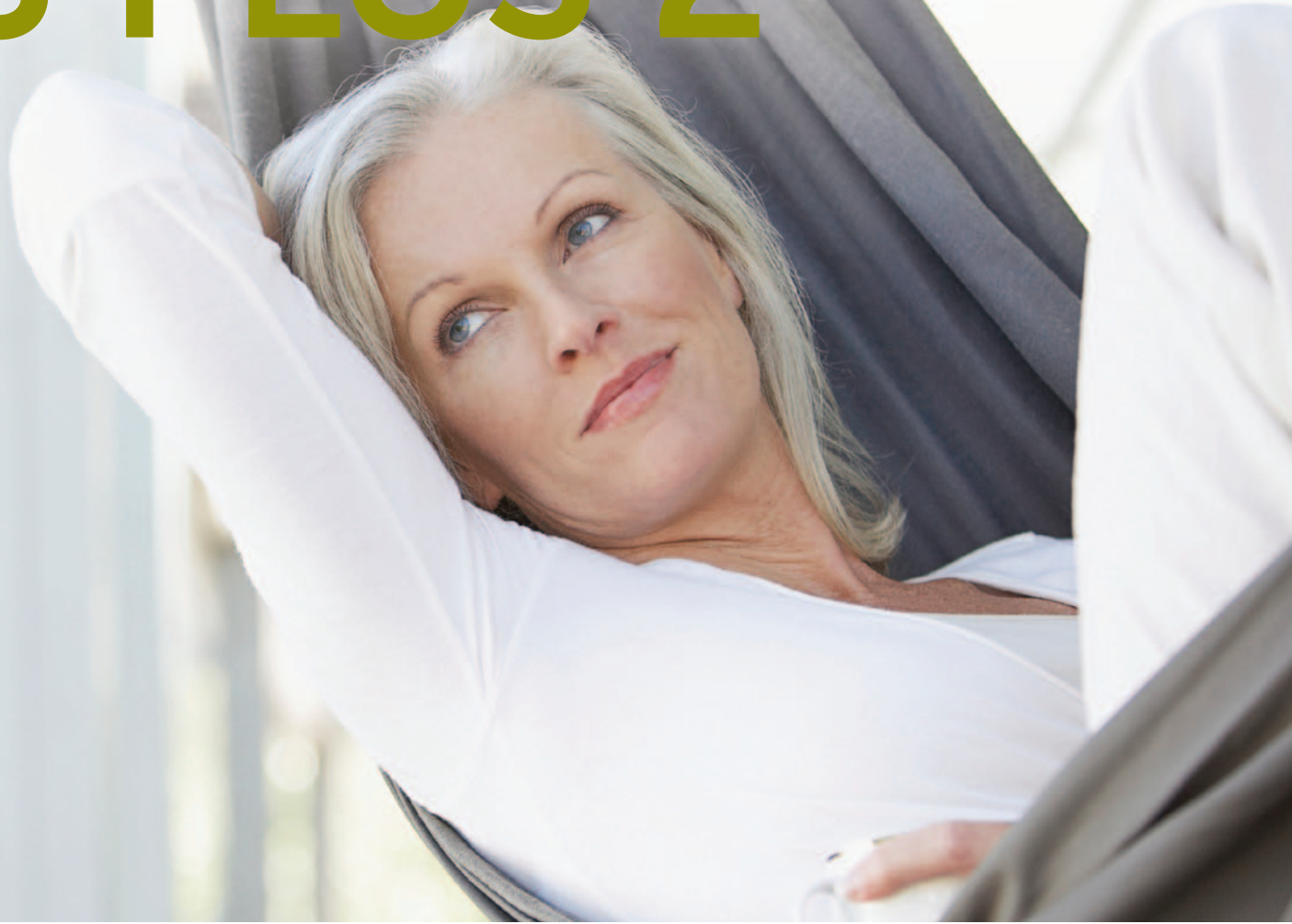


EMPIRE LIFE CLASS PLUS 2

Scenario Guide

Guaranteed retirement
income for life™

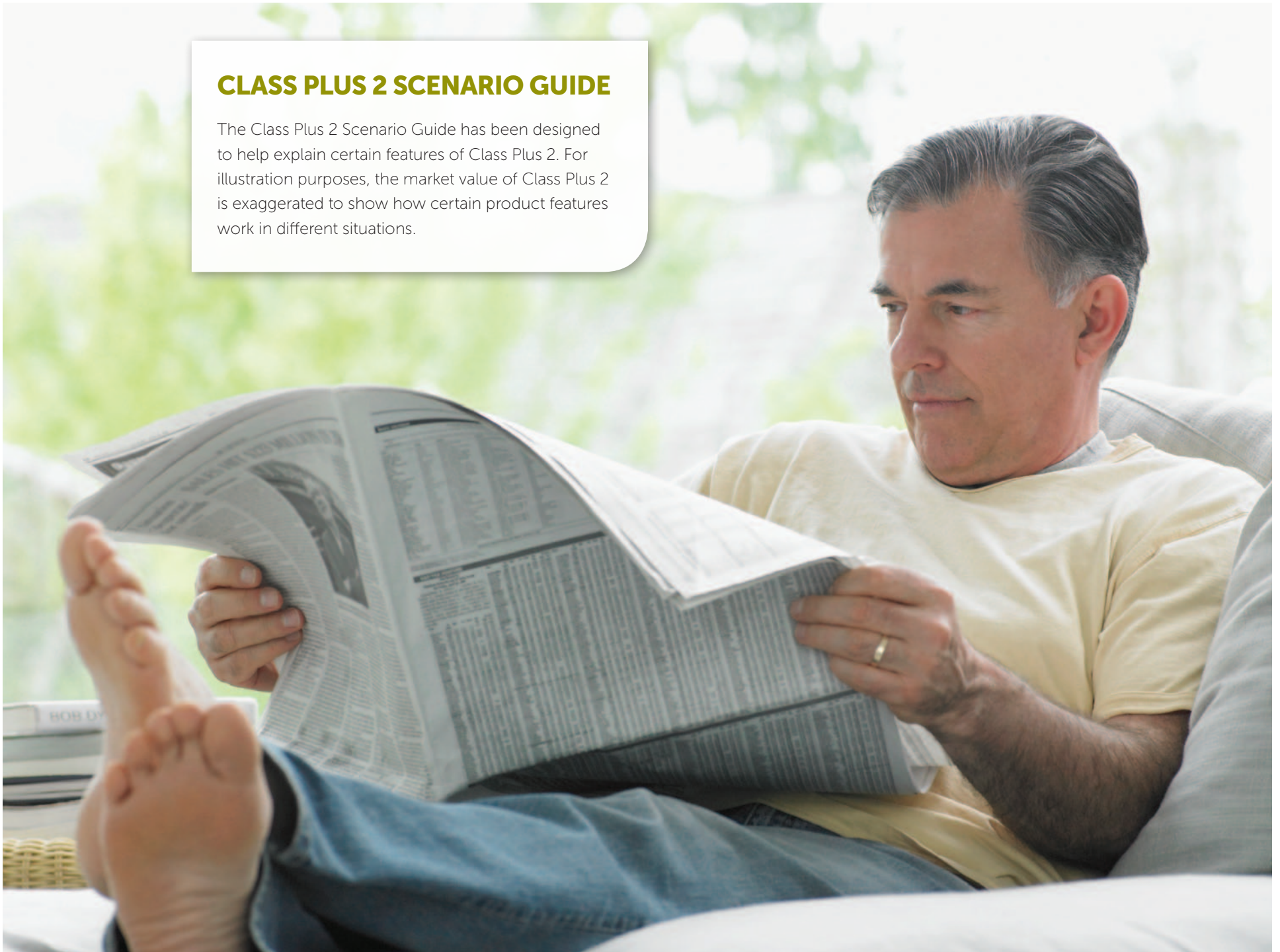


FOR ADVISOR USE ONLY



CLASS PLUS 2 SCENARIO GUIDE

The Class Plus 2 Scenario Guide has been designed to help explain certain features of Class Plus 2. For illustration purposes, the market value of Class Plus 2 is exaggerated to show how certain product features work in different situations.



CLASS PLUS 2 SCENARIO GUIDE

GWB component	Description	Notes
Income Base	The notional value which is the basis for determining the Lifetime Withdrawal Amount (LWA) each calendar year for Class Plus 2.	<p>The initial Income Base is equal to the initial deposit to Class Plus 2.</p> <p>The Income Base increases:</p> <ul style="list-style-type: none"> a) with any subsequent deposits to Class Plus 2; b) on the last Valuation Date of each calendar year by any notional Income Base Bonus, if applicable and c) on every third Class Plus Anniversary Date ("Anniversary Date") as a result of an Income Base Reset, if applicable <p>The Income Base decreases:</p> <ul style="list-style-type: none"> a) by any withdrawals from Class Plus 2; and b) additionally for Excess Withdrawals
Bonus Base	The notional amount used to calculate the Income Base Bonus at the end of the calendar year for Class Plus 2.	<p>The initial Bonus Base will be equal to the initial deposit to Class Plus 2. The Bonus Base increases:</p> <ul style="list-style-type: none"> a) by the amount of any subsequent deposits to Class Plus 2; and b) on every third Anniversary Date as a result of a Bonus Base Reset. <p>The Bonus Base may decrease for Excess Withdrawals.</p>
