IAG Savings and Retirement Plan

SAVINGS

Product Guide

iA Financial Group

For advisor use only

iA Financial Group

SAVINGS

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IAG Savings and Retirement Plan

1. INTRODUCTION

The **IAG Savings and Retirement Plan** is a savings and retirement income product that lets your clients grow their savings in order to achieve their most important goals, including a comfortable retirement free of financial worries.

The IAG Savings and Retirement Plan provides all the flexibility required to develop a global, synergistic, and adaptable savings strategy that accounts for current and future needs of your clients.

This guide is a reference tool for advisors. Please refer to the contract for more information on the features or to confirm specific details. The contract is part of the Information Folder - IAG Savings and Retirement Plan (F13-772A) available in the Document Centre of the Advisor Centre. You can also order it from Office Supplies. In the event of a discrepancy between this guide and the contract, the terms of the contract prevail.

2. STANDARDS AND INVESTMENT OPTIONS

2.1 Maximum Age at Issue

The maximum age at issue corresponds to the maximum age at which the policyholder can subscribe to a new contract and depends on the type of savings contract they have subscribed to.

Contract Type	Maximum Age at Issue
Non-registered plan / TFSA	Age 90
RRSP / LIRA / Locked-in RRSP	Age 71
RRIF / LIF	Age 71 (if transferred from an RRSP / LIRA / locked-in RRSP)
	Age 90 (if transferred from a RRIF / LIF)

The cut-off dates to invest the initial deposit in the **FORLIFE Series** are December 31 of the year in which the annuitant reaches the age of:

- 80 for the **Savings Stage**
- 90 for the **Income Stage**
- 85 for the series 75/100, 75/100 Prestige and Ecoflex 100/100

regardless of the type of contract or the source of funds.

2.2 Minimum Investment Standards

Minimum standards	Classic Series 75/75	Series 75/100	Ecoflex Series 100/100	FORLIFE Series	
				Savings Stage	Income Stage
To establish a contract	$100	$100	$100	$100	$25,000
Subsequent deposits	$100	$100	$100	$100	$100
Minimum investment per fund	$25	$25	$25	$25	$25
Minimum PAC[1]	$25	$25	$25	$25	N/A
Dollar cost averaging (DCA)	$25 per fund	$25 per fund	$25 per fund	$25 per fund	N/A
Surrenders	$100	$100	$100	$100	$100
Transfers between funds	$25	$25	$25	$25	All the market value
Periodic income program (PIP)[2]	$1,000 per year or $100 per month	$1,000 per year or $100 per month	$1,000 per year or $100 per month	$1,000 per year or $100 per month	FORLIFE Income

1 PAD: pre-authorized debit

2 Under the PIP, the policyholder can receive monthly or annual income payments from amounts invested in the contract. The PIP is only available for RRIF, LIF, TFSA and non-registered contracts.

Note: Apart from the $25,000 minimum investment in the Income Stage, no minimum amount is required for transfers from an Industrial Alliance ("iA Financial Group") RRSP/LIRA contract to a iA Financial Group RRIF/LIF contract.

RRIF and LIF	Amount
Initial minimum investment	$10,000
Income Stage of the FORLIFE Series	$25,000
Lump-sum payments or transfers	$500
Guaranteed Interest Funds	**Amount**
Initial minimum deposit	$500

Dollar Cost Averaging (DCA)

This program allows your clients to invest a pre-determined amount of money at regular intervals over the course of a given period.

Under the DCA program, policyholders invest an initial premium in the Money Market Fund DCA or a High Interest Savings Account. They then determine in which funds and in which proportion the invested amount will be distributed. They also choose the period over which the transfers will be made (minimum 2 months, maximum 12 months) and the transfer frequency (weekly, bi-weekly or monthly). During this period, a prescribed amount is then automatically transferred each month from the Money Market Fund DCA or the High Interest Savings Account to the funds selected by the policyholder.

The objective is to purchase a higher number of units when the price is low and a lower number when the price is high. This reduces the average price paid and the client acquires more fund units.

The DCA program is not available in the Income Stage of the FORLIFE Series.

2.3 Maturity Date of the Investment Period

The maturity date of the investment period is the date from which no other premium can be invested in the contract.

IAG Savings and Retirement Plan	Maturity Date of the Investment Period
Non-registered/TFSA	December 31 of the year in which the annuitant reaches **age 100**
RRSP/LIRA	December 31 of the year in which the annuitant reaches **age 71**
RRIF/LIF	December 31 of the year in which the annuitant reaches **age 100**[1]

[1] For LIFs, however, the maturity date may be different depending on the applicable legislation.

2.4 Available Savings Plans

The IAG Savings and Retirement Plan contract can be subscribed as any of the following:

- Non-registered savings plan
- Tax-Free Savings Account (TFSA)
- Registered Retirement Savings Plan (RRSP)
- Locked-in Retirement Account (LIRA) or locked-in RRSP[(1)]
- Registered Retirement Income Fund (RRIF)
- Life Income Fund (LIF)[(2)]

(1) Locked-in plans (LIRA, locked-in RRSP) must be converted into disbursement plan (LIF) before investing in the Income Stage.

(2) The FORLIFE Income can be higher than the maximum LIF withdrawal. If the FORLIFE Income becomes greater than the maximum LIF withdrawal, a solution will be offered by the Company to preserve the amount of FORLIFE Income. Please refer to section 6.3.6.

Conversion of RRSP, Locked-in RRSP, and LIRA Contracts

At any time, and at the most suitable moment for them, clients can request to convert their RRSP into a RRIF or their locked-in RRSP or LIRA into a LIF within their contract. Through a rider to his contract, clients can maintain all of their existing investments without surrendering them or subscribing to a new contract.

If the RRSP, locked-in RRSP or LIRA contract is still in force on December 31 of the year in which the annuitant reaches age 71, the contract will automatically be converted into a RRIF or LIF contract of the Company, without modifying the investments in effect when the conversion takes place.

The **IAG Savings and Retirement Plan** offers flexibility, growth, security and diversity. Its numerous advantages include:

- The possibility of registering the contract as an RRSP, LIRA, locked-in RRSP, RRIF or LIF
- The possibility of taking advantage of the Tax-Free Savings Account (TFSA)

- Upon retirement, the ability to easily transfer amounts accumulated in income vehicles such as a pension, RRIF or LIF
- The possibility of investing in a wide range of investment funds to maximize the return on savings
- Creditor protection status for both non-registered and registered contracts (subject to legal requirements)
- The possibility of borrowing to increase RRSP contributions through our RRSP loan
- The possibility of using an investment loan to amplify investment earnings (non-registered contracts only)
- Among the most competitive guarantees in the investment fund market:
  - A guaranteed minimum value at maturity
  - A guaranteed minimum value at death
  - A minimum income guarantee
  - The FORLIFE income
- Automatic management of investments and retirement income for clients who want to benefit from the advantages of their contract in total peace of mind
- The possibility of saving through pre-authorized debits (PADs) of as little as $25 per month

2.5 Investment Options

- **Daily Interest Fund+ (DIF+)**
- **High Interest Savings Account**
- **Guaranteed interest funds (GIF)[(1)]** (minimum $500)

  Fixed rate terms offered:

  — 1 month (automatically renewable)
  — 1 to 5 years
  — 10 years

  Progressive rate term offered:

  — 5 years (not eligible for the automatic investment term (AIT)[(2)] or available to non-residents).

(1) Except for the one-month term, the guaranteed interest funds are not renewed automatically. In the absence of instructions, money that comes to maturity is transferred to the Daily Interest Fund+.

(2) You will find a definition of AIT in the Glossary at the end of this guide.

Type of Interest Credited

For investment terms longer than one year, the client can choose between:

— Simple interest
  Each year, on the anniversary date of the investment, the interest is paid in the DIF+ and reinvested according to the automatic investment term AIT at the current rate.

OR

— Compound interest
  Each year, interest is added to the capital and bears interest at the guaranteed rate. The interest will be credited at the end of the term.

