

TRANSFER OPTIONS AT DEATH

IAG SAVINGS AND
RETIREMENT PLAN
ECOFLEX | ECOFLEXTRA

The IAG Savings and Retirement Plan investment and retirement income vehicle allows the transfer of the Guaranteed minimum surrender at death.

Your client has three options for transfer at death:

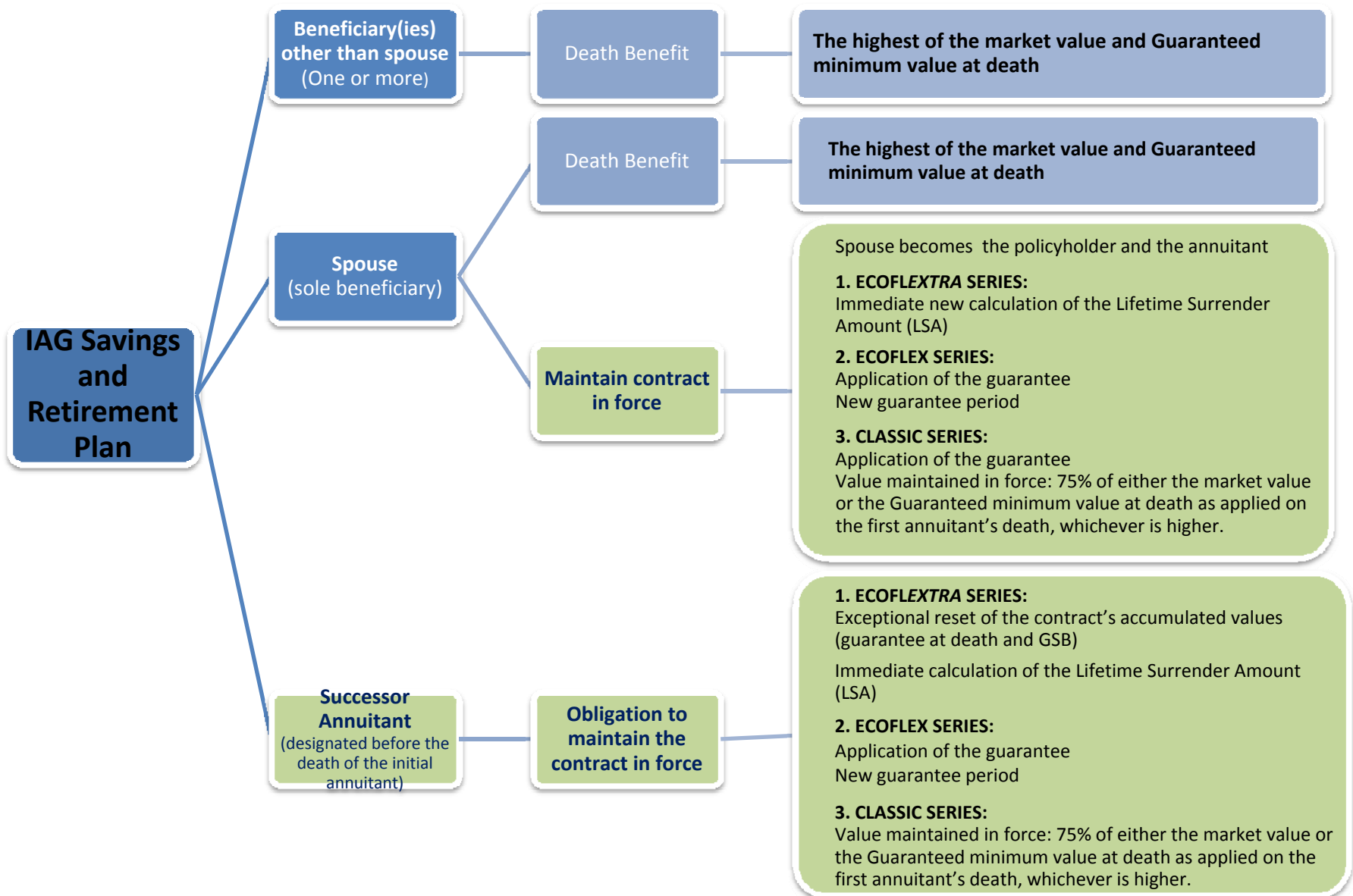
1. **Payment of the death benefit to the beneficiary (end of the contract)**
2. **Continuity of the contract by the spouse and retain the value accumulated since the very beginning**
3. **Transfer of the contract to a third party and profits from an additional reset of the guaranteed values.**

Let's look more closely at each of these options.