Bonus Base Reset	A notional increase to the Bonus Base to equal the market value of the Class Plus 2 Units, if the market value of the Class Plus 2 Units is greater than the Bonus Base.	Commencing on the third Anniversary Date and on every third Anniversary Date thereafter a Bonus Base Reset will automatically occur.
Income Base Bonus	A notional amount added to the Income Base at the end of each calendar year following the initial deposit to Class Plus 2 provided there have been no withdrawals made during that year.	Income Base Bonuses are applied to the Income Base on the last Valuation Date of the calendar year after all transactions have been processed, provided no withdrawals are made for that year from Class Plus 2.
Income Base Reset	A notional increase to the Income Base equal to the market value of the Class Plus 2 Units at the credit of the contract, if the market value of the Class Plus 2 Units is greater than the Income Base.	Commencing on the third Anniversary Date and on every third Anniversary Date thereafter an Income Base Reset may occur resetting the Income Base.
Lifetime Withdrawal Amount (LWA)	The maximum amount guaranteed to be available for withdrawal from Class Plus 2 each calendar year for the life of the Annuitant or, if applicable, the life of the Joint Life, provided there are no Excess Withdrawals and the age eligibility requirement has been met.	<p>If total withdrawals from Class Plus 2 have not exceeded the LWA for the current calendar year, the LWA for the next calendar year will be the greater of:</p> <ul style="list-style-type: none"> a) the current LWA; and b) a new LWA calculated based on the current Income Base and the LWA Percentage that corresponds to the Annuitant's or youngest of the Annuitant and Joint Life's age as of December 31st of the following calendar year.