Simple interest applies automatically to terms of one year or less.

- **Interest Rate Structure**

  The interest rate credited varies based on the total amount invested by the client in GIFs, in all his/her iA Financial Group individual savings contracts (this excludes Group Savings and iA Trust).

Rate Structure by Band	Interest Rate
$500 to $999.99	Refer to the rate schedule to find the current rates available.
$1,000 to $24,999.99	
$25,000 to $99,999.99	
$100,000 to $199,999.99	
$200,000 to $499,999.99	
$500,000 to $999,999.99	
$1,000,000 and over	Contact Head Office.

  Interest can be paid monthly within a contract that has a value of $10,000 or more.

Annuity

The client can use the amounts accumulated in his contract to purchase an annuity **at all times.**

Surrender Value

The client can make a total or partial surrender of a guaranteed interest fund at any time.

If the surrender is made before the term expires, the surrender value corresponds to the amount invested, less:

– An adjustment to reflect the market value, calculated according to a current interest rate plus 1% (see the contract for the complete formula)

  and

– A charge to recover non-amortized acquisition fees equal to [0.065% x deposit x number of months remaining until maturity]

- **Segregated Funds**

Segregated funds offer investors an opportunity to benefit from the long-term growth potential of mutual funds while enjoying the wealth protection that segregated funds provide.

Our wide range of funds allows for optimal diversification in terms of geography and asset categories and management styles. Your clients will have access to some of the best fund managers on the market.

The IAG Savings and Retirement Plan offers many series of segregated funds:

- **Classic Series 75/75 | Classic Series 75/75 Prestige**
- **Series 75/100 | Series 75/100 Prestige**
- **Ecoflex Series 100/100**
- **FORLIFE Series**

* The Classic Series 75/75 Prestige and 75/100 Prestige offer the same choice of funds and the same guarantees as the Classic Series 75/75 and 75/100. When the eligibility criteria are met, they offer reduced fees to the client. For information specific to the Prestige Series, please refer to section 8 of this guide.

The difference between the series lies in the guarantees offered and the selection of funds. They all provide a guarantee at maturity and a guarantee at death. In addition to these guarantees, the FORLIFE Series provides a minimum income guarantee and a FORLIFE income. For more details, see sections 3, 4, 5 and 6.

For a list of the funds available in each series, please refer to the document *Fund Codes and Management Expense Ratios* (F13-1000A) available on the Advisor Centre's Document Centre.

3. GUARANTEES – CLASSIC SERIES 75/75 and CLASSIC SERIES 75/75 PRESTIGE

3.1 Guarantee at Maturity

The guarantee at maturity provided by the Classic Series 75/75 (regular or Prestige) ensures that clients recover at least 75% of their invested premiums, less surrenders, regardless of market fluctuations.

3.1.1 Maturity Date of the Guarantee

The maturity date of the guarantee corresponds to the date at which the guarantee at maturity applies, which is **December 31 of the year the annuitant turns 100**.

However, for contracts registered as LIFs, the guarantee maturity date can be different based on applicable legislation.

3.1.2 Guaranteed Minimum Value at Maturity

On the initial investment date, the guaranteed minimum value at maturity is equal to 75% of the premiums invested in the series funds. The guaranteed minimum value at maturity will then vary as follows:

- It increases by 75% in proportion to the subsequent premiums invested in the funds (except for transfers between funds in the same series).
- When surrenders are made by the client (except for transfers between funds in the same series), it is reduced proportionally to the surrendered amount against the market value of the series.

- It is returned to zero when the market value of the series is nil or the contract is cancelled or terminated.

Example of a partial surrender

Amount invested:	$100,000	
Guaranteed minimum value at maturity: 75% x $100,000		$75,000
Market value before surrender:	$115,000	
Surrendered amount:	$20,000	
Decrease in the guaranteed minimum value at maturity:		
$75,000 x ($20,000 ÷ $115,000) = $13,043.48		<u>$13,043</u>
Guaranteed minimum value at maturity after surrender		**$61,957**

3.1.3 Application of the Guarantee on the Maturity Date of the Guarantee

Upon the maturity date of the guarantee, the client will receive the greater of:

- The market value of the invested premiums
- The current minimum guaranteed value at maturity

If the minimum guaranteed value at maturity is higher than the market value, the Company will make up the difference by crediting Money Market Fund units from the Classic Series 75/75 (regular or Prestige).

The policyholder can choose from one of the following options on the maturity date of the guarantee:

- Purchase an annuity offered by the Company at that time.
- Cash in the contract.
- Maintain the contract, including the annuity payments provided for in the contract.

3.2 Guarantee at Death

With the Classic Series 75/75 (regular or Prestige) guarantee at death, the person designated to receive the guarantee amount is guaranteed to receive at least 75% of the premiums invested, less surrenders that have been carried out, regardless of market fluctuations.

3.2.1 Guaranteed Minimum Value at Death

Upon the initial investment date, the guaranteed minimum value at death is equal to 75% of the premiums invested in the series funds. The guaranteed minimum value at death will then vary as follows:

- It increases at a proportion of 75% of the subsequent premiums invested in the funds (except for transfers between funds in the same series).
- It is reduced in proportion to the decrease in the market value of the premiums invested when surrenders are made by the client (except for transfers between funds in the same series) (see example, Section 3.1.2).

- It is returned to zero when the market value of the series is nil or the contract is cancelled or terminated.

3.2.2 Application of the Guarantee at Death

Upon death, the minimum guaranteed value is the higher of:

- The market value of the premiums invested in the Classic Series 75/75 (regular or Prestige) on the date on which the Company receives all the documentation required to make the settlement
- The guaranteed minimum value at death as at the previously mentioned reception date.

If, at death, the guaranteed minimum value at death is higher than the market value, the Company will make up the difference by crediting Money Market Fund units from the same series.

4. GUARANTEES – SERIES 75/100 | SERIES 75/100 PRESTIGE

4.1 Guarantee at Maturity

The guarantee at maturity provided by the Series 75/100 ensures that clients recover at least 75% of their invested premiums, less surrenders, regardless of market fluctuations.

4.1.1 Maturity Date of the Guarantee

The maturity date of the guarantee corresponds to the date at which the guarantee at maturity applies, which is **December 31 of the year the annuitant turns 100**.

However, for contracts registered as LIFs, the guarantee maturity date can be different based on applicable legislation.

4.1.2 Guaranteed Minimum Value at Maturity

On the initial investment date, the guaranteed minimum value at maturity is equal to 75% of the premiums invested in the series funds. The guaranteed minimum value at maturity will then vary as follows:

- It increases by 75% in proportion to the subsequent premiums invested in the funds (except for transfers between funds in the same series).
- When surrenders are made by the client (except for transfers between funds in the same series), it is reduced proportionally to the surrendered amount against the market value of the 75/100 series (regular or Prestige);
- It is returned to zero when the market value of the series is nil or the contract is cancelled or terminated.

See example illustrated in Section 3.1.2.

4.1.3 Application of the Guarantee on the Maturity Date of the Guarantee

Upon the maturity date of the guarantee, the client will receive the greater of:

- The market value of the invested premiums in the 75/100 series (regular or Prestige)
- The current minimum guaranteed value at maturity

If the minimum guaranteed value at maturity is higher than the market value, the Company will make up the difference by crediting Money Market Fund units from the Series 75/100 (regular or Prestige).

The policyholder can choose from one of the following options on the maturity date of the guarantee:

- Purchase an annuity offered by the Company at that time;
- Cash in the contract;
- Maintain the contract, including the annuity payments provided for in the contract.

4.2 Guarantee at death

As per the Series 75/100 guarantee at death, the person designated to receive the guarantee amount is guaranteed to recover, at death, at least **100%** of the invested premiums before age 85[(1)] and at least 75% of subsequently invested premiums, regardless of market fluctuations.

