



EMPIRE LIFE CLASS PLUS 2

WITH AUTOMATIC INCOME RESETS

Your clients live life on their own terms. Why should retirement be any different? In today's world, income generation with maximum flexibility can influence one's retirement destiny. Empire Life Class Plus 2 combines guaranteed retirement income for life with our unique **Automatic Income Resets**:

- Clients are not tied to the same payout rate for life but move automatically to the next Lifetime Withdrawal Amount (LWA) percentage tier.
- Clients automatically receive the higher LWA percentage and potentially increase their guaranteed income. This can happen even if your client doesn't increase their Income Base through an additional deposit or reset.
- There is no paperwork or phone call required to take advantage of Automatic Income Resets.

Age	Single Tiered LWA Percentage	Joint Tiered LWA Percentage ¹
Less than 55	0.00%	0.00%
55 - 59	3.00%	2.50%
60 - 64	3.50%	3.00%
65 - 69	4.00%	3.50%
70 - 74	4.25%	3.75%
75+	5.00%	4.50%

Getting To know Automatic Income Resets

- On December 31st of each year, your client's LWA is calculated for the following year. It will always be the GREATER of:
 1. Current year's LWA or
 2. The applicable LWA percentage multiplied by the Income Base at year end after all transactions have been processed
- Your client's LWA will automatically be recalculated every year however the LWA will only change if it is advantageous to them. If their current LWA amount is greater, they will continue to receive that amount.
- The LWA calculation takes place on December 31 for the following calendar year. Even if your client doesn't benefit from moving into a new tier that year, if they were eligible for an Income Base Bonus or made an additional deposit they may still see an increase in their LWA due to Automatic Income Resets.

Class Plus 2 Automatic Income Resets in action:

1. Jane is 73 and invests \$100,000 into a non-registered Class Plus 2 Single Tiered LWA Option contract. Her Income Base is set at \$100,000 and her LWA is set at \$4,250 (LWA percentage at age 73 is 4.25% x \$100,000 = \$4,250).
2. On December 31, 2013, Jane receives her LWA payment of \$4,250 and her Income Base is adjusted to \$95,750. Her LWA for 2014 is also recalculated. As she is still in the LWA age tier of 70 to 74, her LWA is not influenced by Automatic Income Resets and remains at \$4,250: Current LWA (\$4,250) is greater than her LWA percentage multiplied by her Income Base (4.25% x \$95,750 = \$4069.38).
3. On December 31, 2014, Jane receives her LWA payment of \$4,250 and her Income Base is adjusted to \$91,500. Her LWA for 2015 is also recalculated. As Jane will be turning 75 in 2015, as a result of Automatic Income Resets she now moves up to the next tiered LWA percentage of 5.00%. Her LWA will now be the greater of her current LWA (\$4,250) or her LWA percentage multiplied by her income Base (5.00% x \$91,500 = \$4,575).
4. As a result of Automatic Income Resets, Jane will now receive an additional \$325 (\$4,575-\$4,250 = \$325) in guaranteed income each year for life.²

Step #	Jane's Age	Date	Transaction	LWA Amount	Adjusted Income Base	LWA % (Next Year)	LWA \$ (Next Year)
1	73	30/06/2013	Deposit of \$100,000	\$4,250	\$100,000		
2	73	31/12/2013	LWA Payment	\$4,250	\$95,750	4.25%	\$4,250
3	74	31/12/2014	LWA Payment	\$4,250	\$91,500	5.00%	\$4,575
4	75	31/12/2015	LWA Payment	\$4,575	\$86,925	5.00%	\$4,575

The above example is for illustrative purposes only.

If you would like to discuss how Class Plus 2's Automatic Income Resets can help give your clients the income flexibility they are looking for in their retirement, please contact your Empire Life Investments sales team for more details.

¹ The LWA Percentage is based on the youngest of the Annuitant or the Joint Life's age.

² Provided there are no Excess Withdrawals.

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