024
Vanguard Retirement Savings Trust II	66,369,462	59,577,342
Sun Life Financial Stock Fund	8,170,897	5,081,752
Assets held in Self-Managed Accounts	3,354,577	1,546,511
Participant loans	4,271,842	3,460,902
 Total investments	 290,677,765	 207,068,310
 Employer contributions receivable	 322,704	 3,945,660
 NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	 291,000,469	 211,013,970
 Adjustment from fair value to contract value for fully benefit-responsive stable value fund	 (1,434,786)	 778,897
 NET ASSETS AVAILABLE FOR BENEFITS	 \$ 289,565,683	 \$ 211,792,867

See notes to financial statements.

## SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
YEARS ENDED DECEMBER 31, 2009 AND 2008

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	2009	2008
INVESTMENT ACTIVITY:		
Net appreciation (depreciation) in fair value of investments	\$ 48,772,630	\$ (81,605,229)
Interest	2,212,276	2,671,957
Dividends	4,160,282	5,460,154
Total investment activity	55,145,188	(73,473,118)
CONTRIBUTIONS:		
Employer	20,050,923	25,714,810
Participants	18,000,813	20,579,519
Participant rollovers	2,418,012	2,007,031
Total contributions	40,469,748	48,301,360
DEDUCTIONS:		
Benefits paid directly to participants	17,842,120	19,818,997
NET INCREASE (DECREASE)	77,772,816	(44,990,755)
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	211,792,867	256,783,622
End of year	\$ 289,565,683	\$ 211,792,867

See notes to financial statements.

SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2009 AND 2008

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1. DESCRIPTION OF THE PLAN

Effective December 31, 2009 the United States Employees' Sun Advantage Savings and Investment Plan changed its name to the Sun Advantage Savings and Investment Plan (the "Plan"). Also, effective December 31, 2009, the sponsor of the Plan was changed from Sun Life Assurance Company of Canada (U.S.) to Sun Life Financial (U.S.) Services Company, Inc. (each the "Company" or the "Plan Sponsor").

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General - The Plan was established for the benefit of the Company's U.S. employees and the U.S. employees of its affiliates that elected to become participating employers under the Plan. The purpose of the Plan is to permit eligible employees of the Company and participating employers to defer and receive employer-matching contributions in order to provide funds for employees in the event of death, disability, unemployment and retirement. Any employee, 21 years or older, is eligible to become a participant in the Plan as soon as administratively feasible after his or her first day of employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Plan includes a Retirement Investment Account ("RIA") for the participants of the Plan, including certain participants of the Sun Life Financial (U.S.) Services Company, Inc. Retirement Income Plan ("Defined Benefit Plan") whose benefits under the Defined Benefit Plan were frozen as of December 31, 2005. The RIA participants of the Plan have additional employer contributions made to the Plan as discussed below.

Effective November 7, 2007, Independent Financial Marketing Group, Inc. ("IFMG") ceased to be an Affiliated Employer under the Plan because of the acquisition of IFMG's capital stock by LPL Holdings, Inc. As of that date, the Plan was amended to allow IFMG to continue as a participating employer. Effective December 9, 2008, the Plan was amended to eliminate IFMG as a participating employer.

Contributions - Once an employee becomes eligible to participate in the Plan, he or she may elect to become a participant in the 401(k) account by entering into a salary reduction agreement. The agreement provides that the participant agrees to accept a reduction in compensation in an amount equal to 1% to 60% of his or her compensation. In addition, participants who are age 50 and greater at the end of the calendar year can make up to \$5,500 in catch-up contributions. During 2009, the Plan adopted a feature allowing after-tax Roth contributions which can either replace or complement the 401(k) pre-tax contributions. Similar to 401(k) contributions, Roth contributions can be made in an amount equal to 1% to 60% of his or her compensation. Contributions are subject to certain Internal Revenue Code ("IRC")



limitations. Participants also may contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

Participating employers contribute an amount equal to 50% of the first 6% of compensation that a participant contributes to the Plan.

The Company also contributes to the RIA a percentage of participant's eligible compensation as determined per the following chart based on the sum of the participant's age and service on January 1 of the applicable plan year—

Age Plus Service	Company Contribution
Less than 40	3%
At least 40 but less than 55	5%
At least 55	7%

For RIA participants who are at least age 40 on January 1, 2006 and whose age plus service on January 1, 2006 equals or exceeds 45, the Company also contributes to the RIA from January 1, 2006 through December 31, 2015, a percentage of the participant's eligible compensation as determined per the following chart based on the participant's age and service on January 1, 2006

Age	Service	
	Less than 5 years	5 or more years
At least 40 but less than 43	3.0%	5.0%
At least 43 but less than 45	3.5%	5.5%
At least 45	4.5%	6.5%

For RIA participants who did not become participants in the Defined Benefit Plan before January 1, 2006, the Company made a one-time RIA contribution in January 2006 based on the applicable percentage from the first chart above as of January 1, 2006 and their eligible compensation paid during the period beginning on their hire date and ending on December 31, 2005.