4.2.1 Guaranteed Minimum Value at Death

At the initial investment date, the guaranteed minimum value at death is equal to 100% of the premiums invested in the Series 75/100 funds (75% if age 85[(1)] or over). It may vary in the following ways:

- It increases at a proportion of 100% of the subsequent premiums invested in the funds (75% if after age 85[(1)]), except in the case of transfers between funds in the same series.
- It is reduced in proportion to the decrease in the market value when surrenders are made by the client (except for transfers between funds in the same series).
- It returns to zero when the market value of the series is nil or the contract is cancelled or terminated.
- It can be increased by resetting the guaranteed minimum value at death.

[(1)] Age 80 for all premiums invested in the funds prior to October 7, 2019.

Example of a partial surrender

Amount invested:	$100,000	
Guaranteed minimum value at death: 100% x $100,000		$100,000
Market value before surrender:	$115,000	
Surrender:	$20,000	
Decrease of the guaranteed minimum value at death		
$100,000 x ($20,000 ÷ $115,000) = $17,391		<u>$17,391</u>
Guaranteed minimum value at maturity after surrender:		**$82,609**

Reset of the GMV at Death

It is possible to request a reset of the GMV at death once per year up until the annuitant turns 85.

4.2.2 Application of the Guarantee at Death

At death, the guaranteed minimum value payable by the Company is the higher of:

- The market value of the investments in the 75/100 series (regular or Prestige), on the date on which the Company receives all documents needed to make the settlement
- The current guaranteed minimum value at death on the previously mentioned reception date

If, at this date, the current guaranteed minimum value is higher than the market value, the Company will make up the difference by crediting Money Market Fund units from Series 75/100 (regular or Prestige).

5. GUARANTEES–ECOFLEX SERIES 100/100

5.1 Guarantee at Maturity

According to the Ecoflex Series 100/100 guarantee at maturity, the client is guaranteed to recover at least 100% of the invested premiums, less surrenders, regardless of market fluctuations. The guarantee will be 75% of the premiums invested if the annuitant is 72 years of age or older at the time of investment or when new premiums are invested less than 15 years before maturity.

5.1.1 Maturity Date of the Guarantee

The maturity date of the guarantee corresponds to the date on which the guarantee at maturity applies. All withdrawals made by the client before this date are made at market value.

<u>Establishment of the Maturity Date of the Guarantee</u>

The maturity date of the guarantee must be stated on the client's application form. It must be at least 15 years after the date of the initial investment in the Ecoflex Series 100/100 and must fall between the annuitant's 60th and 71st birthdays. However, if the annuitant is age 57 or more upon purchasing the first units, the maturity date for the guarantee must be set at exactly 15 years after the date the first units are purchased.

<u>Modification of the Maturity Date of the Guarantee</u>

Upon written request from the policyholder, and up to 15 years preceding the maturity date of the guarantee, the date can be modified. The new maturity date must be set at a minimum of 15 years from the date the change is made.

Furthermore, the maturity date of the guarantee must be between the annuitant's 60th and 71st birthdays.

<u>Extending the Guarantee</u>

As of the maturity date of the guarantee, the guarantee is automatically renewed for 15 years or, upon written request from the policyholder, for a longer period of time.

Resets to the Guaranteed Minimum Value at Maturity

Your client may request up to four resets per year, up to 15 years before the maturity date of the guarantee. No minimum market value increase is required to request a reset.

The resets apply to the guaranteed minimum value (GMV) at maturity and the GMV at death. The resets constitute an administrative transaction, and the Company reserves the right to modify this option at any time or charge a fee for the service.

To request a reset, use section F of the F51-153-1 form or send a handwritten, signed note from your client requesting a reset to head office.

5.1.2 Guaranteed Minimum Value (GMV) at Maturity

At 15 years or more before the maturity date of the guarantee

On the initial date of investment, the guaranteed minimum value at maturity is equal to 100% of the premiums invested in the series funds. It will then vary in the following ways:

- Increasing at a proportion of 100% of the premiums subsequently invested in the funds (75% if the annuitant is 72 or over), with the exception of transfers between funds from the same series
- When surrenders are made by the client (except for transfers between funds from the same series), reducing in proportion to the surrendered amount against the market value of the Ecoflex series (see below example)
- Increasing each time the client requests a reset

Example of a partial surrender

Amount invested:	$100,000	
Guaranteed minimum value at maturity: 100% x $100,000		$100 000
Market value before surrender:	$115,000	
Surrendered amount:	$20,000	
Decrease in the guaranteed minimum value at maturity:		
$75,000 x ($20,000 ÷ $115,000) = $17,391.30		$17,391
Guaranteed minimum value at maturity after surrender		**$82,609**

At exactly 15 years before the maturity date: automatic reset

Following this reset, the guaranteed minimum value at maturity is equal to the highest of:

- The current guaranteed minimum value at maturity
- 100% of the market value if the annuitant is below age 72

During the 15 years preceding the maturity date of the guarantee

The guaranteed minimum value at maturity is equal to:

- The current guaranteed minimum value at maturity

PLUS

- 75% of the new premiums invested in the funds (except for transfers between funds from the same series).

LESS

- Surrenders made by the client (except for transfers between funds from the same series). The reduction is made in proportion to the reduction in the market value of the series (see Section 5.1.2 for an example)

5.1.3 Application of the Guarantee on the Maturity Date of the Guarantee

On the maturity date of the guarantee, the value acquired by the client is the highest of:

- The market value of the Ecoflex Series100/100 investment
- The current guaranteed minimum value at maturity

If the guaranteed minimum value at maturity is higher that the market value, the Company will make up the difference by crediting Money Market Fund units from the same series.

On the maturity date of the guarantee, the client can choose between the following options:

- Purchase an annuity offered by the Company at this date.
- Cash in the contract.
- Maintain the contract, including the annuity payments provided for in the contract.

If the client chooses to continue the contract:

- The new maturity date of the guarantee will be set at exactly 15 years later or, upon written request from the client, at a later date.
- If the annuitant is below age 72:
  - The new guaranteed minimum value equals 100% of the amount established at maturity for the period that has just ended.
- If the annuitant is 72 or over:
  - The guaranteed value is equal to 75% of the amount established at maturity for the period that has just ended.

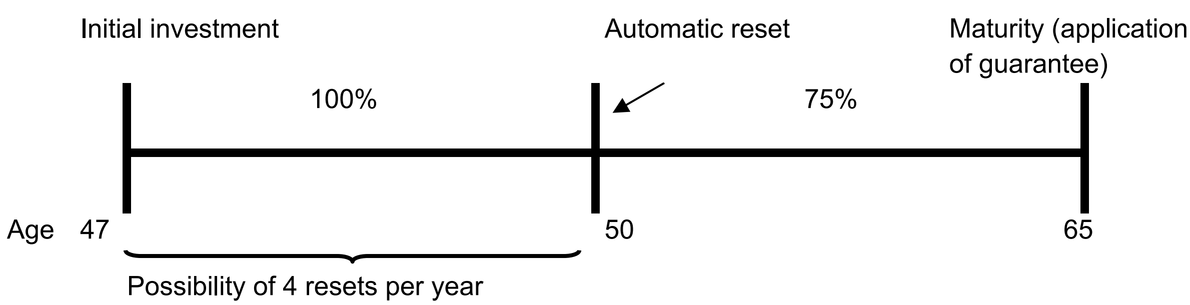
The guaranteed minimum value at maturity is zero is the contract is cancelled or terminated.

John's Example

Age	Activity	Current GMV at Maturity	Market Value	New GMV at Maturity
40	Initial investment	$30,000	$30,000	n/a
47	Reset requested by Jean	$30,000	$35,000	$35,000
50	Automatic reset[1]	$35,000	$39,500	$39,500
55	New deposit of $5,000	$39,500	$42,000[2]	$43,250[3]
65	Application of the guarantee	$43,250	$39,000	$43,250[4]

1. There is an automatic reset at exactly 15 years from maturity.
2. Assuming the market value just before the deposit had decreased by $37,000
3. The guarantee is 75% of new deposits at least 15 years from maturity
   Current GMV at maturity: $39,500 + ($5,000 x 75%) = $43,250
4. The Company applies the guarantee at maturity by crediting Money Market Fund units from the Ecoflex Series 100/100 for an amount of $4,250 ($43,250 - $39,000).

