

RBC Payout Annuities

Product at a glance

FOR ADVISOR USE ONLY



Insurance

	Single life	Joint life	Term certain
Description	Provides a series of payments for the lifetime of the annuitant.	Provides payments for the annuitant's lifetime and for that of the secondary annuitant. Payments will continue to be paid to the secondary annuitant for the same amount (or a reduced amount) upon the death of the specified annuitant.	Provides annuitant with payments for a specified period of time.
Source of funds	Non-registered annuities: Payment in cash or by transfer of non-registered funds. Registered annuities: Transfer from an RRSP, RRIF, LIRA, LIF, LRSP, LRIF or RPP.	Non-registered annuities: Payment in cash or by transfer of non-registered funds. Registered annuities: Transfer from an RRSP, RRIF, LIRA, LIF, LRSP, LRIF or RPP.	Non-registered annuities: Payment in cash or by transfer of non-registered funds. Registered annuities: Transfer from an RRSP or RRIF.
Minimum investment¹	\$50,000	\$50,000	\$50,000
Maximum investment¹	\$1 million	\$1 million	\$1 million
Minimum issue age¹	55	55	Non-registered: 18 Registered: 65
Maximum issue age¹	80	80	80
Payment period	Until the death of the annuitant.	Until the death of the last surviving annuitant.	Until the end of the term specified under the annuity.
Guarantee payment period	1-25 years (1-15 years for annuities purchased with funds from a Registered Pension Plan). Guarantee payment period cannot extend past the annuitant's 90 th birthday.		Non-registered: The term can be from 3-25 years. Term cannot extend past the annuitant's 90 th birthday. Registered: The term must extend to the annuitant's 90 th birthday.
Payment options	Level	Level or reducing	Level
Return of single premium (death benefit prior to first annuity payment)	If death of the annuitant occurs before the first annuity payment is made, the single premium is paid to the beneficiary, without interest.	If death of both annuitants occurs before the first annuity payment is made, the single premium is paid to the beneficiary, without interest.	If death of the annuitant occurs before the first annuity payment is made, the single premium is paid to the beneficiary, without interest.

¹ Requests that do not meet the minimum and maximum investment amounts and/or issue ages are subject to a special quotation process. Please visit www.rbcinsurance.com/rbcpayoutannuity for details.

Plan type	Single life	Joint life	Term certain
Death benefit (after payment commencement date)	<p>No guarantee payment period: If the annuitant dies, payments cease and no death benefit is paid out.</p> <p>With guarantee payment period: If the annuitant dies during the guarantee payment period, a death benefit (equal to the commuted value of remaining guaranteed payments) is payable to the beneficiary.</p>	<p>No guarantee payment period: If both annuitants die, payments cease and no death benefit is paid out.</p> <p>With guarantee payment period: If both annuitants die during the guarantee payment period, a death benefit (equal to the commuted value of remaining guaranteed payments) is payable to the beneficiary.</p>	If the annuitant dies before the end of the term, a death benefit (equal to the commuted value of remaining payments) is payable to the beneficiary.
Beneficiary designation	<p>If the annuity was purchased with registered funds and the beneficiary is: A spouse: Payments must continue until the end of the guarantee period. Other: Lump sum equal to commuted value is paid out.</p> <p>If the annuity was purchased with non-registered funds, the beneficiary can elect to: a) Commute the remaining guaranteed payments as a lump sum, or b) Continue to receive payments for the remainder of the guarantee period (provided the beneficiary meets the minimum age requirement).</p>		
Payment frequency	Monthly, quarterly, semi-annually or annually		
Payment commencement date	The first payment must occur during the one-year period from the purchase date.		
Withdrawals	No withdrawals are permitted once the annuity is established.		

Type of Contract	Taxation of Annuity Payments														
Registered contracts and withholding tax	<p>All payments are 100% taxable and reported as income to the taxpayer in the year they are received. Tax will be automatically withheld at source from each gross annuity payment and will be remitted to the government on your client's behalf. Your client will receive an annuity payment net of applicable taxes. The tax withheld from your clients' annuity payments will depend on their residency and on the annual amount withdrawn from their annuity. The following chart illustrates the withholding tax rates that will be withheld from each annuity payment (unless otherwise specified). See "Option to waive tax withholding at source" section below.</p> <table border="1"> <thead> <tr> <th>Amount of annual annuity payment</th> <th>Withholding tax for residents of all provinces except QC</th> <th>Withholding tax for residents of QC</th> </tr> </thead> <tbody> <tr> <td>\$5,000 or less</td> <td>10%</td> <td>20%</td> </tr> <tr> <td>\$5,000.01 to \$15,000</td> <td>20%</td> <td>25%</td> </tr> <tr> <td>\$15,000.01 or more</td> <td>30%</td> <td>30%</td> </tr> </tbody> </table> <p>For non-residents, withholding tax is 25% unless reduced by a treaty. See www.cra-arc.gc.ca/E/pub/tp/ic76-12r6/README.html</p>			Amount of annual annuity payment	Withholding tax for residents of all provinces except QC	Withholding tax for residents of QC	\$5,000 or less	10%	20%	\$5,000.01 to \$15,000	20%	25%	\$15,000.01 or more	30%	30%
Amount of annual annuity payment	Withholding tax for residents of all provinces except QC	Withholding tax for residents of QC													
\$5,000 or less	10%	20%													
\$5,000.01 to \$15,000	20%	25%													
\$15,000.01 or more	30%	30%													
Option to waive tax withholding at source	Your clients have the option to waive any taxes withheld at source when applying for an RBC® Payout Annuity (with the exception of RPP-locked-in funds). Your client must indicate their choice on the RBC Payout Annuities Application form.														
Non-registered contracts	All RBC Payout Annuities are taxed on a "prescribed" basis. Payments are a level blend of interest and capital, of which only the interest portion is taxable in the year it is received. Your client will receive a gross annuity payment from their annuity policy. There are no taxes withheld at source by RBC Insurance®.														

For more information regarding RBC Payout Annuities, please:

contact your RBC Insurance Sales Consultant at 1-866-235-4332
or visit www.rbcinsurance.com/rbc payout annuity



Insurance