

SUN LIFE FINANCIAL INC
Form 11-K
June 29, 2015

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 11-K

(MARK ONE)

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

OR

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

(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)

150 King Street, West, Suite 1400
Toronto, Ontario Canada M5H 1J9

(Address of the Issuer's Principal Executive Office) (Zip Code)

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 schedule 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 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 (the "Plan") as of December 31, 2014 and 2013, 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 at December 31, 2014 and 2013, 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.

The supplemental schedule of assets (held at end of year) as of December 31, 2014 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, such schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts
June 26, 2015

SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2014 AND 2013

	2014	2013
ASSETS:		
Investments, at fair value:		
Participant directed funds:		
Registered investment companies	\$ 412,108,906	\$ 382,906,318
Vanguard Retirement Savings Trust II	75,124,243	74,139,776
Sun Life Financial Common Stock	10,859,108	10,903,509
Assets held in self-managed accounts	8,176,404	7,165,175
Short-Term Investment Fund	432,999	484,248
Total investments	506,701,660	475,599,026
Receivables:		
Notes receivable from participants	3,525,661	3,552,038
Employer contributions receivable	324,773	349,054
Total receivables	3,850,434	3,901,092
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	510,552,094	479,500,118
Adjustment from fair value to contract value for fully benefit-responsive stable value fund	(2,237,421)	(2,010,111)
NET ASSETS AVAILABLE FOR BENEFITS	\$ 508,314,673	\$ 477,490,007

The accompanying notes are an integral part of these financial statements.

SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
ADDITIONS:		
Contributions:		
Employer contributions	\$ 17,110,713	\$ 19,073,513
Participant contributions	15,030,313	16,080,295
Participant rollover contributions	3,467,375	3,839,118
Total contributions	35,608,401	38,992,926
Investment income:		
Net appreciation in fair value of investments	10,190,837	67,726,901
Dividends	20,140,641	14,133,856
Interest	1,452,610	1,497,516
Net investment income	31,784,088	83,358,273
Interest income on notes receivable from participants	114,835	129,964
Total additions	67,507,324	122,481,163
DEDUCTIONS:		
Benefits paid to participants	36,351,621	48,285,496
Administrative expenses	331,037	270,858
Total deductions	36,682,658	48,556,354
INCREASE IN NET ASSETS	30,824,666	73,924,809
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	477,490,007	403,565,198
End of year	\$ 508,314,673	\$ 477,490,007

The accompanying notes are an integral part of these financial statements.

SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

1. DESCRIPTION OF THE PLAN

The following description of the Sun Advantage Savings and Investment Plan (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 is a defined contribution plan established for the benefit of Sun Life Financial (U.S.) Service Company, Inc.'s (the "Company" or the "Plan Sponsor") U.S. employees and the U.S. employees of its affiliate, Sun Life Investments LLC that elected to become a participating employer under the Plan. The Plan provides for a Benefits Plan Committee (the "Committee") which consisted of six and five members at December 31, 2014 and 2013, respectively. In 2014 five of the members are employees of the Company and one member is an employee of an affiliate of the Company. The Committee is the named Plan Administrator. The purpose of the Plan is to permit eligible employees of the Company and participating employees to defer and receive employer-matching contributions in order to provide funds for employees in the event of death, disability, unemployment or 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 Company's 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.

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 the participant's 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 which will be contributed to the plan. Catch-up contributions are not eligible for Company Matching Contributions. The Plan contains 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 the participant's compensation. Participants also may contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Contributions are subject to certain Internal Revenue Code ("IRC") limitations.

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

The participating employers also contribute 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 years of RIA credited service on January 1 of the applicable plan year:

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

At least 55

7%

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SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

1. DESCRIPTION OF THE PLAN (CONTINUED)

Company Matching Contributions (Continued)

For RIA participants who are at least age 40 on January 1, 2006 and whose age plus years of service on January 1, 2006 equals or exceeds 45, the participating employers also contribute 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 years of 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%

Participant Accounts - Individual accounts are maintained for each participant of the Plan. Each participant's account is credited with the participant's contributions, related matching contributions, RIA non-elective contributions, 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.

Vesting - Participants are vested immediately in their contributions, plus actual earnings thereon. Vesting in the participating employer's contribution portion of their accounts, including RIA contributions, is based on years of credited 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.