<u>Guarantee at Maturity Overview</u>



5.2 Guarantee at Death

As per the Ecoflex Series 100/100 guarantee at death, the person designated to receive the guarantee amount is guaranteed to recover at least **100%** of the invested premiums before age 80 and at least 75% of subsequently invested premiums, regardless of market fluctuations.

5.2.1 Guaranteed Minimum Value at Death

At the initial investment date, the guaranteed minimum value at death is equal to 100% of the premiums invested in series funds. Then, it may vary in the following ways:

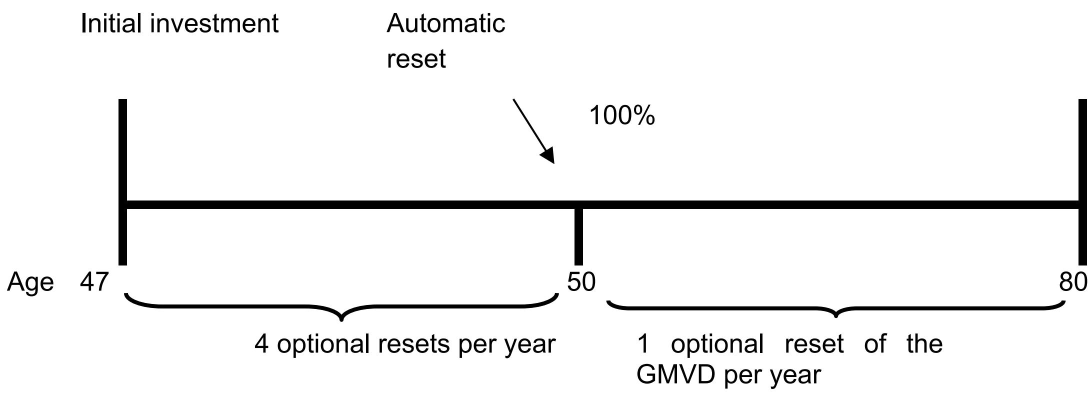
- It increases at a proportion of 100% of the subsequent premiums invested in the funds (75% if after age 80), except in the case of transfers between funds in the same series.
- It is reduced in proportion to the decrease in the market value when surrenders are made by the client (except for transfers between funds in the same series).
- It returns to zero when the market value of the series is nil or the contract is cancelled or terminated.
- It can be increased by resetting the guaranteed minimum value at death.

  See example in Section 4.2.1

Reset of the Guaranteed Minimum Value at Death

Please note that the four annual reset scenarios described in Section 5.1.1 apply to both the guaranteed minimum value at maturity **AND** the guaranteed minimum value at death.

What's more, for the guaranteed minimum value at death only, it is possible to request a reset once per year up until the annuitant turns 80.



5.2.2 Application of the Guarantee at Death

At death, the guaranteed minimum value payable by the Company will be the higher of:

- The market value of the investments in the series, on the date on which the Company receives all documents needed to make the settlement
- The current guaranteed minimum value at death on the previously mentioned reception date

If, at this date, the current guaranteed minimum value is higher than the market value, the Company will make up the difference by crediting Money Market Fund units from the Ecoflex Series 100/100.

5.3 Conversion of an RRSP to an RRIF before Maturity

If an RRSP contract is converted to an RRIF before the guarantee reaches maturity, all of the client's investments will be maintained in effect and no changes will be made. The maturity date for the RRSP contract becomes that of the RRIF contract and the RRSP contract terms regarding the application of the guarantee until the maturity are upheld.

This way, all additional RRIF surrenders will proportionally reduce the guaranteed minimum value. Upon the RRSP maturity date—which also applies to the RRIF—the Company will apply the guarantee if applicable. If the guaranteed minimum value exceeds the market value of the funds, additional units will be credited to the contract to make up the difference.

If the maturity date exceeds the age of 71, an automatic conversion of the RRSP contract to a RRIF is carried out on December 31 of the year the client turns 71. All of the terms described in the preceding paragraph and concerning the transfer of an RRSP contract to an RRIF before the maturity date apply.

The same terms apply when a LIRA or locked-in RRSP is transferred to a LIF.

For more information please consult the document F13-772A, Information Folder, in Section 2.11.

6. GUARANTEES – FORLIFE SERIES

The FORLIFE Series is a solution developed in response to a need for retirement income among clients. It is made up of two stages: the Savings Stage and the Income Stage. The Savings Stage allows your clients to grow their retirement savings and is designed to provide an income guarantee for the client when the transfer is made to the Income Stage. The Income Stage has been specifically designed to provide a stable lifetime guaranteed income which can even increase, thanks to regular resets.

Clients maintain access to the market value of their contract, both during the Savings Stage and the Income Stage.

6.1 Guarantee at Maturity

The guarantee at maturity provided by the FORLIFE Series ensures that clients recover at least 75% of their invested premiums, less surrenders, regardless of market fluctuations.

6.1.1 Maturity Date of the Guarantee

The maturity date of the guarantee corresponds to the date at which the guarantee at maturity applies, which is **December 31 of the year the annuitant turns 100**.

However, for contracts registered as LIFs, the guarantee maturity date can be different, depending on applicable legislation.

6.1.2 Guaranteed Minimum Value (GMV) at Maturity

The guaranteed minimum value at maturity is equal to 75% of the premiums invested in the series funds on the initial investment date. The guaranteed minimum value at maturity will then vary as follows:

- It increases proportionally by 75% of the subsequent premiums invested in the funds (except for transfers between funds in the same series).
- When surrenders are made by the client (except for transfers between funds in the same series), it is reduced in proportion to the surrendered amount versus the market value of the premiums invested in the series (see example illustrated in Section 3.1.2).
- It is set to zero when the market value of the series is nil or the contract is cancelled or terminated.

See example illustrated in Section 3.1.2.

6.1.3 Application of the Guarantee on the Maturity Date of the Guarantee

Upon maturity of the guarantee, the client will receive the greater of:

- The market value of the investments in the FORLIFE Series
- The current guaranteed minimum value at maturity

If the guaranteed minimum value at maturity is higher than the market value, the Company will make up the difference by crediting Savings Stage Money Market Fund units.

The policyholder can choose from one of the following options on the maturity date of the guarantee:

- Purchase an annuity offered by the Company at that time.
- Cash in the contract.
- Maintain the contract, including the annuity payments provided for in the contract.
- Continue to receive an income equal to the FORLIFE Income through a non-reversible life annuity with no guaranteed payment period. If the market value of the Income Stage is not sufficient for the acquisition of such an annuity, the Company will make up the difference.

6.2 Guarantee at Death

As per the FORLIFE Series guarantee at death, the person designated to receive the guarantee amount is guaranteed to recover at least **100%** of premiums invested before age 80 and at least 75% of subsequently invested premiums, regardless of market fluctuations.

6.2.1 Guaranteed Minimum Value at Death

On the initial investment date, the guaranteed minimum value at death is equal to 100% of premiums invested in the FORLIFE Series (75% if the annuitant is age 80 or over). It may vary as follows:

- It increases proportionally by 100% of the subsequent premiums invested in the funds (75% if the annuitant is age 80 or over), except in the case of transfers between funds in the same series.
- When surrenders are made by the client (except for transfers between funds in the same series), it is reduced in proportion to the surrendered amount versus the market value of the premiums invested in the series (see example illustrated in Section 3.1.2).
- It is set to zero when the market value of the series is nil or the contract is cancelled or terminated.
- During the Savings Stage, it can be increased by resets of the guaranteed minimum value at death. The guaranteed minimum value at death cannot be reset during the Income Stage.

See example illustrated in Section 4.2.1.

Resets of the Guaranteed Minimum Value at Death

Resets of the guaranteed minimum value at death are only allowed during the Savings Stage. It is possible to request a reset of the guaranteed minimum value at death once per year up to the annuitant's 80th birthday.