Note: In this document the term Class Plus 2 Units shall mean Fund Class Units as defined in the Class Plus 2 Information Folder.

CLASS PLUS 2 SCENARIO GUIDE

GWB component	Description	Notes
Single and Joint Tiered Lifetime Withdrawal Amount Options	<p>Single Tiered Lifetime Withdrawal Amount Option (Single Tiered LWA) is the LWA option available where withdrawals are guaranteed for the life of the Annuitant provided an Excess Withdrawal does not occur and the age eligibility requirement has been met.</p> <p>Joint Tiered Lifetime Withdrawal Amount Option (Joint Tiered LWA) is the LWA option available where withdrawals are guaranteed for the life of the Annuitant or Joint Life provided an Excess Withdrawal does not occur and the age eligibility requirement has been met.</p>	<p>Single Tiered LWA Percentage:</p> <p>age 55 - 59: 3.00% age 60 - 64: 3.50% age 65 - 69: 4.00% age 70 - 74: 4.25% age 75+: 5.00%</p> <p>Joint Tiered LWA Percentage:</p> <p>age 55 - 59: 2.50% age 60 - 64: 3.00% age 65 - 69: 3.50% age 70 - 74: 3.75% age 75+: 4.50%</p>
Income Base Downward Adjustment	<p>A potential reduction to the Income Base that occurs immediately following an Excess Withdrawal from Class Plus 2.</p>	<p>See Excess Withdrawal calculation in the Scenario Section of this guide</p>
Excess Withdrawal	<p>Occurs when total withdrawals from Class Plus 2 in a calendar year exceed the LWA.</p>	<p>If an Excess Withdrawal is made, we will immediately apply an Income Base Downward Adjustment by recalculating the Income Base to be the lesser of:</p> <p>a) the Income Base after the withdrawal has been processed; and b) the Class Plus 2 Units at the credit of the contract after the withdrawal has been processed.</p>
Excess Withdrawal Alert (EWA)	<p>A service available as a safeguard to help protect against the results of an unintentional Excess Withdrawal.</p>	<p>If the service is on, should there be a withdrawal request that exceeds the annual LWA, in most circumstances, the request will not be processed until further authorization is received. Certain common transactions are exempt from the EWA service, such as transactions that are partial or full transfers out of the account (T2033). Note that, although the EWA service will not apply, if the transaction results in an Excess Withdrawal, the Income Base Downward Adjustment will apply in accordance with the contract provisions.</p>
Class Plus Fee	<p>The fee payable for the Guaranteed Withdrawal Benefit (GWB). Each Fund has an Annual Fund Fee Rate that is used in determining the Class Plus Fee.</p>	<p>The Class Plus Fee is calculated and collected on the last Valuation Date of each month. The Class Plus Fee is paid through a withdrawal of the Class Plus 2 Units from Class Plus 2. Withdrawals to pay the fee will not reduce the Maturity and Death Benefit Guarantees or the Income Base. Additionally, this withdrawal will not be included in determining if Excess Withdrawals have occurred during the calendar year. Based on tax rules in effect the date this guide was published, the Class Plus Fee is not subject to Goods and Services Tax (GST) or Harmonized Sales Tax (HST).</p>