Investments - Participants may direct the investment of their contributions and/ or account balances into various investment options offered by the Plan and may change investments and transfer amounts between funds daily. Participant selections of one or more of the investment options must be in multiples of 1%. Participating employer contributions are invested in accordance with participant investment allocations. The Plan currently offers many registered investment companies, the Sun Life Financial Stock Fund (a party-in-interest), a self-managed account and a stable value fund as investment options for participants.

The Sun Life Financial Stock Fund is only available to participants in this Plan and invests primarily in the common stock of Sun Life Financial Inc., an affiliate of the Company, with a small portion invested in the Short-Term Investment Fund.

SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

1. DESCRIPTION OF THE PLAN (CONTINUED)

Amendments to the Plan - On February 19, 2013, a discretionary amendment to the Plan ("Amendment # 3") was executed. This amendment contained two significant changes. The first provides that any participant must have at least 1,000 hours of service in the plan year in which the employee terminates their employment, for that plan year to count as a year of service for vesting purposes of the 401k employer match. The second provides that any participant with a vested percentage less than 100% will be 100% vested if the applicable participating company notifies the Committee that the participant has satisfied the following three conditions: (1) the participant's employment is being terminated on or after December, 31 2012; (2) such termination of employment occurs as a result of the approval on August 14, 2012 by the Board of Trustees of Sun Capital Advisers Trust of the proposals to transfer the responsibility for managing the assets of the Trust's funds from Sun Capital Advisers LLC to Massachusetts Financial Services Company; and (3) the participant submits to the participating company, and does not revoke, an executed waiver and release agreement as a condition of receiving post-employment severance payments from such participating company, and the participant begins receiving those post-employment severance payments. The impact to employees by Amendment #3 was immaterial to the Plan.

On August 5, 2013, an additional discretionary amendment to the Plan ("Amendment # 4") was executed as the result of the sale of the domestic U.S. annuity business and certain life insurance businesses by Sun Life Financial Inc. ("Sun Life Financial") to Delaware Life Holdings, LLC, including the issued and outstanding shares of stock of Sun Life Assurance Company of Canada (U.S.) ("Sun Life (U.S.)") and its subsidiary Sun Life Insurance and Annuity Company of New York (the "Sale Transaction"). The Sale Transaction closed on August 2, 2013 with an effective date of August 1, 2013. The amendment provides that any participant with a vested percentage less than 100% will be 100% vested if the applicable participating company notifies the Committee that the participant has satisfied one of the following three conditions: (1) the participant's employment is being terminated on or after August 2, 2013 and then immediately begins employment with Sun Life (U.S.) which is to be renamed Delaware Life Insurance Company ("Delaware Life"); (2) the participant is on an approved leave of absence from a participating Company on August 2, 2013 and then within the next six months returns from that approved leave of absence and immediately begins employment with Delaware Life; or (3) in August 2013 the participant terminates employment with a participating company after the participant becomes eligible under the U.S. immigration laws to begin employment with Delaware Life and then actually begins such employment. There were 59 unvested or partially vested employees impacted by this amendment resulting in additional vesting in their Plan accounts of approximately \$299,000.

On January 23, 2014 the Plan was amended and restated effective January 1, 2014. The restatement consolidated previous amendments into a revised Plan document and did not result in significant changes to the Plan.

On May 12, 2014, a discretionary amendment to the Plan (as amended and restated effective January 1, 2014) was executed. The amendment applies to any participant who contributes elective deferrals to the Plan and another 401(k) plan in excess of the IRC yearly limit for elective deferrals and then requests a distribution from the Plan of all or part of the excess deferral amount. The amendment provides that the participant will (1) receive a distribution from the Plan of the requested excess amount, net of any income or loss allocable thereto and (2) at the time of such distribution, any matching employer contribution under the Plan attributable to the requested excess amount, net of any income or loss allocable thereto, will be treated as a Forfeiture to the Plan.

On December 22, 2014, a discretionary amendment to the Plan (as amended and restated effective January 1, 2014) was executed. The amendment applies to any "Grandfathered Plan Participant" under the Defined Benefit Plan, on December 19, 2014. The amendment provides that, beginning January 1, 2015, and for each pay period ending in the

2015 Plan year, these participants shall receive contributions to the Plan equal to 6.5% of their RIA Eligible Compensation in each pay period.