In addition, an automatic reset is performed at the transfer to the Income Stage if the annuitant is under 80 at the time of the transfer. This reset is an administrative measure and the Company reserves the right to modify this measure at any time.

6.2.2 Application of the Guarantee at Death

At death, the guaranteed minimum value payable by the Company is the greater of:

- The market value of the investments in the FORLIFE Series, on the date on which the Company receives all documents needed to make the settlement
- The current guaranteed minimum value at death on the previously mentioned reception date

If, at this date, the current guaranteed minimum value is higher than the market value, the Company will make up the difference by crediting Savings Stage Money Market Fund units.

6.3 FORLIFE Income

6.3.1 Savings Stage

The Savings Stage is an accumulation stage. In the Savings Stage, clients of all ages can take full advantage of market return potential by selecting to invest from a wide range of funds, including a number of 100% equity funds. For information on the funds offered, refer to document *Fund Codes and Management Expense Ratios* (F13-1000A), available in the Advisor Centre's Document Centre.

The Savings Stage features a contractual guarantee called the **Minimum Income Guarantee**, which ensures a minimum level of retirement income to protect clients against market downturns. There are two conditions for the Minimum Income Guarantee to apply:

- Transfer to the Income Stage
- At least one investment must be made in the Savings Stage for 10 years or more

This minimum lifetime guaranteed income corresponds to a percentage of the premiums invested by the client and is calculated as follows: ***Minimum income base x Minimum income rate***, i.e.:

$$\left.\begin{array}{l}\text{100\% of premiums invested for 10 years or more}\\ \textbf{+}\\ \text{75\% of premiums invested for less than 10 years}\end{array}\right\} \quad \mathbf{X} \quad \text{Minimum income rate}$$

The minimum income rate is based on the client's age at the time of transfer to the Income Stage.

Age at transfer to the Income Stage	Minimum income rate*
50–54	3.50%
55–59	4.00%
60–64	4.50%
65–69	5.00%
70–74	5.50%
75+	6.00%

* This rate schedule is fixed and included in the contract. Consequently, it takes effect as soon as the contract is issued without any investment required in the FORLIFE Series.

Example

Age 55: $100,000 investment in the Savings Stage
Age 56: $5,000 investment in the Savings Stage
Age 65: Transfer to Income Stage

Minimum income base	Minimum income rate

Minimum Income Guarantee: 100% x $100,000 + 75% x $5,000 X 5% = $5,188

The minimum income base is calculated for the first time on the date of transfer to the Income Stage.

Regardless of market fluctuations, the client is guaranteed to receive at least $5,188 per year for life, even when the market value drops to $0 resulting from payment of the FORLIFE Income.

Any surrenders during the Savings Stage will proportionally reduce the minimum income base.

6.3.2 Income Stage

When clients are ready to begin receiving their lifetime guaranteed income, they must invest in the Income Stage. The amounts invested can come from various sources:

- The Savings Stage of the FORLIFE Series
- The Classic Series75/75 (regular or Prestige), Series 75/100 (regular or Prestige) or the Ecoflex Series 100/100
- Any other source

There are two conditions for investing in the Income Stage:

- Minimum age of 50
- Investment of at least $25,000

Locked-in savings plans (LIRA, locked-in RRSP) must be converted to disbursement plans (LIF) before they can be invested in the Income Stage.

Clients must choose the date they will receive their first FORLIFE Income payment. The date must be no later than December 31 of the year following their first investment in the Income Stage. For example, a client who invests in the Income Stage in 2021 must choose a date before December 31, 2022.

Clients must also choose, between the two funds offered in the Income Stage, from which fund they wish to receive their FORLIFE Income.

- Two funds offered: **FORLIFE Guaranteed Maximum Income** and **FORLIFE Guaranteed Income & Growth**
  - FORLIFE Guaranteed Maximum Income Fund

  - Objective: Maximize income
  - Composition: 100% fixed income securities

- FORLIFE Guaranteed Income & Growth Fund
  - Objective: Preserve market value and maximize growth potential
  - Composition*: 70% Fixed Income, 30% Equity
- Clients must invest in only one fund at a time.
- If investments have already been made in one fund, subsequent investments must be made in the same fund.
- Clients may request to transfer from one fund to the other, but they must transfer the entire market value.

* Asset allocation may vary. For the most up-to-date allocation, refer to the *EcoStrategist – IAG Savings and Retirement Plan* document available on our website under Savings and Retirement/Economic and financial publications.

6.3.3 FORLIFE Income Calculation

The FORLIFE Income is calculated for the first time on the date the first premium is invested in the Income Stage. The result depends on two possible scenarios:

A – The client has had investments in the Savings Stage for at least 10 years.

In this case, the Minimum Income Guarantee may apply and the FORLIFE Income is based on one of the following calculations:

- The Minimum Income Guarantee (see Section 6.3.1 above)
- Market value x Current income rate* for the FORLIFE Guaranteed Maximum Income Fund
- Market value x Current income rate* for the FORLIFE Guaranteed Income & Growth Fund

*** Current rate:**

The current income rate is used to calculate the FORLIFE Income. Each fund has its own rate schedule. Current income rates are determined based on age, sex and other factors such as interest rates. Current income rates are reviewed periodically. The rate used to calculate the FORLIFE Income for a client is the rate in effect on the date of investment and not the date of the illustration (if the rates are different). For more details, see the table in Section 6.4.

IMPORTANT: If the Minimum Income Guarantee yields the greatest income, this amount is the most advantageous for the client and the FORLIFE Guaranteed Maximum Income Fund must be selected for the guarantee to apply. Advisors must be vigilant about guiding their clients to make the choice that best suits their needs.

Example A – John invests in the Savings Stage, and at age 65, he decides to begin receiving his lifetime income.

Age 55: $100,000 investment in the Savings Stage
Age 56: $5,000 investment in the Savings Stage
Age 65: Transfer to Income Stage
Market value: $95,000

Minimum Income Guarantee: (100% x $100,000 + 75% x $5,000) X 5% = $5,188

- FORLIFE Guaranteed Maximum Income Fund: $95,000 x 5.14%* = $4,883
- FORLIFE Guaranteed Income & Growth Fund: $95,000 x 4.30 %* = $4,085

* Rates used are for example purposes only. You can find the complete, updated schedule in the FORLIFE Series illustration tool available on the Advisor Centre homepage.

In this example, the Minimum Income Guarantee applies. To get the amount yielded by the Minimum Income Guarantee ($5,188), John must invest in the FORLIFE Guaranteed Maximum Income Fund. John may choose to invest in the FORLIFE Guaranteed Income & Growth Fund instead, but in doing so, he forfeits his guarantee.

Example B – John invests in the Savings Stage, and at age 65, he decides to begin receiving his lifetime income.

Age 55: $100,000 investment in the Savings Stage
Age 56: $5,000 investment in the Savings Stage
Age 65: Transfer to Income Stage
Market value: $126,000

Minimum Income Guarantee: (100% x $100,000 + 75% x $5,000) X 5% = $5,188

- FORLIFE Guaranteed Maximum Income Fund: $126,000 x 5.14%* = $6,476
- FORLIFE Guaranteed Income & Growth Fund: $126,000 x 4.30%* = $5,418

In this example, the Minimum Income Guarantee doesn't apply. John must choose the fund in which he wants to invest. Despite the lower income, he may want to select the FORLIFE Guaranteed Income & Growth Fund if he is interested in preserving market value and maximizing growth potential.

B – The client has not had investments in the Savings Stage for at least 10 years, or at all.