As of December 31, 2008, the Plan recorded a \$3,511,216 one time discretionary RIA contribution receivable from the Company. The contribution was paid into the Plan in March 2009.

**Participant Accounts** - Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, the participating employer's matching contribution, and allocations of Plan earnings, and charged with an allocation of Plan losses and investment related expenses. Allocations are based on participant earnings or account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Investments** - Participants direct the investment of their contributions into various investment options offered by the Plan. Participant selections of one or more of the investment options must be in multiples of 1%. Participating employer matching contributions are invested in accordance with participant investment allocations. The Plan currently offers many mutual

funds, the Sun Life Financial Stock Fund (a party-in-interest), a self-managed account and a stable value fund as investment options for participants.

Vesting - Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the participating employer's contribution portion of their accounts is based on years of continuous service. A participant vests at the rate of 20% per year of credited service and is 100% vested after five years of credited service. A participant is fully vested in his or her share of the participating employer contributions upon retirement at normal retirement age or older, disability, or death, regardless of the length of service.

Participant Loans - A participant may borrow up to 50% of his or her vested account balance with a minimum loan balance of \$1,000 and a maximum loan balance of \$50,000. Repayment is effected through payroll deductions over a period of one to five years for non-mortgage loans and over a period of one to fifteen years for mortgage loans. Loan repayments are credited against investments, as allocated in the participant's account. The loans are secured by the balance in the participant's account and bear interest at local prevailing rates at the time funds are borrowed. At December 31, 2009, interest rates range from 3.25% to 8.50%. Maturity dates are through November 15, 2024.

Payment of Benefits - The Plan provides for normal retirement benefits to be paid to participants who have reached the age of 65. If the participant's service with the participating employer terminates, other than by reason of retirement, the participant may elect to receive his or her distribution following his or her termination of employment. Distributions will be made in installments or in a lump sum, except if the participant's account balance is \$5,000 or less, in which case payment will be made only in a lump sum.

Forfeitures - In the event that a participant terminates service prior to completing five years with the participating employer, the nonvested portion of his or her account will be forfeited. At December 31, 2009 and 2008, forfeited amounts not yet allocated totaled \$66,192 and \$43,523, respectively. These accounts will be used to reduce future participating employer matching contributions. Employer contributions were reduced by \$1,281,214 and \$1,507,574 from forfeited nonvested accounts for the years ended December 31, 2009 and 2008, respectively.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Plan are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates - The preparation of financial statements in conformity with GAAP requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Risks and Uncertainties - The Plan invests in various investment instruments, including mutual funds, stable value funds, and common stocks. Investment securities in general, are exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near-term and that such changes could materially affect the amounts reported in the financial statements.

Investment Valuation and Income Recognition - The Plan's investments are stated at fair value. Shares of mutual funds are valued at quoted market prices which represent the net asset value of shares held by the Plan at year end. Common stock is valued at quoted market prices. Assets held in the self-managed accounts are stated at fair value based on quoted market prices of the assets held in the accounts. Common collective trust funds are stated at fair value as determined by the issuer of the common collective trust funds based on the fair market value of the underlying investments. Common collective trusts, which are stable value funds, with

underlying investments in fully benefit-responsive investment contracts are valued at fair market value of the underlying investments and then adjusted by the issuer to contract value, as discussed below. Participant loans are stated at the outstanding loan balances, which approximates fair value.

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 962 “Plan Accounting – Defined Contribution Pension Plans,” the stable value fund is included at fair value in participant-directed investments in the statements of net assets available for benefits, and an additional line item is presented representing the adjustment from fair value to contract value. The statements of changes in net assets available for benefits are presented on a contract value basis.

Purchases and sales of securities are recorded on the trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Management fees and operating expenses charged to the Plan for investments in mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Payment of Benefits - Benefit payments to participants are recorded upon distribution.

Administrative Expenses - Administrative expenses of the Plan are paid by the Plan Sponsor except for certain fees which are paid by the participants. These fees include loan fees, advisory fees, and fund redemption fees. For the years ended December 31, 2009 and 2008, these fees which totaled \$53,249 and \$47,580, respectively, are included in benefits paid directly to participants in the statements of changes in net assets available for benefits.

Excess Contributions Payable - The Plan is required to return contributions received during the Plan year in excess of IRC limits.

New and Adopted Accounting Pronouncements - In June 2009, the FASB issued FASB ASC Topic 105, "Generally Accepted Accounting Principles." This guidance establishes the FASB ASC as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. FASB ASC Topic 105 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Plan adopted FASB ASC Topic 105 on December 31, 2009 and has updated its referencing for all accounting standards in these financial statements.