CLASS PLUS 2 SCENARIO GUIDE

GWB component	Description	Notes
Successor Annuitant (Single Tiered LWA Option only)	<p>If the contract is non-registered, a Successor Annuitant may be appointed at any time prior to the death of the Annuitant. Upon the death of the Annuitant, the Successor Annuitant will automatically become the Annuitant and the contract will continue with no Death Benefit payable at that time. A previously appointed Successor Annuitant can be changed or removed at any time.</p>	<p>On the death of the Annuitant:</p> <ul style="list-style-type: none"> a) a reset of the Death Benefit Guarantee is performed if the Successor Annuitant is less than 80 years old; b) an Income Base Reset is performed; c) a Bonus Base Reset is performed; d) the LWA is calculated immediately following the Income Base reset. The applicable LWA Percentage is based on the Successor Annuitant's age as of December 31st of the current calendar year. e) if the Successor Annuitant is younger than 55 as of December 31st of the current calendar year, the Successor Annuitant's LWA is set to equal \$0 for the remainder of the year and any withdrawals made will be considered Excess Withdrawals; f) if the Successor Annuitant is 55 or older as of December 31st of the current calendar year, withdrawals up to the greater of the Annuitant's LWA and the Successor Annuitant's LWA will be available for the current calendar year.
Guaranteed Payment Phase	<p>If the market value of the Class Plus 2 Units is \$0, and the Income Base has a positive value, the LWA payments will continue, subject to specified conditions.</p>	<p>If the market value of the Class Plus 2 Units at the credit of the contract equals \$0 and the Income Base or LWA has a positive value, the contract will not terminate. It will move into the Guaranteed Payment Phase. Once in the Guaranteed Payment Phase, the contract will continue to provide for payments as determined each calendar year for the life of the Annuitant or, if applicable, the life of the Joint Life.</p> <p>No deposits can be made during the Guaranteed Payment Phase. Withdrawals will not be made to pay the Class Plus Fee during the Guaranteed Payment Phase.</p>

CLASS PLUS 2 SCENARIO 1 (A-J):

The following scenario has been divided into several sections (A-J); each section highlights an aspect of Class Plus 2. The market value of the Class Plus 2 Units is hypothetical and has been exaggerated in most cases to illustrate the most common situations that could occur during an investment period. The Class Plus Fee has not been included for simplicity.

Scenario 1: Single Tiered LWA Option

Alice is 51 years old and invests \$250,000 into a non-registered Class Plus 2 contract. She is planning on retiring sometime within the next 15 years and finds the income flexibility of Class Plus 2 appealing, as she has yet to pick a retirement date. Alice turned 51 on January 15th, 2013.

Scenario 1-A: Resetting the Bonus and the DBG, but not the Income Base (51-55)

Annuitant Age	Date	Transaction	Amount	Market Value of Class Plus 2 Units (after transaction)	Bonus Base	Income Base Bonus	Income Base (after transaction)	LWA Percentage	LWA for Next Year	DBG
51	01-Feb-13	Initial Deposit	\$250,000	\$250,000	\$250,000		\$250,000	0.00%	-	\$250,000
51	31-Dec-13	Bonus		\$254,751	\$250,000	\$12,500	\$262,500	0.00%	\$0	\$250,000
52	31-Dec-14	Bonus		\$259,663	\$250,000	\$12,500	\$275,000	0.00%	\$0	\$250,000
53	31-Dec-15	Bonus		\$264,856	\$250,000	\$12,500	\$287,500	0.00%	\$0	\$250,000
54	01-Feb-16	Reset	-	\$265,316	\$265,316	-	\$287,500	-	-	\$265,316
54	31-Dec-16	Bonus		\$270,153	\$265,316	\$13,266	\$300,766	3.00%	\$9,023	\$265,316
55	31-Dec-17	Bonus		\$310,795	\$265,316	\$13,266	\$314,032	3.00%	\$9,421	\$265,316

Alice's Bonus Base and Income Base are equal to her initial deposit. Alice's deposit date and Anniversary Date is February 1, 2013. The triennial reset will occur February 1st, if applicable.

- The first reset occurs on February 1, 2016. Resets occur when the market value of the Class Plus 2 Units is higher than the Income Base, the Bonus Base, and/or the DBG. In this case, the Bonus Base and the DBG are reset to equal the market value of the Class Plus 2 Units.
- The Bonus Base Reset resulted in the Income Base Bonus increasing to \$13,266 (5% of \$265,316) from \$12,500.
- No withdrawals were made in the first 5 years, therefore Alice was eligible for the Income Base Bonus each year.
- Alice is not eligible to receive her LWA until the year she turns 55. Any withdrawals previous to this would be an Excess Withdrawal.

CLASS PLUS 2 SCENARIO 1 (A-J):

Scenario 1-B: Effect of resets and withdrawals on the Income Base, market value of the Class Plus 2 Units, the Bonus Base, and the DBG. (56-58)

Annuitant Age	Date	Transaction	Amount	Market Value of Class Plus 2 Units (after transaction)	Bonus Base	Income Base Bonus	Income Base (after transaction)	LWA Percentage	LWA for Next Year	DBG
56	31-Dec-18	Bonus		\$357,415	\$265,316	\$13,266	\$327,297	3.00%	\$9,819	\$265,316
57	01-Feb-19	Reset	-	\$358,036	\$358,036	-	\$358,036	-	-	\$358,036
57	31-Dec-19	LWA Payment	-\$9,819	\$328,510	\$358,036	\$0	\$348,217	3.00%	\$10,447	\$347,645
58	31-Dec-20	LWA Payment	-\$10,447	\$328,510	\$358,036	\$0	\$337,771	3.00%	\$10,447	\$336,931

