



No Load Purchase Option

Available on:

Empire Life Guaranteed Investment Funds
Empire Life Class Plus 3.0

Give your clients flexibility without upfront purchase fees

You can offer the Empire Life No Load purchase option to clients who may be starting to save, are fee sensitive or want to access their funds. The No Load purchase option is available with all Empire Life Guaranteed Investment Funds (GIF) and Empire Life Class Plus 3.0.

You receive an upfront commission of 3.5% on all Empire Life funds. If your client withdraws more than the annual free withdrawal amount within 3 years of the deposit, a commission charge back will apply to you. However, no sales charges will apply to your client.



Client benefits:

No withdrawal fees:

- Clients can access their funds at any time without any sales charges
- Good for small accounts or clients starting to save—every dollar of their investment goes to work

Can be co-mingled with other option

- The No Load option can be added to new and existing GIF and Class Plus 3.0 accounts. (see table on page six for more details)



Advisor benefits:

Enhanced client experience:

- Allows you to offer your clients flexibility to access their funds without paying a withdrawal fee

10%/20% chargeback free:

- Allows clients who want income or need access to their investments to withdraw funds without you incurring a chargeback

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How commission chargeback and commission chargeback free units work

Commission chargeback free units

- Commission Chargeback Free units are established at deposit and recalculated at the end of the calendar year
- Commission Chargeback Free units will not accumulate over time, if they are not used within year allotted they will be forfeited.
- Commission Chargeback Free units are only calculated on chargeback eligible units, this excludes any mature or otherwise free units
 - 10% Free units for Savings Plans – Non-registered, RSP, LIRA or TFSA
 - 20% Free units for Income Plans – RIF or LIF
- Commission chargebacks, and Commission Chargeback Free Units, are calculated at the Fund Level, not at the Account Level

Glossary:

Matured Units – Units that have been on deposit for greater than 36 months and are no longer eligible for a commission chargeback

Chargeback Free Units – Units that have been on deposit for less than 36 months but are not eligible for a commission chargeback (10% Free on Savings Plans, 20% Free on Income Plans)

Chargeback Eligible Units – Units that are eligible for a commission chargeback, these will be switched or redeemed on a “First In, First Out” (FIFO) basis (e.g. oldest units first)

Processing order for withdrawals and switches out

Withdrawals and switches are processed on a “First In, First Out” (FIFO) basis, with the oldest units being withdrawn or switched first.

Note: When a switch occurs into multiple funds, free units are not moved proportionally. The free units are moved with the first fund switched into, and if any free units remain, the next fund switched into. If an Advisor/Dealer would like to know the free units available within each of the new funds please email investment@empire.ca or call customer service at 1-800-536-7683. Free units for the advisor’s chargeback are for information only, and the best interests of the customer should always be considered paramount.

Commission chargebacks schedule

Commission chargebacks are pro-rated based on length of deposit

Number of Months from Deposit Date	Chargeback Percentage	Number of Months from Deposit Date	Chargeback Percentage
1-12	100%	25	48%
13	96%	26	44%
14	92%	27	40%
15	88%	28	36%
16	84%	29	32%
17	80%	30	28%
18	76%	31	24%
19	72%	32	20%
20	68%	33	16%
21	64%	34	12%
22	60%	35	8%
23	56%	36	4%
24	52%	37+	0%

Commission chargeback execution case study

On January 2, 2020 Steve deposits \$100,000 into a single segregated fund (Fund 1) into a new RRSP account at a unit price of \$10, resulting in a unit balance of 10,000 units. 10% of these units (1,000) are immediately commission chargeback free. The total commission paid on the deposit is \$3,500 (\$100,000 x 3.50%)

Note: For the purpose of this example we will assume that the Net Asset Value (NAV) of each fund remains unchanged at \$10.00.

1. How a switch-out is processed:

On January 5, 2021, Steve and his advisor decide to diversify his RRSP account. They request to switch the market value of Fund 1 equally into four different funds (Funds 2, 3, 4 and 5 - \$25,000 each). The switch-out occurs systematically as shown below.

Switch Out Date	Transaction Amount	Switch out Unit Price	Units Switched Out	Switch into new funds	Remaining Units in Fund 1
05-Jan-21	\$25,000	\$10.00	2500	Fund 2	7500
05-Jan-21	\$25,000	\$10.00	2500	Fund 3	5000
05-Jan-21	\$25,000	\$10.00	2500	Fund 4	2500
05-Jan-21	\$25,000	\$10.00	2500	Fund 5	0

2. How a switch into new funds are processed:

All Commission Chargeback Free Units are moved into the first fund the switch is processed into and are not proportionately attributed to all funds. However, the original commission paid is proportionately split among each of the new funds. In this scenario, we are assuming Fund 2 was the first fund switch processed so 100% of the free units get assigned to that fund, as shown in the example below.