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SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

1. DESCRIPTION OF THE PLAN (CONTINUED)

Partial Plan Termination - During the Plan year 2013, the Committee determined that the participant turnover in the period from January 1, 2012 through August 16, 2013 resulted in a partial plan termination. The Committee decided to recognize the effect of this decision in the Plan year 2013 and as a result, there were 9 unvested or partially vested involuntarily-terminated participants who were required to be fully vested in the Plan. The other involuntarily-terminated participants were fully vested in the Plan based on either their years of service at the time of their termination or being subject to a discretionary vesting amendment to the Plan. The full vesting of the 9 participants resulted in additional employer contributions to their Plan accounts of approximately \$78,000.

Self-Correction Program ("SCP") - On November 18, 2013, the Committee completed the correction of an operational failure to correctly administer the Plan and this correction was made under the IRS's Employee Plans Compliance Resolution System SCP. This operational failure was limited to new hires and rehires that did not complete at least 1,000 hours of service by the end of the Plan year of their hire or rehire, and then terminated employment before becoming fully vested after five years of service. These participants were erroneously subject to a partial or full forfeiture because the Plan records incorrectly reflected one fewer year of service than required by the Plan's year of service definition. The failure was first discovered in January 2012 and the Plan's year of service definition was properly applied beginning with the 2012 Plan year, which limited the failure to those hired or rehired prior to 2012. The Committee reviewed forfeitures in Plan years 2006-2011 and determined that 53 participants had been affected by the failure. The failure was corrected under the IRS's SCP and the Plan Sponsor made employer contributions for all 53 participants of approximately \$30,000 for both the previously forfeited amounts and earnings on those amounts. Also, in order to simplify Plan administration, Amendment #3 changed the year of service definition for new hires and rehires beginning January 1, 2013.

On May 22, 2015, the Committee completed the correction of an operational failure to correctly administer the Plan and this correction was made under the IRS's Employee Plans Compliance Resolution System SCP. This operational failure occurred during Plan years 2006-2014 and was limited to 16 employees who reached aged 21 and shortly thereafter should have become eligible participants in the Plan but were not given the opportunity to enroll. The failure affected the 16 participants in one or both of the following ways: (i) certain RIA contributions were not made to the participant's Plan account, or (ii) there was not a timely communication that the participant had become eligible to make elective 401(k) contributions to the Plan. The failure was corrected under the IRS's SCP and the Plan Sponsor made employer contributions for all 16 participants of approximately \$34,600 of contributions and approximately \$18,300 of earnings on those contributions, restoring their Plan accounts. These contributions have been reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2014.

Notes receivable from participants - A participant may borrow up to 50% from their 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 up to five years for non-mortgage loans and over a period of up to fifteen years for mortgage loans. Only one non-mortgage loan and one mortgage loan are permitted to be outstanding at any time. Loan repayments are credited against investments, as allocated in the participant's account. The loans are secured by an assignment of a participant's vested interest in the Plan, and bear interest rate commensurate with local prevailing rates at the time funds are borrowed as determined by the Plan administrator. At December 31, 2014, interest rates range from 3.25% to 8.41%.

SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

1. DESCRIPTION OF THE PLAN (CONTINUED)

Payment of Benefits - The Plan provides for normal retirement benefits to be paid to participants who have reached the age of 65. A participant who has reached the age of 59 1/2 may withdraw all or a portion of their account by submitting a specific request to the Plan. 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.

Participants are also eligible to make hardship withdrawals from their deferred contributions in the event of certain financial hardships. Following a hardship withdrawal, participants are not allowed to contribute to the Plan for a period of six months.

Forfeited Accounts - When certain terminations of participation in the Plan occur, the non-vested portion of the participant's account as defined by the Plan represents a forfeiture. The Plan document permits the use of forfeitures to either reduce future employer contributions or plan administrative expenses. However, if a participant is reemployed and fulfills certain requirements, as defined in the Plan document, the account will be reinstated. At December 31, 2014 and 2013, forfeited amounts not yet allocated totaled \$108,515 and \$99,769, respectively. Employer contributions were reduced by \$1,126,871 and \$656,720 from forfeited non-vested accounts for the years ended December 31, 2014 and 2013, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Use of Estimates - The preparation of the financial statements in conformity with GAAP requires the Plan management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Risks and Uncertainties - The Plan provides various investment options to its participants. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the value of the participants' account balances and the amounts reported in the financial statements.