In this case, the Minimum Income Guarantee doesn't apply. The client must choose between the two funds offered in the Income Stage and the FORLIFE Income depends on the following:

- The fund selected
- The amount invested

- The current income rate for the selected fund, based on the client's age and sex, at the time of calculation

Example

At age 64, Karina invests $100,000 in the Income Stage without having invested in the Savings Stage first. Karina must choose between the two following options:

- Amount invested x Current income rate for the FORLIFE Guaranteed Maximum Income Fund
  $100,000 x 4.82%* = $4,820

- Amount invested x Current income rate for the FORLIFE Guaranteed Income & Growth Fund
  $100,000 x 3.95%* = $3,950

* Rates used are for example purposes only. You can find the complete, updated schedule in the FORLIFE Series illustration tool available under *My Applications* in the Advisor Centre homepage.

6.3.4 Variations in the FORLIFE Income

The FORLIFE Income is stable and is paid for life. The only factors that can cause it to vary are as follows:

<u>Factors that can make it increase</u>

- Additional investments made by the client in the Income Stage
- Automatic income resets carried out every three years (see Section 6.3.2)
- Transfer to the other Income Stage fund*

<u>Factors that can make it decrease</u>

- Surrenders in excess of the FORLIFE Income amount
  (The word surrender includes any amount taken out of the fund)
- Transfers in excess of the FORLIFE Income amount toward:
  - The Savings Stage
  - The other Income Stage fund*
  - Any other IAG SRP series
  - The daily interest fund+ or guaranteed interest fund

* Reminder: Clients can invest in only one Income Stage fund at a time.

Additional investments made by the client in the Income Stage

When clients transfer investments from the Savings Stage to the Income Stage, they may choose to transfer only a portion of their investments. Consequently, subsequent investments in the Income Stage can come from the Savings Stage or any other source.

When subsequent premiums are invested in the Income Stage, the method used to adjust the FORLIFE Income varies depending on whether the new investment comes from the Savings Stage or not.

Example 1 – The subsequent investment comes from a source other than the Savings Stage.

65-year-old male client
Current fund: FORLIFE Guaranteed Maximum Income
Current FORLIFE Income: $10,000 ($833 per month)
Amount paid since the beginning of the year: $7,500
New investment: $50,000 on October 3

Having already received nine payments, the client is supposed to receive three more for the remainder of the year, i.e.: 3 x $833 = $2,500

New FORLIFE Income:

Income balance for remainder of year, before investment + (New investment x Current income rate for the fund) = $2,500 + ($50,000 x 5.14%) = $5,070
Monthly payments for the rest of the year: $5,070 ÷ 3 months = $1,690
Monthly payments for the years to come: $833 + [($50,000 x 5.14%) ÷ 12] = $1,047

Example 2 – The subsequent investment comes from the Savings Stage.

Male client

Age	Transaction	Amount	Savings Stage market value		Minimum income base (MIB)	FORLIFE Income
			Before transaction	After transaction		
51	Initial investment – Savings Stage	$200,000		$200,000	$0[1]	---
56	Transfer to Income Stage (Max. Inc. Fnd)	$105,000	$210,000	$105,000	$0[1]	$4,410[2]
65	Total transfer to Income Stage	$143,000	$143,000	$0	$100,000[3]	$11,760[4]

[1] The minimum income base is equal to zero as long as the period of investment in the Savings Stage is less than 10 years.

[2] The Minimum Income Guarantee doesn't apply because the investment period is less than 10 years. Consequently, the FORLIFE Income is equal to: Market value x Current income rate, i.e. $105,000 x 4.20% = $4,410

[3] The value used to calculate the minimum income base was reduced following the first transfer to the Income Stage.
It is equal to: Investment in Savings Stage x (Surrender/MV), i.e. $200,000 x (105,000/210,000) = $100,000

[4] Since at least one premium has been invested in the Savings Stage for 10 years or more, the Minimum Income Guarantee applies and the new FORLIFE Income is calculated as follows: $4,410 + [greater of (MIB x Minimum income rate) and (New investment in Income Stage x Current income rate for selected fund)] $4,410 + [greater of ($100,000 x 5%) and ($143,000 x 5.14%)] $4,410 + greater of $5,000 and $7,350 Hence, new FORLIFE Income: $4,410 + $7,350 = **$11,760**

6.3.5 Surrenders Less Than the FORLIFE Income Amount

If, within a calendar year, the amount surrendered by the client is less than the FORLIFE Income amount, the unsurrendered portion will not be carried over. The FORLIFE Income for the following year remains unchanged.

Example

2021 FORLIFE Income: $10,000
Surrenders in 2021: $8,000
FORLIFE Income balance: $10,000 - $8,000 = $2,000
2022 FORLIFE Income: $10,000

The FORLIFE Income balance on December 31, 2021, is not added to the FORLIFE Income for 2022. However, if surrenders in 2022 exceed $10,000, the FORLIFE Income will be adjusted downward (see Section 6.3.2).

6.3.6 Surrenders Exceeding the FORLIFE Income Amount

If, within a calendar year, the amount surrendered by the client exceeds the FORLIFE Income amount, the FORLIFE Income is recalculated on the date of the excess surrender and is applied beginning the following January. The FORLIFE Income is reduced in proportion to the excess surrender versus the market value.

Example
FORLIFE Income: $10,000
Total surrenders as of July 31: $8,000
Surrender on August 28: $15,000
FORLIFE Income balance preceding excess surrender: $10,000 - $8,000 = $2,000
Market value of Income Stage preceding excess surrender: $200,000

On August 28, the FORLIFE Income is adjusted as follows:

a. FORLIFE Income balance is subtracted from the market value:
   $200,000 - $2,000 = $198,000
b. Excess surrender calculation: Surrender - FORLIFE Income balance: $15,000 - $2,000 = $13,000
c. Reduction of FORLIFE Income: B/A x FORLIFE Income = $13,000/$198,000 x $10,000 = $657
d. New FORLIFE Income: $10,000 - $657 = $9,343. This new amount is paid starting the following year.

If the client makes an investment during a year when the total surrenders exceed the FORLIFE Income, the FORLIFE Income is recalculated the day of the investment using the current income rate based on the client's current age. However, the new FORLIFE Income amount will only be applied starting the following year.

In the preceding example, let's assume the client invested $50,000 on September 11, 2021, that being two weeks after the excess surrender. The FORLIFE Income to be applied starting January 1 the following year would be: $9,343 + ($50,000 x 5.8%*) = $12,243

* Hypothetical current income rate

CAUTION:

An excess surrender will have a major impact if the market value is minimal before the surrender. For a better understanding of this, see the following example:

Example

FORLIFE Income: $10,000
Total surrenders as of July 31: $10,000
Surrender on August 28: $500
FORLIFE Income balance preceding excess surrender: $10,000 - $10,000 = $0
Market value of Income Stage preceding excess surrender: $2,000

On August 28, the FORLIFE Income is adjusted as follows:

A. FORLIFE Income balance is subtracted from the market value:
   $2,000 - $0 = $2,000
B. Excess surrender calculation: Surrender - FORLIFE Income balance: $500 - $0 = $500
C. Reduction of FORLIFE Income: B/A x FORLIFE Income = $500/$2,000 x $10,000 = $2,500
D. New FORLIFE Income: $10,000 - $2,500 = $7,500. This new amount is paid starting the following year.

In this example, a surrender of as little as $500 causes a 25% reduction in the FORLIFE Income.

6.3.7 Income Stage RRIF/LIF Minimum Withdrawal

If the contract is registered as a RRIF or LIF, the Income Stage RRIF/LIF minimum withdrawal is calculated on December 31 of each year, in accordance with the *Income Tax Act (Canada)*. If, for a given calendar year, the FORLIFE Income is lower than the RRIF/LIF minimum withdrawal, the Income Stage RRIF/LIF minimum withdrawal will be paid to the client for that particular year only.

Example

FORLIFE Income: $10,000
Income Stage RRIF/LIF minimum withdrawal: $13,000

The client will receive a FORLIFE Income of $13,000 for this particular year without the FORLIFE Income for subsequent years being reduced. The market value will be reduced by the amount paid.

