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Sun Life Financial Unretirement Index Reveals 65 Percent of US Workers Now Expect to Delay Retirement

27 Percent of Those Surveyed Believe They Will Work at Least Five Years More than Expected; Index Reveals Widespread Decline in Confidence Toward Retirement Planning, Government Benefits and Employer Benefits

WELLESLEY, MA (October 22, 2009) - The U.S. division of Sun Life Financial Inc. (NYSE:SLF, TSX:SLF) today released the latest edition of its UnretirementSM Index, which reveals 65 percent of American workers will delay their retirement by at least one year – an 11 percent increase since the end of 2008. The Index also indicates 27 percent of Americans now believe they will need to work at least five years longer than expected because of the current economic environment. The third release of Sun Life's biannual Index gauges how economic, financial, and societal forces affect working Americans, and forecasts their future retirement decisions that will impact individuals, the government, employers and the larger economy.

Sun Life's current research also shows more Americans plan to remain in the workforce past the traditional retirement age of 67. Fifty-five percent of those surveyed say they will work full- or part-time at 67, and another new high of 28 percent of US workers across all age groups are planning to work full time past the age of 67.

The Index also reflects deepening concerns among American workers about their planning and overall confidence levels regarding retirement. Only 28 percent of working Americans are now very confident that they have done a good job preparing for retirement. In addition, only 22 percent are very confident that they will be able to take care of medical expenses and less than half (40%) are very confident that they will have enough money for basic living expenses in retirement. Overall, less than one in four workers are very confident they will be able to live the kind of life they want in retirement.

"Our latest Unretirement Index results show a watershed transformation over the past year in the way people regard work and retirement," said Wes Thompson, President of Sun Life Financial U.S. "The notion of Unretirement has become a reality for a majority of workers who increasingly see working in their later years as a necessity instead of a luxury. The Unretirement Index also shows how lower levels of confidence are affecting the American psyche and psychologically explain why Americans are making these decisions that impact our society."

The motivations for working past traditional retirement age have also evolved over the life of the Index. A year ago, the top reason cited for working past the age of 67 was "to stay mentally engaged." Today, the most popular reason is "to earn enough money to live well," cited by 84 percent of Americans. Subsequent reasons remain "staying

mentally engaged” (81%), “I love my career” (65%), and “for health care benefits” (63%). In addition, 58 percent of American workers are planning to work past age 67 because they don’t believe social security will be available - an 11 percent increase in the last year.

Unretirement is defined as working at least 20 hours per week after the age when one is eligible to receive Social Security benefits. Sun Life created this Index to learn more about the reasons why Americans are choosing to “unretire,” or continue to work full- or part-time after the age of traditional retirement. For the complete Unretirement Index results, visit www.unretirementindex.com.

ADDITIONAL FINDINGS

Growing Concern, Lower Confidence about the Future of Government Benefits

Over the past year, the Unretirement Index has charted increasing pessimism by American workers that they will receive government benefits upon retirement including:

- 38% are not confident in Medicare benefits
- 41% are not confident in prescription drug benefits
- 42% are not confident in Social Security benefits and
- 58% of workers under the age of 60 do not believe Social Security will be available to them upon retirement

How are Americans responding to the state of the economy?

Seventy seven percent of all Americans are now reducing their spending – a 10 percent increase from the beginning of the year – and 64 percent are reducing their debt, an increase of nine percent over the same period. Of those trying to reduce spending:

- 80% are spending less on entertainment
- 78% are eating out less
- 60% are cutting back on holiday shopping
- 58% are putting off a large purchase like a car or home improvement
- 39% delayed a routine or elective medical procedure

What are Americans doing with their Savings and Investments?

Of those Americans (48 percent) who have taken steps to save or invest more money this year, they are doing so by:

- 44% are building up an emergency fund
- 39% are rebuilding their retirement savings
- 16% are savings for a major purchase

UNRETIREMENT INDEX NUMBER

On a scale of 0-100, the overall Index score remained at 44, showing that Americans continue to be pessimistic about their retirement prospects. It also shows that the concept of Unretirement is now a realistic concept across age cohorts and that Americans will continue to work past the traditional retirement age of 67 or re-enter the workforce after retiring. The Index is made up of several subindices that address

different areas that impact retirement decisions including the economy, personal finance, health, government benefits, and employee benefits. A small increase in confidence in personal finances was offset by a decrease in confidence in government benefits.

The overall Index is a composite score based on the performance of five issue-specific indices, including: the “economic index” (score =33), the “personal finance index” (score = 44, the “health index” (score = 67, the “government benefits index” (score = 37), and the “employee benefits index” (score = 39).

Methodology

This edition of the study was conducted from August 14 – Sept. 14, 2009. Telephone interviews were conducted by Interviewing Service of America using a random-digit dial (RDD) sampling method. Quotas and weights were applied to gather a sample of 1,451 people working either full- or part-time, which was representative of the U.S. working population between the ages of 18 and 66. The sample was also representative in terms of gender and four-region census break. Analysis and construction of indices involved the application of factor analysis. Final indices are based on summated averages across the attributes which make up an index.

About Sun Life Financial

Sun Life Financial is a leading international financial services organization providing a diverse range of protection and wealth accumulation products and services to individuals and corporate customers. Chartered in 1865, Sun Life Financial and its partners today have operations in key markets worldwide, including Canada, the United States, the United Kingdom, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China and Bermuda. As of June 30, 2009, the Sun Life Financial group of companies had total assets under management of US \$341.9 billion. Sun Life Financial Inc. trades on the Toronto (TSX), New York (NYSE) and Philippine (PSE) stock exchanges under ticker symbol SLF. Visit Sun Life Financial's website at www.sunlife-usa.com.

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