Investment Valuation and Income Recognition - The Plan's investments are stated at fair value, except for its collective trust investment, which is valued at contract value, see Note 7 for discussion of collective trust investments. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for discussion of fair value measurements.

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. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Notes Receivable From Participants - Participant notes receivable are measured at their unpaid principal balance plus any accrued, but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the Plan document.

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SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Payment of Benefits - Benefit payments to participants are recorded upon distribution. There were no participants, who elected to withdraw from the Plan, but had not yet been paid at December 31, 2014 and 2013.

Administrative Expenses - Administrative expenses of the Plan are paid by the Plan Sponsor except for certain fees which are paid by the participants. Fees incurred by participants and reflected in administrative expenses within the statements of changes in net assets available for benefits include loan fees, advisory fees, fund redemption fees and self-managed account fees. All investment management and transaction fees directly related to the Plan investments are paid by the Plan. Management fees and operating expenses charged to the Plan for investments are deducted from income earned on a daily basis and are not separately reflected. Consequently, these management fees and operating expenses are reflected as a reduction of investment return for such investments.

New and Adopted Accounting Pronouncements - In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-07, Fair Value Measurement (Topic 820) - Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share as a practical expedient. ASU 2015-07 also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the practical expedient and limits those disclosures to investments for which the Plan has elected to measure the fair value using the practical expedient. The amendments are effective for the Plan during the year ended December 31, 2016. The Plan is evaluating the impact of the guidance on the Plan's financial statement disclosures.

3. TRUSTEE

VOYA Institutional Trust Company, formerly known as the ING Institutional Trust Company (a corporate name change occurred on May 1, 2014) is the named Trustee of the Plan.

4. FEDERAL INCOME TAX STATUS

The Plan obtained a determination letter dated March 6, 2015, in which the Internal Revenue Service ("IRS") stated that the Plan and related trust as designed, including the May 12, 2014 discretionary amendment to the Plan, were in compliance with the applicable regulations of the IRC. The Plan has been amended since May 12, 2014. The Committee believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and the Plan and the related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Committee believes it is no longer subject to income tax examinations for years prior to 2011.

5. PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, participants would become 100% vested in their accounts.

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SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

6. INVESTMENTS

The Plan's individual investments that represented 5% or more of the Plan's net assets available for benefits as of December 31, 2014 and 2013, respectively, are as follows:

	2014	2013
Registered investment companies		
Vanguard Institutional Index Fund	\$ 76,312,451	\$ 69,390,132
Vanguard Morgan Growth Fund	43,675,687	42,662,941
Vanguard Developed Markets Index Fund	35,933,727	36,154,037
Vanguard Total Bond Market Index Fund	29,611,361	24,785,911
Collective trust, at contract value		
Vanguard Retirement Savings Trust II	72,886,822	72,129,665

During the years ended December 31, 2014 and 2013, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	2014	2013
Registered investment companies		
Balanced funds	\$ 1,309,178	\$ 7,523,010
Domestic stock funds	11,964,965	51,157,184
Fixed income funds	643,977	(2,500,427)
International stock funds	(4,128,194)	7,245,006
Total registered investment companies	9,789,926	63,424,773
Sun Life Financial Common Stock	253,285	2,959,946
Assets held in self-managed accounts	147,626	1,342,182
Net appreciation in fair value of investments	\$ 10,190,837	\$ 67,726,901

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Plan uses various methods including market, income and cost approaches. The Plan utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

The Plan has categorized its financial instruments that are carried at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument.

SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

6. INVESTMENTS (CONTINUED)

The levels of the fair value hierarchy are as follows:

Level 1

Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market that the Plan has the ability to access. Active markets are defined as a market in which many transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

The types of assets utilizing Level 1 valuations include investments in publicly traded mutual funds with quoted market prices, Sun Life Financial Common Stock and publicly traded equity investments and mutual funds held in self-managed accounts.

Level 2

Observable inputs other than Level 1 prices, such as quoted prices in active markets for similar assets or liabilities; quoted prices in markets that are not active for identical or similar assets or liabilities, or other model driven inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Valuations are generally obtained from third-party pricing services for identical or comparable assets or liabilities or through the use of valuation methodologies using observable market inputs.