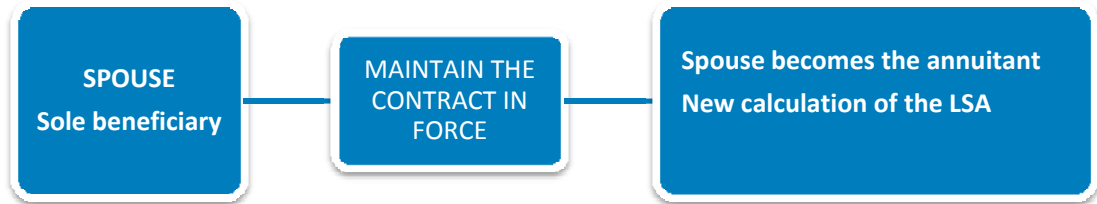
IAG SAVINGS AND RETIREMENT PLAN

Transfer options at death



TRANSFER OPTIONS AT DEATH

Ecoflextra Series



SPOUSE SOLE BENEFICIARY

Why should your client choose to **maintain the contract in force** at death?

At the time of your client's death, it could be very advantageous for their spouse to maintain the contract in force and to preserve the guaranteed values which accumulated due to the bonuses and resets (which would not be recoverable by the death benefit).

In this way, the surviving spouse will benefit from a guaranteed income and also profit from bonuses attributed over the years and resets. Only the Lifetime Surrender Amount (LSA) will be recalculated in light of the age of the new annuitant (age 65 or older).

When the spouse is designated as sole beneficiary, and they choose to maintain the contract in force, they become the annuitant, and the contract is maintained in force.

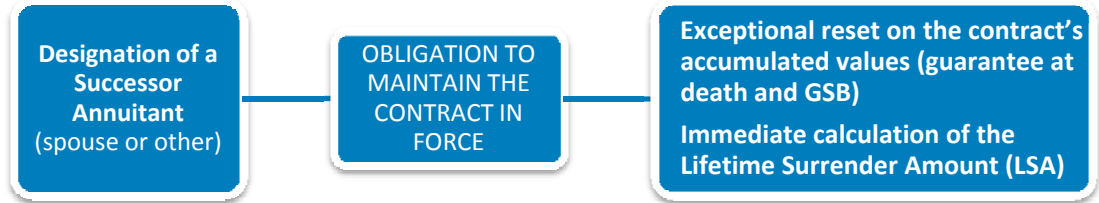
No death benefit will be paid if the spouse chooses to maintain the contract in force.

- **Advantages of maintaining the contract in force**
 - Ensures the spouse of a guaranteed income
 - Allows the initial investments to be preserved
 - Ensures simplified management for the "uninformed" spouse, who follows the investment strategies set up by the client
 - Guarantees the continuity of retirement income payments rather than having to manage a death benefit
- **Effects of maintaining the contract in force**
 - The new annuitant can designate the new beneficiaries of his/her choice
 - The new annuitant obtains all the contractual rights* and can even eventually liquidate the investments.
 - The new successor-annuitant waives the death benefit.

*All the rights that the initial annuitant was entitled to

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DESIGNATION OF A SUCCESSOR ANNUITANT

Why should your client designate a successor annuitant?

The successor annuitant can be any person designated by the client. Upon the death of the initial annuitant, this person obtains all contractual rights*. The successor annuitant is obligated to maintain the contract in force.

An exceptional reset of the guarantee at death and the Guaranteed Surrender Balance (GSB) is made upon the notification of death. A new calculation of the Lifetime Surrender Amount (LSA) is also immediately done after the exceptional reset if the new annuitant is age 65 or older.

Please note that no death benefit will be paid.