- On February 1, 2019, Alice's second triennial reset, the market value of the Class Plus 2 Units was higher than the Bonus Base, the Income Base, and the DBG; so all three variables are reset to equal the market value of the Class Plus 2 Units. At the end of the same year, Alice decides to take out withdrawals that are equal to the LWA. Since Alice is 57 when she begins withdrawing her LWA her LWA percentage is 3.00%, and her LWA is \$9,819 ($\$327,297 \times 3\% = \$9,819$). The LWA is guaranteed not to decrease for the life of the contract (except in cases of Excess Withdrawals).
- Because Alice did not exceed her LWA, the Bonus Base did not decrease; therefore her Bonus Base amount remained the same the following year. However, the market value of the Class Plus 2 Units and the Income Base were reduced for the withdrawal amount. The DBG was reduced proportionately for withdrawals ($\text{DBG at age 57} = \$358,036 \times (1 - \$9,819 / (\$9,819 + \$328,510)) = \$347,645$).
- When the LWA is recalculated at year end Alice's LWA for the following year is increased to \$10,447 ($3.00\% \times \$348,217 = \$10,477$) as the Income Base was reset.
- Alice was not eligible for an Income Base Bonus for the 2 years in which withdrawals were made.

Scenario 1-C: Effect of Automatic Income Reset and Excess Withdrawals on the Bonus Base (59-61)

Annuitant Age	Date	Transaction	Amount	Market Value of Class Plus 2 Units (after transaction)	Bonus Base	Income Base Bonus	Income Base (after transaction)	LWA Percentage	LWA for Next Year	DBG
59	31-Dec-21	Bonus		\$344,859	\$358,036	\$17,902	\$355,672	3.50%	\$12,449	\$336,931
60	01-Feb-22	Reset	-	\$345,458	\$358,036	-	\$355,672	-	-	\$345,458
60	31-Dec-22	Bonus		\$351,756	\$358,036	\$17,902	\$373,574	3.50%	\$13,075	\$345,458
61	31-Dec-23	Excess Withdrawal	-\$30,000	\$328,791	\$328,791	\$0	\$328,791	3.50%	\$11,508	\$316,573

- The year Alice turns 60 she is automatically eligible for the next tier's LWA percentage (3.5%), although she does not make a withdrawal that year.
- On February 1, 2022 the market value of the Class Plus 2 Units was lower than the Bonus Base and the Income Base, but not the DBG. Therefore, only the DBG is reset and the Income Base and the Bonus Base will remain unchanged.
- In the 11th year, in addition to the \$13,075 LWA, Alice took out an additional withdrawal of \$16,925, for a total of \$30,000. This amount is higher than the 3.5% Lifetime Withdrawal Amount of \$13,075. The \$30,000 is an Excess Withdrawal. Excess Withdrawal results in an immediate Income Base Downward Adjustment. This means that the Bonus Base and the Income Base will be recalculated. For the Income Base, it will become the lesser of the Income Base or the market value of the Class Plus 2 Units after the withdrawals have been processed. For the Bonus Base, it will become the lesser of the Bonus Base or the market value of the Class Plus 2 Units after the withdrawals have been processed. In this case, the Bonus Base and the Income Base are recalculated to equal the market value of the Class Plus 2 Units as it is less than the current Bonus Base and Income Base. Each subsequent Income Base Bonus will be calculated based on \$328,791 ($\$328,791 \times 5\% = \$16,440$) instead of \$358,036 ($\$358,036 \times 5\% = \$17,902$), unless a reset occurs.

Note: Excess Withdrawal Alert is a service available as a safeguard to help protect against the results of an unintentional Excess Withdrawal. In this case, Alice has decided to proceed with the Excess Withdrawal, regardless of the Income Base Downward Adjustment.

CLASS PLUS 2 SCENARIO 1 (A-J):

Scenario 1-D: Retirement Income Privileges, market value of the Class Plus 2 Units lower than the Bonus Base and the Income Base, and Automatic Income Reset (62-64)

Annuitant Age	Date	Transaction	Amount	Market Value of Class Plus 2 Units (after transaction)	Bonus Base	Income Base Bonus	Income Base (after transaction)	LWA Percentage	LWA for Next Year	DBG
62	31-Dec-24	Bonus		\$335,367	\$328,791	\$16,440	\$345,231	3.50%	\$12,083	\$316,573
63	01-Feb-25	Reset	-	\$321,645	\$328,791	-	\$345,231	-	-	\$321,645
63	31-Dec-25	Bonus		\$315,753	\$328,791	\$16,440	\$361,670	3.50%	\$12,658	\$321,645
64	31-Dec-26	Bonus		\$322,068	\$328,791	\$16,440	\$378,110	4.00%	\$15,124	\$321,645

- Alice does not make a withdrawal at age 62 so she is eligible for her 5% Income Base Bonus, even though she took income the previous year (Retirement Income Privileges).
- On February 1, 2025 again the market value of the Class Plus 2 Units was lower than the Bonus Base and the Income Base so only the DBG is reset.
- As Alice does not make any withdrawals at ages 63 and 64 she is eligible for the Income Base Bonus. On December 31st, 2026 her LWA is recalculated using the next tier's LWA percentage, as Alice will be turning 65 the following year. Her LWA will be \$15,124 ($\$378,110 \times 4.00\% = \$15,124$).