Vanguard Retirement Savings Trust II stable value fund utilizes Level 2 inputs.

Level 3

Instruments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions in pricing the asset or liability. Pricing may also be based upon broker quotes that do not represent an offer to transact. Prices are determined using valuation methodologies such as option pricing models, discounted cash flow models and other similar techniques. Non-binding broker quotes, which are utilized when pricing service information is not available, are reviewed for reasonableness based on the Plan's understanding of the market, and are generally considered Level 3. To the extent the internally developed valuations use significant unobservable inputs; they are classified as Level 3.

The Plan did not hold investments that are utilizing Level 3 valuations during the years ended December 31, 2014 and 2013.

There have been no significant changes made in valuation techniques during 2014 or 2013.

SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

6. INVESTMENTS (CONTINUED)

The following table presents by fair value hierarchy the Plan's investments at fair value as of December 31, 2014:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Registered investment companies				
Balanced funds	\$59,279,314	\$ -	\$ -	\$ 59,279,314
Domestic stock funds	254,458,802	-	-	254,458,802
Fixed income funds	48,214,548	-	-	48,214,548
International stock funds	50,156,242	-	-	50,156,242
Total registered investment companies	412,108,906	-	-	412,108,906
Vanguard Retirement Savings Trust II	-	75,124,243	-	75,124,243
Sun Life Financial Common Stock	10,859,108	-	-	10,859,108
Assets held in self-managed accounts	8,176,404	-	-	8,176,404
Short-Term Investment Fund	432,999	-	-	432,999
Total investments at fair value	\$431,577,417	\$75,124,243	\$ -	\$506,701,660

The following table presents by fair value hierarchy the Plan's investments at fair value as of December 31, 2013:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Registered investment companies				
Balanced funds	\$52,114,119	\$ -	\$ -	\$ 52,114,119
Domestic stock funds	235,913,282	-	-	235,913,282

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Fixed income funds	43,431,700	-	-	43,431,700
International stock funds	51,447,217	-	-	51,447,217
Total registered investment companies	382,906,318	-	-	382,906,318
Vanguard Retirement Savings Trust II	-	74,139,776	-	74,139,776
Sun Life Financial Common Stock	10,903,509	-	-	10,903,509
Assets held in self-managed accounts	7,165,175	-	-	7,165,175
Short-Term Investment Fund	484,248	-	-	484,249
Total investments at fair value	\$401,459,250	\$74,139,776	\$	- \$475,599,026

The Plan transfers assets into or out of levels at the fair value as of the beginning of the reporting period. Transfers made are the result of changes in the level of observability of inputs used to price assets. The Plan did not transfer assets or liabilities between Levels 1 and 2 during the years ended December 31, 2014 and 2013.

The methods and assumptions that the Plan uses in determining the estimated fair value of its financial instruments that are measured at fair value on a recurring basis are summarized below:

SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

6. INVESTMENTS (CONTINUED)

Registered investment companies - The Plan's investment in shares of registered investment companies are valued at the daily closing price as reported by the fund. Registered investment companies shares held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Vanguard Retirement Savings Trust II - The Plan's investment in the Vanguard Retirement Savings Trust II collective trust fund is stated at fair value as determined by the issuer of the collective trust fund based on the fair market value of the underlying investments. The collective trust, which is a stable value fund, with underlying investments in fully benefit-responsive investment contracts is valued at fair market value of the underlying investments and then adjusted by the issuer to contract value, as discussed below.

In accordance with FASB 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 as contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the underlying defined-contribution plans.

Redemption restrictions associated with the collective trust fund are disclosed in Note 7.

Sun Life Financial Common Stock - The Plan's investment in the Sun Life Financial Common Stock is valued at quoted market prices in active markets.

Assets held in self-managed accounts - Assets held in self-managed accounts include registered investment companies and exchange traded stocks and bonds. These assets are stated at fair value based on quoted market prices in active markets of the assets held in the accounts.