LIF Maximum Withdrawal

In a contract registered as a LIF, the FORLIFE Income amount cannot be higher than the maximum withdrawal amount prescribed by law. If the FORLIFE Income amount exceeds the LIF maximum withdrawal amount, a solution will be offered by the Company to maintain the FORLIFE Income amount. The solution will be to surrender the market value of the Income Stage and take out a single premium annuity (life annuity) with a payment amount equal to the FORLIFE Income amount. No additional expense will be charged to the client for the purchase of the annuity. When this situation occurs, the advisor is contacted by the Company and informed of the conditions and terms.

6.3.8 Resets of the Lifetime Guaranteed Income

Every three years, on the anniversary of the initial investment in the Income Stage, the Company automatically calculates a reset of the FORLIFE Income. Following this calculation, the FORLIFE Income may increase or remain the same. The "new" FORLIFE Income is equal to the greater of the following amounts:

a) Current FORLIFE Income
b) Market value x Current income rate on the reset date

Example

Current FORLIFE Income: $10,000

Income Stage market value: $200,000

Current rate based on client's age: 6%

FORLIFE Income after reset: The greater of $10,000 and ($200,000 x 6%) = $12,000

The new FORLIFE Income is paid starting the next payment date.

6.3.9 Guaranteed Payment Period

The guaranteed payment period commences when the market value of the Income Stage is equal to $0. The FORLIFE Income remains payable if the market value drops to $0 due to the payment of the FORLIFE Income and not due to excess surrenders.

During the guaranteed payment period, the following conditions apply:

- The FORLIFE Income remains payable.
- No further premiums can be invested in the Income Stage.
- Since the market value is now $0, the guaranteed minimum value at death and the guaranteed minimum value at maturity no longer apply.

6.3.10 Transfers Between Income Stage Funds

Clients can transfer from one Income Stage fund to the other. If they do:

- The total market value must be transferred as clients may only invest in one fund at a time.
- The FORLIFE Income payable after the transfer is equal to:
  Income Stage market value x Current rate (based on age) for the destination fund
- The new FORLIFE Income may be less than, equal to, or greater than the lifetime guaranteed income before the transfer.
- The initial investment date in the Income Stage does not change. Consequently, reset dates remain the same as well.
- After the transfer, any surrender made during the current year will be considered an excess surrender, even if the client did not already receive the full FORLIFE Income amount for the year. It is therefore advisable to surrender the entire FORLIFE Income amount before the transfer is made.

6.3.11 Deferred guaranteed income maximization strategy

Clients can take advantage of a strategy that allows them to increase their lifetime guaranteed income by investing in the Income Stage. Here’s how:

- The client establish the date at which he/she wish to begin receiving his/her income.
- He/She immediately invest in the Income Stage and the amount of the annual guaranteed income is determined based on the current income rate at the time of investment.
- During the period between these two dates, income is reinvested in the Income Stage rather than paid.

By deferring the start of income payments this way, the client will later receive a bigger income.

This strategy is recommended for your clients who:

- Have accumulated sufficient savings, but are wary of the risks associated with market uncertainties as they approach retirement
- Are not sure when they will need to start receiving their retirement income, but would like to increase their lifetime guaranteed income if possible
- Want the security of a stable, guaranteed source of retirement income while maintaining access to their capital

To use the deferred guaranteed income maximization strategy:

Just enter “reinvest FORLIFE Income at the end of the year” or “income maximization” in application’s Special instructions section.

In the illustration tool, just enter a payment start date with a year later than the year of the first deposit in the Income Stage. The strategy will automatically be applied.

This strategy is available for all registration types except for LIRA, LIF and locked-in RRSP.

6.4 FORLIFE Series Summary

Savings Stage

Main features
• Savings accumulation phase
• Choice of 32 funds
• Minimum Income Guarantee applies in the future, during the Income Stage (if at least one premium was invested or ≥ 10 years)

Income Stage

Main features
• Payment of lifetime guaranteed income
• Choice of 2 funds:
• FORLIFE Guaranteed Maximum Income Fund • FORLIFE Guaranteed Income & Growth Fund
• Minimum age: 50
• Minimum investment: $25,000
FORLIFE Guaranteed Maximum Income Fund
• Higher income rate than the FORLIFE Guaranteed Income & Growth Fund
• Composition: 100% fixed income securities
• FORLIFE Income can increase through resets every three years
FORLIFE Guaranteed Income & Growth Fund
• Lower income rate than the FORLIFE Guaranteed Maximum Income Fund
• Composition: 70% fixed income, 30% equity
• FORLIFE Income can increase through resets every three years

Minimum income rates (used to calculate Minimum Income Guarantee)	
Age at transfer to the Income Stage	Minimum income rate
50–54	3.5%
55–59	4%
60–64	4.5%
65–69	5%
70–74	5.5%
75+	6%

The minimum income rate schedule is fixed and included in the contract.

Current income rates for the FORLIFE Guaranteed Maximum Income Fund

Current income rates for the FORLIFE Guaranteed Maximum Income Fund (used to calculate lifetime guaranteed income)	
Male	
Age at calculation	Current income rate*
50	2.97%
51	3.03%
52	3.09%
...	...
65	4.19%
80+	5.49%

Current income rates for the FORLIFE Guaranteed Maximum Income Fund (used to calculate lifetime guaranteed income)	
Female	
Age at calculation	Current income rate*
50	2.72%
51	2.78%
52	2.84%
...	...
65	3.93%
80+	5.28%

Current income rates for the FORLIFE Guaranteed Income & Growth Fund

Current income rates for the FORLIFE Guaranteed Income & Growth Fund (used to calculate lifetime guaranteed income)	
Male	
Age at calculation	Current income rate*
50	2.25%
51	2.35%
52	2.45%
...	...
65	3.78%
80+	4.82%

Current income rates for the FORLIFE Guaranteed Income & Growth Fund (continue)

Current income rates for the FORLIFE Guaranteed Income & Growth Fund (used to calculate lifetime guaranteed income)	
Female	
Age at calculation	Current income rate*
50	2.15%
51	2.23%
52	2.32%
...	...
65	3.51%
80+	4.70%

* Rates used are for illustrative purposes only. You can find the complete, updated schedule in the FORLIFE Series illustration tool available under *My Applications* in the Advisor Centre.

Current income rates are reviewed periodically and vary based on interest rates.

7. GUARANTEE OVERVIEW

Guarantees	Classic Series 75/75 Classic Series 75/75 Prestige	Series 75/100 Series 75/100 Prestige	Ecoflex Series 100/100	FORLIFE Series
Maturity Date of the Guarantee	December 31 of the year in which the annuitant reaches age 100	December 31 of the year in which the annuitant reaches age 100	Chosen by the policyholder • At least 15 years after the date of the initial investment in the series; and Must be between the annuitant's 60th and 71st birthdays	December 31 of the year in which the annuitant reaches age 100
Guarantee at Maturity The higher of the market value and:	• 75% of all premiums invested in the funds[1]	• 75% of all premiums invested in the funds[1]	• More than 15 years before maturity: 100% of deposits[1](75% if the annuitant is age ≥ 72[1]) • May increase up to 4 times/year if the client requests resets • Less than 15 years before maturity:75% of deposits[1]	• 75% of all premiums invested in the funds[1]
Guarantee at Death The higher of the market value and:	• 75% of all premiums invested in the funds	• 100% of deposits made before age 85[1, 4] The client can reset 1 time/year until December 31 of the year they turn 85. • 75% of deposits made at or after age 85[1, 4]	• 100% of deposits made before age 80[1] • More than 15 years before maturity: The client can reset up to 4 times/year. • Less than 15 years before maturity: The client can reset 1 time/year until December 31 of the year they turn 80. • 75% of deposits made at or after age 80[1]	• 100% of deposits made before age 80[1] For the Savings Stage only: — The client can reset 1 time/year until December 31 of the year they turn 80. — Automatic reset upon transfer to the Income Stage • 75% of deposits made at or after age 80[1]
Minimum Income Guarantee	N/A	N/A	N/A	• Available if at least one deposit stayed in the Savings Stage for 10 years or more • Applicable upon transfer to the Income Stage • Minimum Income = [100% of deposits invested for 10 years or more + 75% of other deposits] x Minimum Income Rate[2]
FORLIFE Income	N/A	N/A	N/A	• Begins no later than December 31 of the year following first deposit in the Income Stage • FORLIFE Income = The higher of: [Minimum Income] and [Market value x Current income rate • Automatic resets on each three years

[1] Reduced in proportion to surrenders.