Scenario 1-E: Start of Retirement Income (65-67)

Annuitant Age	Date	Transaction	Amount	Market Value of Class Plus 2 Units (after transaction)	Bonus Base	Income Base Bonus	Income Base (after transaction)	LWA Percentage	LWA for Next Year	DBG
65	31-Dec-27	LWA Payment	-\$15,124	\$328,510	\$328,791	\$0	\$362,985	4.00%	\$15,124	\$307,488
66	01-Feb-28	Reset	-	\$329,081	\$329,081	-	\$362,985	-	-	\$329,081
66	31-Dec-28	LWA Payment	-\$15,124	\$315,124	\$329,081	\$0	\$347,861	4.00%	\$15,124	\$314,010
67	31-Dec-29	LWA Payment	-\$15,124	\$301,488	\$329,081	\$0	\$332,736	4.00%	\$15,124	\$299,010

- At age 65, Alice decides to retire and begin taking her LWA.
- On December 31, 2027 Alice withdrew her LWA (\$15,124 calculated on December 31, 2026) so the market value of the Class Plus 2 Units and the Income Base were reduced by the withdrawal amount. The DBG was reduced proportionately for the withdrawal.
- On February 1, 2028, only the DBG and Bonus Base were reset.

CLASS PLUS 2 SCENARIO 1 (A-J):

Scenario 1-F: Resetting the Income Base without increasing the LWA (68-70)

Annuitant Age	Date	Transaction	Amount	Market Value of Class Plus 2 Units (after transaction)	Bonus Base	Income Base Bonus	Income Base (after transaction)	LWA Percentage	LWA for Next Year	DBG
68	31-Dec-30	LWA Payment	-\$15,124	\$371,979	\$329,081	\$0	\$317,612	4.00%	\$15,124	\$287,327
69	01-Feb-31	Reset	-	\$360,505	\$360,505	-	\$360,505	-	-	\$360,505
69	31-Dec-31	LWA Payment	-\$15,124	\$359,462	\$360,505	\$0	\$345,381	4.25%	\$15,124	\$345,949
70	31-Dec-32	LWA Payment	-\$15,124	\$393,426	\$360,505	\$0	\$330,256	4.25%	\$15,124	\$333,142

- On February 1, 2031, a reset occurs increasing the Bonus Base, the DBG and the Income Base.
- On December 31st, 2031 her LWA for next year is not changed even though she is eligible to move up to the next tier LWA payout percentage (4.25%), because 4.25% of the current Income Base (\$345,381) is \$14,679, which is less than her previous LWA of \$15,124.

Scenario 1-G: Resetting the Income Base and the DBG and Automatic Income Reset (71-73)

Annuitant Age	Date	Transaction	Amount	Market Value of Class Plus 2 Units (after transaction)	Bonus Base	Income Base Bonus	Income Base (after transaction)	LWA Percentage	LWA for Next Year	DBG
71	31-Dec-33	LWA Payment	-\$15,124	\$432,657	\$360,505	\$0	\$315,132	4.25%	\$15,124	\$321,890
72	01-Feb-34	Reset	-	\$433,409	\$433,409	-	\$433,409	-	-	\$433,409
72	31-Dec-34	LWA Payment	-\$15,124	\$421,354	\$433,409	\$0	\$418,285	4.25%	\$17,777	\$418,391
73	31-Dec-35	LWA Payment	-\$17,777	\$409,109	\$433,409	\$0	\$400,508	4.25%	\$17,777	\$400,968

- At age 72, the market value of the Class Plus 2 Units was higher than the Income Base, the Bonus Base and the DBG.
- At December 31st of 2034 the LWA is recalculated and an Automatic Income Reset occurs, as 4.25% of the Income Base is \$17,777 (4.25% of \$418,215), which is greater than her current LWA of \$15,124.
- The market value of the Class Plus 2 Units and the Income Base were reduced by the withdrawal amount. The DBG was reduced proportionately for the withdrawal.