Short-Term Investment Fund - Investments in money market funds are valued at quoted market prices in active markets.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

7. FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACTS

The Vanguard Retirement Savings Trust II (the "Trust"), is a collective investment trust established on August 31, 2001, under Section 404 of the Pennsylvania Banking Code. The Trust provides for the collective investment of assets of tax-exempt pension and profit-sharing plans. The Trust invests solely in Vanguard Retirement Savings Trust Master Trust ("VRST Master Trust"). The underlying investments in VRST Master Trust are primarily in a pool of synthetic and traditional investment contracts that are issued by insurance companies and commercial banks and in

contracts that are backed by high-quality bonds, bond trusts, and bond mutual funds that are selected by the Trustee, Vanguard Fiduciary Trust Company. The issuers' ability to meet these obligations may be affected by economic developments in their respective companies and industries. An investment in the Trust is neither insured nor guaranteed by the U.S. government or by Vanguard, and there is no assurance that the VRST Master Trust will be able to maintain a stable net asset value of \$1 per unit.

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SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

7. FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACTS (CONTINUED)

Traditional investment contracts issued by insurance companies and banks are nontransferable, but provide for benefit-responsive withdrawals by plan participants at contract value. For traditional investment contracts, fair value comprises the expected future cash flows for each contract discounted to present value. Contract value represents contributions made plus interest accrued at the contract rate, less withdrawals. The crediting rate on traditional contracts is typically fixed for the life of the investment.

Synthetic investment contracts consist of investments together with contracts under which a bank or other institution provides for benefit-responsive withdrawals by plan participants at contract value. For synthetic investment contracts, the fair value comprises the aggregate market values of the underlying investments in bond trusts, and the value of the wrap contracts, if any. The difference between valuation at contract value and fair value is reflected over time through the crediting rate formula provided for in the Trust's synthetic contracts. The crediting rate of the contract resets every quarter based on the performance of the underlying investment portfolio. To the extent that the Trust has unrealized gains and losses (that are accounted for, under contract value accounting, through the value of the synthetic contract), the interest crediting rate may differ from then-current market rates. An investor currently redeeming Trust units may forego a benefit, or avoid a loss, related to a future crediting rate different from then-current market rates.

The Trust imposes certain restrictions on the Plan, and the Trust itself may be subject to circumstances that impact its ability to transact at contract value, as described in the following paragraphs. Plan management believes that the occurrence of events that would cause the Trust to transact at less than contract value is not probable.

Limitations on the Ability of the Fund to Transact at Contract Value:

Any event outside the normal operation of the Trust that causes a withdrawal from an investment contract may result in a negative market value adjustment with respect to the withdrawal. The following events may limit the ability of the Trust to transact at contract value:

- Ø Partial or complete legal termination of the Trust or a unit holder
- Ø Tax disqualification of the Trust or unit holder
- Ø Certain Trust amendments if issuers' consent is not obtained

In general, issuers may terminate the contract and settle at other than contract value if there is a change in the qualification status of participant, employer, or plan; a breach of material obligations under the contract and misrepresentation by the contract holder; or failure of the underlying portfolio to conform the pre-established investment guidelines.

8. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Massachusetts Financial Services Company, an affiliate of the Company, manages two mutual fund investment options within the Plan. These options are the MFS High Income Fund and the MFS Total Return Fund, each of which is an investment company registered under the Investment Company Act of 1940. The MFS High Income Fund is valued at \$8,543,982 and \$9,340,521 as of December 31, 2014 and 2013. The MFS Total Return Fund is valued at \$20,449,459 and \$19,805,045 as of December 31, 2014 and 2013. Net investment income for the years ended December 31, 2014 and 2013 for the MFS High Income Fund were \$262,093 and \$600,125, respectively, and for the MFS Total Return Fund net investment income for the years ended December 31, 2014 and 2013 were \$1,652,256 and

\$3,218,481, respectively. Investment advisory fees are paid from the funds to the affiliate. Fees paid by the Plan for investment management services were included as a reduction of the return on each fund.

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SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

8. EXEMPT PARTY-IN-INTEREST TRANSACTIONS (CONTINUED)

At December 31, 2014 and 2013, the Plan held 301,140 and 308,619 shares, respectively, of common stock of Sun Life Financial Inc. an affiliate of the Company, with a cost basis of \$9,037,003 and \$9,301,610, respectively. During the years ended December 31, 2014 and 2013, the Plan recorded dividend income from such securities of \$395,507 and \$444,482, respectively. These transactions qualified as permitted party-in-interest transactions.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2014 to Form 5500:

Net assets available for benefits per the financial statements	\$508,314,673
Less: Certain deemed distributions of participant loans	(8,927)
Net assets available for benefits per the Form 5500	\$508,305,746

The following is a reconciliation of the changes in net assets per the financial statements for the year ended December 31, 2014 to Form 5500:

Increase in net assets per the financial statements	\$ 30,824,666
Less: Certain deemed distributions of participant loans	(8,927)
Increase in net assets per the Form 5500	\$ 30,815,739

10. SUBSEQUENT EVENTS

Subsequent events were evaluated from the balance sheet date through the date of issuance of the financial statements on June 26, 2015. No events were identified subsequent to December 31, 2014 that would have a material effect on the financial condition of the Plan.

