



Single Premium Immediate Annuities (SPIA)





One of the biggest fears your clients can face is outliving their retirement savings. Unlike banks and trust companies that can only offer annuities for a specified period of time, ivari's Single Premium Immediate Annuities (SPIA) can promise your clients a lifetime of steady income.



Key benefits of SPIAs

SPIAs allow clients to convert a registered or non-registered lump sum into a regular stream of income. This income can be guaranteed for the life of one or two annuitants, or for a specified period of time. Other key benefits include:

1. **Guaranteed income:** Clients will know their future income is guaranteed and exactly how much income they will receive during retirement. No danger of clients outliving their capital.

2. **Easy to manage:** No ongoing investment or management decisions are necessary.

3. **Tax-efficient income:** Immediately turn a lump sum of money into a stream of tax-efficient income.



Additional benefits offered by ivari SPIAs

Along with competitive rates and a wide range of options, ivari SPIAs provide additional benefits to help your clients meet their income goals:

- **Potential Creditor Protection:** As an insurance product, your client has the ability to name a family member, such as a spouse, child or parent, as their beneficiary. As such, their investments may be protected from creditor claims. However, there are a number of conditions or restrictions that could apply, so your clients should consult with their legal advisor if creditor protection is important to them.
- **Estate Planning:** Since a beneficiary can be named within a SPIA, the process, as well as the costs and delays associated with probating a will, are bypassed.
- **Protection:** ivari SPIAs are protected up to prescribed limits through Assuris.

Three types of annuities offered by ivari	
Single Life Annuity with or without a Guarantee Period (without a guarantee period is available on registered plans only)	Life annuities provide a guaranteed regular income for an annuitant's lifetime. The single life annuity is based on one person's life. Payments can also be guaranteed for a specific term.
Joint and Survivor Life Annuity with or without a Guarantee Period (without a guarantee period is available on registered plans only)	Based on the lives of two annuitants. Payments are guaranteed while at least one of the annuitants is living. There are optional guarantee periods as well as the option to reduce the payment amount at the primary annuitant's death, after the guaranteed period has expired.
Term Certain Annuity	Provides the annuitant with guaranteed, regular income for a selected period of time. Income payments cease and the annuity contract ends at the end of the term certain period.

ivari SPIAs – At a Glance

Minimum Annuitant Issue Age	<ul style="list-style-type: none"> • 18 or 19 (depending on the Province) to follow the age of majority law. • For locked-in pension funds, the minimum issue age is based on the Province and fund source* (i.e.: LIRA, LRSP, RLSP, LIF, LRIF, RLIF, PRIF and RPP). For example, a client must be 50 or older for funds received from an Alberta LIF.
Maximum Annuitant Issue Age	<ul style="list-style-type: none"> • 90 for registered plans • 85 for non-registered plans
Minimum Deposit	<ul style="list-style-type: none"> • \$5,000** (Term Certain Annuity: \$10,000)
Plan Type Options	<ul style="list-style-type: none"> • Single Life Annuity with or without a Guaranteed Period (without a guarantee period is available on registered plans only)*** • Joint and Survivor Life Annuity with or without a Guaranteed Period (without a guarantee period is available on registered plans only) • Term Certain Annuity†
Payment Frequency Options	Choice of: Annual, Semi-annual, Quarterly and Monthly
Guaranteed Period Options	Choice of: <ul style="list-style-type: none"> • Specified length of time (e.g. 5, 10, 15, 20 years) • The minimum term available is 5 years • For registered plan, the term certain annuity must be to age 90†
Indexing	Annuity income payments can increase at a fixed annual rate, up to 4% for registered funds.

* Unless ivari is provided with the pension plan document confirming that the SPIA can be issued at an earlier date.

** The maximum deposit is \$999,999

*** A spousal waiver form is required for locked-in pension funds

† Not available for locked-in pension funds

All of ivari’s SPIAs are “prescribed,” meaning:

- The owner and the annuitant must be the same person.
- The guaranteed period cannot extend beyond the annuitant’s age 90
- Each non-registered annuity payment is a level blend of interest (taxable portion) and principal (non-taxable).
- Annuity payments received in a calendar year are the same each and every year thereafter.

ivari SPIA application

In order to provide your client with an *ivari* SPIA, please follow these simple steps:

- 1a. Call *ivari* at 1-800-846-5970 to obtain a quote. Confirmation of the quote will be faxed to your office; OR
- 1b. You can generate and print the quote from our LifeView illustration software.
2. Complete a SPIA application form (IP-NB151). The SPIA application can be ordered online through *ivari* express. It can also be completed and printed on-line from our website at www.ivari.ca or from our LifeView software.
3. Submit completed application and quote with cheque to our Head Office.

To guarantee the quote (rate applicable to the Contract), the application and cheque must be received;	
SPIA application form (IP-NB151)	– within 5 business days after the quote illustration date
Cheque for non-registered funds	– within 5 business days after the quote illustration date
Cheque for registered funds	– within 45 business days after the quote illustration date

LifeView Illustration Software

You can use *ivari's* popular LifeView illustration software to quickly and easily generate SPIA quotes right on your desktop. The SPIA quoting tool can be automatically updated with the latest rates at the push of a button, and once you've got the quote you desire, it will even complete most of your client's application form.