Switch into Fund	Switch in Date	Transaction Amount	Switch In Unit Price	Total Units Switched in	Commission Chargeback Free Units Switched In	Commission Chargeback Eligible Units	Proportionate Commission
Fund 2	05-Jan-21	\$25,000	\$10.00	2500	1000	1500	\$875
Fund 3	05-Jan-21	\$25,000	\$10.00	2500	0	2500	\$875
Fund 4	05-Jan-21	\$25,000	\$10.00	2500	0	2500	\$875
Fund 5	05-Jan-21	\$25,000	\$10.00	2500	0	2500	\$875

Additional Assumptions: 1. During the switch in/switch out process the unit prices of each fund determine the amount of commission chargeback free and chargeback eligible units. 2. There isn't a change in value as we are assuming the unit values are the same.

3. Redemption of units:

Now let's consider what happens when Steve chooses to redeem a portion of his investment on July 2, 2021 – 18 months after the original deposit.

Commission Chargeback Calculation

$$\text{Commission} \times \frac{\text{Chargeable Units}}{\text{Original Units}}$$

Here are three scenarios for how the redemption can be processed and how the commission chargeback will be applied:

Scenario 1: Redemption is taken 100% from Fund 2 where all of the Commission Chargeback Free units are available.

Fund Details	Fund 2
Original Deposit Date	02-Jan-20
Redemption Amount	\$25,000
Unit Price	\$10
(A) Total Units	2500
Attributed Commission	\$875
How the redemption is processed	
Units Sold	2500
Available Free Units	1000
(B) Chargeback eligible units	1500
(C) Commission (76% x \$875) ¹	\$665
Chargeback (C x (B ÷ A))	\$399
Remaining Free Units	0

Scenario 2: Redemption is taken from Fund 3 where no Commission Chargeback Free units are available.

Fund Details	Fund 3
Original Deposit Date	02-Jan-20
Redemption Amount	\$25,000
Unit Price	\$10
(A) Total Units	2500
Attributed Commission	\$875
How the redemption is processed	
Units Sold	2500
Available Free Units	0
(B) Chargeback eligible units	2500
(C) Commission (76% x \$875) ¹	\$665
Chargeback (C x (B ÷ A))	\$665
Remaining Free Units	N/A

Scenario 3: Redemption is taken equally from each of the four funds, where a portion of the redemption comes from Commission Chargeback Free units.

Fund Details	Fund 2	Fund 3	Fund 4	Fund 5	
Original Deposit Date	02-Jan-20	02-Jan-20	02-Jan-20	02-Jan-20	
Redemption Amount	\$6,250	\$6,250	\$6,250	\$6,250	
Unit Price	\$10	\$10	\$10	\$10	
(A) Total Units	2500	2500	2500	2500	
Attributed Commission	\$875	\$875	\$875	\$875	
How the redemption is processed					
Units Sold	625	625	625	625	
Available Free Units	1000	0	0	0	
(B) Chargeback eligible units	0	625	625	625	
(C) Commission (76% x \$875) ¹	\$665	\$665	\$665	\$665	Total Chargeback
Chargeback (C x (B ÷ A))	\$0	\$166.25	\$166.25	\$166.25	\$498.75
Remaining Free Units	375	N/A	N/A	N/A	

¹ Please refer to commission chargeback schedule on page 3 – 18 months post deposit results in a 76% commission chargeback.

Commission Chargeback Summary

Any redemption should reflect the best interests of the investor, these scenarios are to help better understand how commission chargeback free units are processed.

	Scenario 1	Scenario 2	Scenario 3
Commission Chargeback	\$399	\$665	\$498.75



Empire Life No Load purchase option features

Feature	Details
Deposit Commission	3.5%
Deposit Commission Chargeback	For withdrawals made within 3 years after deposit
Trailers Start	13th month
Free withdrawal	10% of chargeback eligible units/year for savings plans 20% of chargeback eligible units/year for income plans
Chargeback schedule	<ul style="list-style-type: none"> • 1 - 12 months: 100% • 13 - 36 months: Prorated
Co-mingle with other options	<p>No Load option may be co-mingled with one (but not both) of the following investment groupings in a single contract:</p> <ul style="list-style-type: none"> • DSC/FEL • LL <p>The No Load option cannot be co-mingled with the F-Class/Fee For Service (F-Class/FFS) option</p>
Eligible Products	<p>New and existing:</p> <ul style="list-style-type: none"> • GIF 75/75, 75/100, and 100/100 • Class Plus 3.0



For more information contact your Empire Life sales representative or visit empire.ca

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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The Empire Life Insurance Company
259 King Street East, Kingston, ON K7L 3A8

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empire.ca info@empire.ca 1 877 548-1881

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