* * * * *

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SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN

Employer ID No: 26-3730703 Plan No. 005

FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2014

(a) Lessor or Similar Party	(b) Identity of Issue, Borrower	(c) Description of Investment, Including Collateral, Rate of Interest, Maturity Date, Par or Maturity Value	Number of Shares	(d) Cost**	(e) Current Value
*** Vanguard		Vanguard Retirement Savings Trust II - Collective Trust	72,886,821.917		\$72,886,822
* Massachusetts Financial Services		Registered investment companies: MFS High Income Fund	2,455,167.189		8,543,982
Fidelity Investments Vanguard		MFS Total Return Fund	1,124,214.357		20,449,459
		Fidelity Low-Priced Stock Fund	212,199.166		10,663,008
		Vanguard Growth	185,377.759		9,954,785
		Vanguard Institutional Index Fund	404,475.806		76,312,451
		Vanguard Total Bond Market Index Fund	2,724,136.126		29,611,361
		Vanguard Mid-Cap	459,319.194		15,520,395
		Vanguard Small Cap	394,328.614		22,031,139
		Vanguard Inflation-Protected Securities Fund	954,383.933		10,059,207
		Vanguard Value	362,922.246		11,954,659
		Vanguard Developed Markets Index Fund	2,950,223.923		35,933,727
		Vanguard Morgan Growth Fund	556,307.314		43,675,687
JP Morgan		JP Morgan Mid Cap Growth Fund	742,402.943		20,891,219
T. Rowe Price		T. Rowe Price International Stock Fund	911,115.638		14,222,515
		T. Rowe Price Equity Income Fund	424,404.763		13,920,476
		T. Rowe Price Mid-Cap Value Fund	741,892.126		21,381,331
		T. Rowe Price Retirement Balanced Fund	81,270.557		1,206,055
		T. Rowe Price Retirement 2010 Fund	39,057.770		692,494
		T. Rowe Price Retirement 2015 Fund	155,443.775		2,249,271
		T. Rowe Price Retirement 2020 Fund	176,759.341		3,660,686
		T. Rowe Price Retirement 2025 Fund	372,636.289		5,854,116
		T. Rowe Price Retirement 2030 Fund	205,259.852		4,725,082
		T. Rowe Price Retirement 2035 Fund	377,578.395		6,290,456
		T. Rowe Price Retirement 2040 Fund	181,095.051		4,331,794
		T. Rowe Price Retirement 2045 Fund	270,704.126		4,331,266
		T. Rowe Price Retirement 2050 Fund	228,194.614		3,060,090
		T. Rowe Price Retirement 2055 Fund	182,460.071		2,428,544
American Funds		American Funds The New Economy Fund	165,139.076		6,095,283
AllianceBernstein		AllianceBernstein Discovery Value Fund	99,678.864		2,058,368
		Total registered investment companies			412,108,906
* Sun Life Financial Inc.		Sun Life Financial Common Stock	301,140		10,859,108
Self-Managed Accounts		Self-Managed Accounts			8,176,404
State Street		State Street Global Advisors Short-Term Investment Fund	432,999		432,999

* Participant Loans	Interest rates ranging from 3.25% to 8.41%	3,525,661
	Total	507,989,900

* Party-in-interest.

** Cost is not required for participant directed investments and therefore has not been included.

*** Value is reported net of the adjustment to contract value of \$2,237,421.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

SUN ADVANTAGE SAVINGS AND INVESTMENT PLAN
(Name of Plan)

By: /s/ Emily B. Schur
Emily B. Schur
Chair, Benefit Plans Committee

Dated: June 26, 2015

EXHIBIT INDEX

Exhibit Number Description

23 Consent of Independent Registered Public Accounting Firm