The screenshot shows the LifeView Illustration Software interface for a Single Premium Immediate Annuity. The interface includes a menu bar (File, Illustration, Preferences, Calculators, Products, Web Links, Help) and a sidebar with navigation options (Universal Life, TERMSelect, Critical Illness Prot..., Insurance Solutions, SPIA, SPIA Description, SPIA, Marketing Materials). The main form area is titled "Single Premium Immediate Annuity" and contains the following sections:

- Product Information:** Illustration Type: Single Premium (A), Payment Frequency: Monthly, Purchase Date: 12/05/2015, Payment Start Date: 01/05/2016, Illustration Date: Dec-02-2015 (C).
- Plan Type:** Single life - sole ownership (B), Guaranteed Period: 5 Years, 0 Months.
- Annuitant(s):** Table with columns: First Name, Last Name, Gender, Province, DOB(mm/dd/yyyy), Age. Row 1: Primary, Primary, Annuitant, Male, Ontario, 12/02/1955, 60.
- Source of Funds:** Table with columns: Type, Name of Transferor, Province, Amount. Row 1: Non Reg., Company 1, Ontario, 100,000.00 (D).
- Periodic Income:** 356.49 (E), Annual Taxable Amount: 0.00.
- Total Funds:** 100,000.00.
- Download Rates:** Rates were downloaded on: Feb-14-2014 2:34:34 PM, Download Rates (F), Rates have expired, Apply Rates to Quote.
- Back-to-back annuity concept:**

How do I generate a quote?

From within LifeView, select the SPIA tab in the left-hand column. This brings you to the main SPIA screen.

To generate a quote:

- Select the desired **Illustration Type**. If you already know the amount of the initial deposit, choose Single Premium and the software will calculate the periodic income available. If you already know the level of periodic income your client desires, choose Periodic Income and the software will calculate the initial deposit that will be required;
- Select the appropriate **Plan Type**;
- Select a **Payment Start Date** that is before December 31 of the next calendar year, but must be no less than 3 business days following the purchase date;
- Enter the **Source of Funds**. Do not mix non-registered funds with any form of registered funds;
- Enter an amount between \$50 and \$200,000 in the **Periodic Income** section. Higher levels of Periodic Income must be obtained from Head Office;
- Before creating the illustration, please ensure you have the latest rate information. This may be obtained by pressing the **Download Rates** button on the Product Information tab. Once selected, the SPIA quoting system will allow you to either download directly from the internet if you are online, and enter a "Rate Generation Code." The rate generation code may be obtained from the *ivari* website under the Rates of Returns and Prices section (Investment Products/SPIAs);
- If you want to compare more than one SPIA scenario, press the **Annuity Comparison** tab to enter more than one set of data; and
- Once you have generated an illustration that you are pleased with, press the **Insurance Application** button to flow the information directly into a SPIA Application form. Please complete the remaining sections and send *ivari* the original signed hard-copy printout only, as electronic copies are not adequately secure.

How do I complete a fillable/printable SPIA application?

In order to have the SPIA illustration software automatically complete the application for you, you need Adobe Acrobat Reader installed on your computer. This is available for free over the internet at www.adobe.com.

Special note for locked-in pension Funds

The table on the unisex rate versus gender of the annuitant provides details on what is permissible in each province for the source of funds.

Source of Funds												
Type	Non Reg.	RRSP	LIRA	LRSP	RLSP	RPP	DPSP	RRIF	LIF	RLIF	LRIF	PRIF
Canada (Federal pension legislation)	4	4	2	2	2	2	4	4	2	2	N/A	N/A
Newfoundland and Labrador	4	4	2	2	2	2	4	4	2	2	2	N/A
Nova Scotia	4	4	2	2	N/A	2	4	4	2	N/A	N/A	N/A
Prince Edward Island	4	4	2	2	2	2	4	4	2	2	N/A	N/A
New Brunswick	4	4	2	2	N/A	2	4	4	2	N/A	N/A	N/A
Québec	4	4	3	3	N/A	3	4	4	3	N/A	N/A	N/A
Ontario	4	4	2	2	N/A	2	4	4	2	N/A	2	N/A
Saskatchewan	4	4	1	1	N/A	1	4	4	1	N/A	1	1
Alberta	4	4	3	N/A	N/A	3	4	4	3	N/A	3	N/A
British Columbia	4	4	1	N/A	N/A	1	4	4	1	N/A	N/A	N/A
Manitoba	4	4	1	1	N/A	1	4	4	1	N/A	1	1
Yukon Territory	4	4	2	2	2	2	4	4	2	2	N/A	N/A
North West Territories	4	4	2	2	2	2	4	4	2	2	N/A	N/A
Nunavut	4	4	2	2	2	2	4	4	2	2	N/A	N/A

Legend

1. Quotes must be based on the Unisex Rate. The Unisex field in the SPIA illustration software is always set to 100.00% and cannot be changed.
 2. Quotes can be based on Unisex rate or based on the gender of the Annuitant. The Unisex field in the SPIA illustration software is editable and the allowed value is between 0.00% and 100.00%. The default value is set to 100%. (i.e. based on Unisex)
 3. Regulation is silent. Quotes can be based on the Unisex rate or based on the gender of the Annuitant. The Unisex field in the SPIA illustration software is editable and the allowed value is between 0.00% and 100.00%. The default value is set to 0% (i.e. based on gender).
 4. Quotes must be based on the gender of the annuitant. The Unisex field in the SPIA illustration software is disabled and reset to 0.00%.
- (N/A) Not allowed in this province.

 SPIAs can provide you with guaranteed income and easy to manage solutions. 

With a national network of thousands of independent advisors, *ivari* provides a full range of insurance products designed to help Canadians make the right choice for their protection needs. The people, products and service that make up *ivari* have stood the test of time and have been around for over 80 years in the Canadian marketplace. Through our commitment to always being approachable and transparent in everything we do, we are dedicated to starting a fresh, new conversation about insurance. And we will stand by our word. Visit us at www.ivari.ca.



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Note: Information required to obtain a quote for a client includes: gender, date of birth, amount, mode of payment, source of funds, type of annuity, purchase and commencement date. New quotes will be required if information provided for original quote is not accurate or if amount or purchase date provided does not reflect actual amount received or date of purchase.

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