CLASS PLUS 2 SCENARIO 1 (A-J):

Scenario 1-H: Automatic Income Reset & Effect of Excess Withdrawals on the LWA (74-77)

Annuitant Age	Date	Transaction	Amount	Market Value of Class Plus 2 Units (after transaction)	Bonus Base	Income Base Bonus	Income Base (after transaction)	LWA Percentage	LWA for Next Year	DBG
74	31-Dec-36	LWA Payment	-\$17,777	\$396,618	\$433,409	\$0	\$382,730	5.00%	\$19,137	\$383,767
75	01-Feb-37	Reset	-	\$397,307	\$433,409	-	\$397,307	-	-	\$397,307
75	31-Dec-37	LWA Payment	-\$19,137	\$383,900	\$433,409	\$0	\$378,170	5.00%	\$19,137	\$378,443
76	31-Dec-38	Excess Withdrawal	-\$40,000	\$351,578	\$351,578	\$0	\$338,170	5.00%	\$16,909	\$339,784
77	31-Dec-39	LWA Payment	-\$16,909	\$299,588	\$351,578	\$0	\$321,262	5.00%	\$16,909	\$321,632

- On December 31st, 2036 an Automatic Income Reset occurs with the LWA being recalculated using the next tier's LWA payout percentage (5%), as Alice will be turning 75 the following year. Since 5% of the Income Base (\$382,730 x 5% = \$19,137) is greater than her current LWA (\$17,777) she will automatically receive the higher LWA.
- Withdrawals that exceed the LWA can negatively affect Alice's guaranteed withdrawal amount of \$19,137. At age 76, Alice's withdrawal exceeded her LWA by \$20,863 (\$40,000-\$19,137), resulting in an immediate Income Base Downward Adjustment and recalculation of the Income Base and the Bonus Base. The adjusted Income Base will become the lesser of: the Income Base after the withdrawal has been processed or the market value of the Class Plus 2 Units after the withdrawal has been processed. In this case, the Income Base is the lesser amount, and therefore the LWA becomes 5% of that amount, which is equal to \$16,909 (\$338,170 X 5%). The \$16,909 is now Alice's new LWA. The adjusted Bonus Base will become the lesser of the current Bonus Base and the market value of the Class Plus 2 Units.
- The market value of the Class Plus 2 Units and the Income Base were reduced by the withdrawal amount. The DBG was reduced proportionately for the withdrawal.

Note: Excess Withdrawal Alert is a service available as a safeguard to help protect against the results of an unintentional Excess Withdrawal. In this case, Alice has decided to proceed with the Excess Withdrawal, regardless of the Income Base Downward Adjustment.

Scenario 1-I: Market value of the Class Plus 2 Units is lower than the Income Base and the DBG (78-79)

Annuitant Age	Date	Transaction	Amount	Market Value of Class Plus 2 Units (after transaction)	Bonus Base	Income Base Bonus	Income Base (after transaction)	LWA Percentage	LWA for Next Year	DBG
78	01-Feb-40	Reset	-	\$300,109	\$351,578	-	\$321,262	-	-	\$321,632
78	31-Dec-40	LWA Payment	-\$16,909	\$288,748	\$351,578	\$0	\$304,353	5.00%	\$16,909	\$303,839
79	31-Dec-41	LWA Payment	-\$16,909	\$277,708	\$351,578	\$0	\$287,445	5.00%	\$16,909	\$286,402

- When the market value of the Class Plus 2 Units is lower than the Income Base, the Bonus Base and the DBG, the value of the Income Base, the Bonus Base and the DBG remain unchanged.
- The market value of the Class Plus 2 Units and the Income Base were reduced by the withdrawal amount. The DBG was reduced proportionately for the withdrawal.

CLASS PLUS 2 SCENARIO 1 (A-J):

Scenario 1-J: DBG last reset

Annuitant Age	Date	Transaction	Amount	Market Value of Class Plus 2 Units (after transaction)	Bonus Base	Income Base Bonus	Income Base (after transaction)	LWA Percentage	LWA for Next Year	DBG
80*	31-Dec-42	LWA Payment	-\$16,909	\$266,430	\$351,578		\$270,536	5.00%	\$16,909	\$269,310
81	01-Feb-43	Reset	-	\$266,893	\$351,578		\$270,536	-	-	\$269,310
81	31-Dec-43	LWA Payment	-\$16,909	\$254,927	\$351,578		\$253,628	5.00%	\$16,909	\$252,559
82	31-Dec-44	LWA Payment	-\$16,909	\$243,194	\$351,578		\$236,719	5.00%	\$16,909	\$236,141

* On Alice's 80th birthday, if the market value of the Class Plus 2 Units is higher than the DBG, a reset would occur. In this case, Alice's DBG was higher than the market value of the Class Plus 2 Units and therefore the DBG did not change. After Alice's 80th birthday, the DBG does not reset anymore.

- At age 81, a reset would only occur on the Income Base and Bonus Base, but in this case the Income Base and Bonus Base did not change as the market value of the Class Plus 2 Units was lower than the Income Base and the Bonus Base.
- The market value of the Class Plus 2 Units and the Income Base were reduced by the withdrawal amount. The DBG was reduced proportionately for the withdrawals.