- **Advantages of designating a successor annuitant**

- Allows the contract to remain in force for the benefit of someone other than the spouse or children
- Results in an exceptional reset of the accumulated values (Guarantee at death and Guaranteed Surrender Balance (GSB))
- Ensures that the contract will not be 100% cashed in and that the accumulated savings could later be bequeathed to the irrevocable beneficiaries, specifically the initial annuitant's children (practical for blended families)
- Ensures simplified management for the "uninformed" annuitant, who pursues the investment strategies set up by the client
- Guarantees the continuity of retirement income benefits rather than having to manage a death benefit

- **Effects of the designation of a successor annuitant**

- When there is no irrevocable beneficiary to the contract, the successor annuitant obtains all the contractual rights* and can choose to name the beneficiaries of their choice, including their children from a different partner/relationship.
- When the successor annuitant is someone other than the spouse, there is no tax deferral (deregistering of the contract).
- No death benefit will be paid because the successor annuitant is obligated to maintain the contract in force.

*All the rights that the initial annuitant was entitled to

Additional information

Guarantees and Resets – Successor Annuitant

Ecoflextra Series

Notice: The exceptional reset will be made when the Company receives all the documents confirming the death of the initial annuitant.

RESET OF THE MINIMUM GUARANTEED VALUE AT DEATH

An exceptional reset of the Guaranteed minimum value at death for the Ecoflextra Series is done if the successor annuitant was designated in the contract.

The exceptional reset of the Guaranteed minimum value at death is done if the successor annuitant is younger than age 80. The new Guaranteed minimum value at death is equal to the highest of the following amounts:

- The market value of premiums invested in the Ecoflextra Series Funds on the date of the exceptional reset; and
- The Guaranteed minimum value at death for the Ecoflextra Series on the date of receipt previously mentioned.

RESET OF THE GSB

An exceptional reset of the Guaranteed Surrender Balance (GSB) for the Ecoflextra Series is done if the successor annuitant was designated in the contract.

The new Guaranteed Surrender Balance (GSB) is equal to the highest of the following amounts:

- The market value of the premiums invested in the Ecoflextra Series Funds on the date of the exceptional reset; and
- The current GSB.

The information in this document is a summary of the subject. For additional information, refer to the IAG Savings and Retirement Plan Product Guide, in the “Transfer options at death” section, or consult the Information Folder (IA: F13-772A, IAP: F13-772A-P), on the extranet and in the Financial Advisor Library at www.inalco.com/documents/marketing.

Particulars

Spouse as sole beneficiary and successor annuitant – Ecoflextra Series

- **LIFETIME SURRENDER AMOUNT**

- When the contract is maintained in force by the successor annuitant, the LSA is immediately recalculated. It may increase or decrease or may no longer be available if the successor annuitant has not attained the minimum age for eligibility. Every subsequent LSA will be calculated once a year, on December 31, including the year the contract was maintained in force by the successor annuitant. The new LSA will correspond to 5% of the GSB once all transactions, including the exceptional reset of the GSB, if there is one, have been processed.
- If the successor annuitant is younger than age 65, he/she is not eligible for the LSA. Consequently, the LSA and the residual amount of the LSA for the calendar year underway are set at \$0. The LSA remains nil until it's calculated on December 31 of the year in which the successor annuitant attains the minimum age to be eligible for the LSA.
- If the successor annuitant attains the minimum age to be eligible for the LSA, withdrawals may be made for the calendar year underway, up to the residual amount of the LSA, as calculated for the previous annuitant, without the surrender amount made by the successor annuitant surpassing the new LSA.

EXAMPLE 1

\$10,000 LSA

Withdrawals made for the year underway: \$7,500

Residual amount of the LSA: \$2,500

Following the death of the annuitant, exceptional reset of the LSA and new calculation of the LSA for the successor annuitant:

New LSA: \$5,000

The successor annuitant could, for the year underway, withdraw a maximum of **\$2,500** in order to not surpass the initial annuitant's LSA.

EXAMPLE 2

\$10,000 LSA

Withdrawals made for the year underway: \$3,000

Residual amount of the LSA: \$7,000

Following the death of the annuitant, exceptional reset of the LSA and new calculation of the LSA for the successor annuitant:

New LSA: \$5,000

The successor annuitant could, for the year underway, withdraw a maximum of **\$5,000** in order to not surpass the new LSA.