

DETAILS OF LIFETIME WITHDRAWAL AMOUNTS (LWA) & LIFE INCOME FUNDS



Option to access Full Lifetime Withdrawal Amounts (LWA) for Class Plus, Class Plus 2, Class Plus 2.1 and Class Plus 3.0 in Life Income Funds (LIFs)¹

Very rarely, certain clients may not be able to withdraw their full Class Plus, Class Plus 2, Class Plus 2.1 and Class Plus 3.0 LWA because it exceeds their legislated LIF Maximum. Empire Life has developed an option allowing your clients to access their full LWA. To access the full LWA, clients are required to make a Locked-In LWA election.

As making the election will involve contractual changes, we recommend your client (and in some cases, your client's spouse) carefully consider the implications prior to making the election.

¹ LIF, LRIF, or RLIF, as applicable

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Election requirements

To qualify for the election the following requirements must be met:

- The client's LWA must exceed the LIF Maximum in the current year
- The contract only holds units of Class Plus, Class Plus 2, Class Plus 2.1 or Class Plus 3.0
- The applicable pension legislation does not require the purchase of an annuity at age 80
- No deposits have been made during the current calendar year
- The LIF must be registered with The Empire Life Insurance Company

IMPORTANT – Election conditions

The election is irrevocable

Once your client has made the election, it is irrevocable, and its conditions cannot be modified or removed at a later date. So, it is important that clients consider all of the conditions before deciding to make the election.

No additional deposits can be made

No further deposits may be made to the contract after the election has been made. If the client would like to deposit additional funds transferred from a pension plan or another institution, the client will need to apply for a new contract.

Only the LWA may be withdrawn

The only payment that will be made from the contract is the LWA. There can be no other withdrawals. This condition will restrict a client from accessing their LIF Maximum if it exceeds the LWA at a later date.

The LWA must be paid out each year

The LWA will continue to be paid to the client until the contract terminates. There is no option to restrict or defer these payments.

Contract cannot be surrendered and no funds can be transferred to another institution

The contract cannot be surrendered (in full or in part) for the market value, even if the applicable pension legislation allows for the funds to be unlocked (example: Small Amounts). The contract value must also remain at Empire Life and cannot be transferred to another institution.

Contractual features that remain the same

Triennial resets

There are no changes to triennial resets. Triennial resets of the Income Base, Bonus Base, and the Death Benefit² continue on the contract anniversary. The LWA may increase as a result of these resets.

Automatic Income Resets

Clients will still be able to increase their LWA through Automatic Income Resets as they age. The Automatic Income Resets continue to happen without any paperwork being required from the advisor or the client.

Control over investment options

Clients can continue to switch between eligible funds after the election has been made (subject to our administrative rules).

Guarantees remain intact

The Maturity Benefit Guarantee and Death Benefit Guarantee of the contract remain intact. Each LWA withdrawal will continue to reduce the guarantees proportionally.

Class Plus fees

Class Plus fees will continue to be collected after the election has been made. These fees are collected annually for Class Plus contracts and monthly for Class Plus 2, Class Plus 2.1 or Class Plus 3.0.

Making the election

1. Confirm the client's eligibility

To be eligible for the election the client must meet the 5 election requirements:

- The client's LWA must exceed the LIF Maximum in the current year
- The contract only holds units of Class Plus, Class Plus 2, Class Plus 2.1 or Class Plus 3.0
- The applicable pension legislation does not require the purchase of an annuity at age 80
- No deposits have been made during the current calendar year
- The LIF must be registered with Empire Life

2. Discuss important election conditions with the client

Discuss the impact of the election's conditions on the contract with the client.

3. Contact Empire Life Customer Service

Contact the Empire Life Customer Service team at 1 800 561-1268 with the client's policy number. They will validate that the 5 requirements have been met and will provide you with a copy of the election form.

4. Complete the election form

Have the client complete the election form. If the client has a spouse the applicable spousal waiver will also be required along with the election form.

5. Send the election form to Empire Life

Return the completed election form (and spousal waiver, if required) to the Empire Life Customer Service team for processing.

² The final Death Benefit reset will occur on the annuitant's 80th birthday

Summary of election implications	Yes	No
Make additional deposits into the contract		•
Withdrawal amounts other than LWA		•
Defer taking the LWA		•
Surrender or transfer the contract		•
Triennial resets	•	
Automatic Income Resets	•	
Maintain control of investments	•	
Retain Maturity Benefit and Death Benefit Guarantees	•	
Class Plus fees collected	•	

For more information, please contact your Empire Life sales representative.

Making an excess withdrawal prior to making this election may have a negative impact on future LWAs. Withdrawals proportionally decrease Maturity and Death Benefit Guarantees. Other conditions may apply.

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.**

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