CLASS PLUS 2 SCENARIO 2-3:

Scenario 2: Guaranteed Payment Phase – Single Tiered LWA Option

Robert has a Class Plus 2 Contract. He started receiving his LWA at age 71 and is now age 82.

Annuitant Age	Date	Transaction	Amount	Market Value of Class Plus 2 Units (after transaction)	Bonus Base	Income Base Bonus	Income Base (after transaction)	LWA Percentage	LWA for Next Year	DBG
80	31-Dec-13	LWA Payment	-\$17,000	\$0	\$400,000	\$0	\$230,000	5.00%	\$17,000	\$0
81	31-Dec-14	LWA Payment	-\$17,000	\$0	\$400,000	\$0	\$213,000	5.00%	\$17,000	\$0
82	31-Dec-15	LWA Payment	-\$17,000	\$0	\$400,000	\$0	\$196,000	5.00%	\$17,000	\$0

- Robert's market value of the Class Plus 2 Units reached \$0 at age 80, however, he will continue to receive his LWA for life. This is known as the Guaranteed Payment Phase.
- During the Guaranteed Payment Phase, Robert does not pay any Class Plus Fees and cannot make subsequent deposits.
- Robert's DBG is \$0 because the market value of the Class Plus 2 Units is \$0.
- The contract will terminate upon Robert's death, and his beneficiaries will not receive any death benefit.

Scenario 3: Joint Tiered LWA Option

Mike, age 76, and Lisa, age 70, invested \$500,000 in a Joint Tiered LWA Option contract on June 11, 2013. The LWA percentage is based on the youngest of the Annuitant and the Joint life, so the LWA percentage is 3.75% (as Lisa is 70 years old). They begin withdrawing their LWA on December 31st of each year.

Annuitant Age	Date	Transaction	Amount	Market Value of Class Plus 2 Units (after transaction)	Bonus Base	Income Base Bonus	Income Base (after transaction)	LWA Percentage	LWA for Next Year	DBG
70	11-Jun-13	Initial Deposit	\$500,000	\$500,000	\$500,000	\$0	\$500,000	3.75%	\$18,750	\$500,000
70	31-Dec-13	LWA Payment	-\$18,750	\$485,326	\$500,000	\$0	\$481,250	3.75%	\$18,750	\$481,402
71	31-Dec-14	LWA Payment	-\$18,750	\$501,693	\$500,000	\$0	\$462,500	3.75%	\$18,750	\$464,058
72	31-Dec-15	LWA Payment	-\$18,750	\$510,744	\$500,000	\$0	\$443,750	3.75%	\$18,750	\$447,625
73	11-Jun-16	Reset	-	\$525,875	\$525,875	-	\$525,875	-	-	\$525,875
73	31-Dec-16	LWA Payment	-\$18,750	\$499,327	\$525,875	\$0	\$507,125	3.75%	\$19,017	\$506,843
74	31-Dec-17	LWA Payment	-\$19,017	\$476,168	\$525,875	\$0	\$488,108	4.50%	\$21,965	\$487,378
75	31-Dec-18	LWA Payment	-\$21,965	\$462,124	\$525,875	\$0	\$466,143	4.50%	\$21,965	\$465,264

- On June 11th, 2016 the market value of the Class Plus 2 Units is greater than the Income Base, Bonus Base, and DBG, so those values are reset.
- On December 31st, 2016 the LWA is recalculated and Mike and Lisa's LWA payment for the following year is now \$19,017 ($3.75\% \times \$507,125 = \$19,017$) as the Income Base was reset.
- An Automatic Income Reset occurs on December 31st, 2017 as Lisa will be turning 75 the following year and is now eligible for a 4.50% payout. Because 4.50% of their Income Base ($4.50\% \times \$488,108 = \$21,965$) is greater than their current LWA of \$19,017, they automatically receive the higher LWA amount.

The Empire Life Insurance Company (Empire Life) offers competitive individual and group life and health insurance, investment and retirement products to help you build wealth and protect your financial security.

Empire Life is among the top 10 life insurance companies in Canada¹ and is rated A (Excellent) by A.M. Best Company². Our vision is to be the leading, independently-owned, Canadian financial services company committed to simplicity, being easy to do business with and having a personal touch.

¹ Source: Office of the Superintendent of Financial Institutions (OSFI) and company annual reports, based on general and segregated fund assets

² As at June 29, 2012

This document reflects the views of Empire Life as of the date published. The information in this document is for general information purposes only and is not to be construed as providing legal, tax, financial or professional advice. The Empire Life Insurance Company assumes no responsibility for any reliance on or misuse or omissions of the information contained in this document. Please seek professional advice before making any decisions.

A description of the key features of the individual variable insurance contract is contained in the Information Folder for the product being considered. **Any amount that is allocated to a Segregated Fund is invested at the risk of the contract owner and may increase or decrease in value.**

® Registered trademark of **The Empire Life Insurance Company**.™ Trademark of The Empire Life Insurance Company. Policies are issued by The Empire Life Insurance Company.