The Plan has adopted certain provisions of FASB ASC Topic 855, "Subsequent Events," which were issued in May 2009. This topic requires evaluation of subsequent events through the date that the financial statements are issued or are available to be issued. FASB ASC Topic 855 sets forth the period under which the reporting entity should evaluate the subsequent events to be recognized or disclosed, the circumstances under which the reporting entity should recognize the events or transactions that occur after the balance sheet date, and the disclosures that the reporting entity should make about the subsequent events.

In February 2010, the FASB issued Accounting Standards Update ("ASU") No. 2010-09 "Subsequent Events (Topic 855)-Amendments to Certain Recognition and Disclosure Requirements" which removes the requirement for U.S. Securities and Exchange Commission (the "SEC") filers to disclose the date through which subsequent events have been evaluated. The ASU No. 2010-09 is effective upon issuance. Events that have occurred subsequent to December 31, 2009 have been evaluated by the Plan in accordance with ASU No. 2010-09.

The Plan has adopted certain provisions of FASB ASC Topic 820, "Fair Value Measurements," which were issued in April 2009. This issuance provides additional guidance for estimating fair value when the volume and level of activity for the asset or liability have significantly decreased in relation to normal market activity for the asset or liability, as well as guidance on identifying circumstances that indicate a transaction is not orderly. FASB ASC Topic 820 also

requires annual and interim disclosure of the inputs and valuation techniques used to measure fair value and a discussion of changes in valuation techniques and related inputs, if any during the period, and definitions of each major category for equity and debt securities, as described in FASB ASC Topic 320. The Plan adopted the above-noted aspects of FASB ASC Topic 820 on December 31, 2009; such adoption did not have a material impact on the Plan's financial statements.

In September 2009, the FASB issued ASU No. 2009-12, Fair Value Measurements and Disclosures: Investments in Certain Entities That Calculate Net Asset per Share (or Its Equivalent) (“ASU 2009-12”), which amended ASC Subtopic 820-10, Fair Value Measurements and Disclosures — Overall. ASU No. 2009-12 is effective for the first reporting period ending after December 15, 2009. ASU No. 2009-12 expands the required disclosures for certain investments with a reported net asset value. ASU No. 2009-12 permits, as a practical expedient, an entity holding investments in certain entities that calculate net asset value per share or its equivalent for which the fair value is not readily determinable, to measure the fair value of such investments on the basis of that net asset value per share or its equivalent without adjustment. The ASU requires enhanced disclosures about the nature and risks of investments within its scope. Such disclosures include the nature of any restrictions on an investor’s ability to redeem its investments at the measurement date, any unfunded commitments, and the investment strategies of the investee. The Plan has adopted ASU No. 2009-12 on a prospective basis for the year ended December 31, 2009. Adoption did not have a material impact on the fair value determination and disclosure of applicable investments.

Accounting Pronouncements Not Yet Adopted — In August 2009, the FASB issued ASU No. 2009-05, “Fair Value Measurements and Disclosures (Topic 820) – Measuring Liabilities at Fair Value.” This update amends FASB ASC Topic 820 and provides clarification regarding the valuation techniques required to be used to measure the fair value of liabilities where quoted prices in active markets for identical liabilities are not available. In addition, this update clarifies that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability. The guidance provided in ASU No. 2009-05 is effective for the first reporting period, including interim periods, beginning after issuance. The Plan adopted this guidance on January 1, 2010. The adoption of this guidance did not have a material impact on the Plan’s financial statements.

In January 2010, the FASB issued ASU 2010-06 “Fair Value Measurement and Disclosures (Topic 820)-Improving Disclosure about Fair Value Measurements,” which provides amendments to FASB ASC Topic 820 “Fair Value Measurements and Disclosures” that will provide more robust disclosures about the following:

- Ø The different classes of assets and liabilities measured at fair value;
- Ø The valuation techniques and inputs used;
- Ø The transfers between Levels 1, 2, and 3; and
- Ø The activity in Level 3 fair value measurements.

Certain new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 31, 2009. Disclosures about purchases, sales, issuances and settlements in the roll-forward of activities in Level 3 are effective for fiscal years beginning after December 15, 2010. The Plan adopted this guidance on January 1, 2010, and will include the new disclosures prospectively, as required.

### 3. PLAN ADMINISTRATOR AND TRUSTEE

The Benefit Plans Committee (the "Committee") is the named Plan Administrator of the Plan. At December 31, 2009, the Committee consisted of seven members. State Street Bank



and Trust Company is the named Trustee of the Sun Life Financial (U.S.) Services Company, Inc. Sun Advantage Savings and Investment Plan.

4. FEDERAL INCOME TAX STATUS

The Plan obtained its latest determination letter dated October 29, 2002, in which the Internal Revenue Service stated that the Plan and related trust as then designed were in compliance with the applicable regulations of the IRC. The

Plan has been amended since receiving the determination letter and the Company refiled an application for a favorable determination on January 29, 2010. The IRS acknowledged receipt of the application in a letter to the Company, dated February 23, 2010. The Committee believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.