[2] The minimum income rate varies based on the age the client begins receiving income. The rate schedule is fixed and is included in the contract.

[3] The curent income rate is reviewed periodically ans is deternined based on age, sex and interst rate levels. Each fund of the Income Stage has its own rate schedule.

[4] Age 80 for all premiums invested in the funds prior to October 7, 2019.

8. PRESTIGE PREFERENTIAL PRICING

See the *Eligibility Guide and FAQ* (F13-1242A) for full details.

9. FUNDS AVAILABLE

Fund units are credited to the contract on the valuation date that coincides with or follows the reception at Head Office of the request to invest a premium.

To see the funds available for each series, please refer to the document *Fund Codes and Management Expense Ratios* (F13-1000A), available in the Advisor Centre's Document Centre.

INVESTMENT MANAGEMENT

9.1 Management methods available

Regardless of the type of savings contract purchased, the IAG Savings and Retirement Plan lets clients choose how their investments are managed. Two (2) management methods are available:

9.1.1 **Personal** management

All new deposits, matured guaranteed interest funds and credited interest are transferred to the daily interest fund+ (DIF+) and are only invested when instructions are received from the client.

9.1.2 Automated management

All new deposits, matured guaranteed interest funds and credited interest are transferred to the daily interest fund+ (DIF+) and are automatically invested according to the automatic investment term (AIT) selected by the client, as soon as the minimum required for investment (MRI) is reached. The MRI is $25 for investment funds and $500 for guaranteed interest funds.

The AIT allows the client to invest in several investment funds at the same time as well as in a guaranteed interest fund.

If the client does not provide instructions, the deposit is invested in the daily interest fund+. If the contract is managed through FundServ, deposit will be invested in the Money Market Fund of the Classic Series 75/75.

9.2 Transfers between funds

The policyholder may request, in writing, that the investments in a fund be transferred to another fund. For partial transfers, the balance of fund units remaining must not fall below the required minimum, otherwise all the units in the fund will be transferred. **Transfer must be made to a fund that has the same type of sales commission.**

In the case of a transfer between Income Stage funds, the total market value has to be transferred.

For transfers between funds:

- No redemption fees are required.

- There may be tax implications with non-registered contracts since a transfer between funds constitutes a disposition.
- In the case of a transfer between Income Stage funds, the FORLIFE Income will be affected. See example in Section 6.3.7.

Note: For surrender fee purposes, the purchase date for fund units acquired following a transfer remains the purchase date of the units in the original fund. For Money Market Fund transfers, please refer to Section 2.11 of the contract.

9.3 Change of Series

The policyholder may, in writing, request a change of series. The following table describes the different possibilities for which a change of series is allowed under the contract:

From \ To	Classic Series 75/75	Series 75/100	Ecoflex Series 100/100	FORLIFE Series Savings or Income Stage
Classic Series 75/75		Allowed	Allowed	Allowed
Series 75/100	Allowed		Allowed	Allowed
Ecoflex Series 100/100	Allowed	Allowed		Allowed
FORLIFE Series Savings or Income Stage	Allowed	Allowed	Allowed	

Upon a change of Series:

- No surrender fees
- No tax implications
- The type of sales commission for funds that changed to another series must remain the same.

9.4 Investment statements

A semi-annual statement is sent to clients on December 31 and June 30 of each year.

In addition to the semi-annual statement, a confirmation is sent to clients when:

- An amount of $1,000 or over (which is not a new deposit)

  OR
- A new deposit of $100 or over

is invested in one of the available investment vehicles, except for the deposits made by PAC, which are detailed on the December 31 statements.

10. INVESTMENT LOAN

You may meet investors who want to use the loan as financial leverage to amplify their investment returns. These clients now have access to a new strategy, the Investment Loan, offered only in non-registered IAG Savings and Retirement Plan contracts.

The Investment Loan is offered for new contracts and contracts already in force. Note that the investment loan is not available for investment in the Income Stage of the FORLIFE Series,

For details about the Investment Loan, refer to the guide in the Advisor Centre's Document Centre.

11. INVESTMENT FUND FEES

Unit Valuations

The units of each investment fund are evaluated on each working day, which allows clients to purchase or surrender units on the same day the request is received at the Head Office. All requests received after 4:00 p.m. ET will be processed the following business day.

11.1 Management and Operating Expenses

Management fees are paid to iA Financial Group and are deducted from the assets of each fund on each valuation date. These fees vary from fund to fund and are calculated according to the market value of each fund on the valuation date.

The rate of management fees may be modified from time to time, but shall never exceed the rate of management fees in effect on December 31, 2020 plus 2%.

For the Classic Series 75/75(regular or Prestige), the insurance fees associated with the guarantees are included in the management fee. For Series 75/100 (regular or Prestige), the Ecoflex Series 100/100 and the FORLIFE Series, these insurance fees are not included in the management fee and are charged to the contract through debit of units. Commissions paid to life insurance agents for the initial investment in funds (except front-end fees, if any) and service fees that are paid to the agents on a monthly basis for the duration of the contract are also embedded in the management fee. An increase in management fees would be considered a fundamental change and would grant the policyholder certain rights (see Section 2.4 of the contract).

In addition to the management fees, current operating expenses are deducted from the fund, including:

- Legal, audit and safeguarding fees
- Management expenses
- Fees for unit holder communications
- All other fees incurred by the funds
- Interest charges
- Financial and other legally required reports and disclosure documents and;
- Applicable taxes, including goods and services tax (GST)

11.2 Management Expense Ratio (MER)

The total amount of all combined fees (i.e., management fees, operating fees and applicable taxes), is called the **management expense ratio (MER)** and is charged to the fund (see the document *Fund Facts),* document number F14-10A, on the document centre of the Advisor Centre or on ia.ca). The MER includes all fees of any underlying investment fund or mutual fund in which the Company invests through its investment funds. At no time will there be any duplication of management fees when the Company invests some or all of the assets allocated to a fund in an underlying investment fund.

11.3 Guarantee Fee

11.3.1 Series 75/100 (regular and Prestige)

The Series 75/100 (regular and Prestige) guarantee fee offers policyholders complete protection at death against market downturns as well as the opportunity to lock in guaranteed values.

This fee is charged proportionately and paid to the Company through an automatic surrender of fund units from Series 75/100 (regular and Prestige). Before October 23, 2023, the fee is established every December 31 based on market value on that date after all transactions have been processed, and is paid on a quarterly basis, starting in January of the following calendar year. Starting October 23, 2023, the fee is established every quarter based on the guaranteed minimum value at death on that date after all transactions have been processed and is paid the next month. Surrenders made to pay these fees will not affect the guaranteed minimum value at maturity or the minimum guaranteed value at death. However, they will have a tax impact on non-registered contracts.

The Series 75/100 (regular and Prestige) guarantee fee is not subject to the goods and services tax (GST), Quebec sales tax (QST) or harmonized sales tax (HST). For more information, please refer to the Information Folder (F13-772A).

All fees that make up the MER are deducted on the valuation date whereas the Series 75/100 (regular or Prestige) guarantee fee is deducted quarterly, on the anniversary date of the series.

11.3.2 Ecoflex Fee

The Ecoflex fee offers policyholders complete maturity and death protection against market downturns and the opportunity to lock in guaranteed values.

The Ecoflex fee is charged proportionately and paid to the Company through an automatic surrender of fund units from the Ecoflex Series 100/100. Before October 23, 2023, the fee is established every December 31 based on market value on that date after all transactions have been processed, and is paid on a quarterly basis, starting in January of the following calendar year. Starting October 23, 2023, the fee is established every quarter based on the guaranteed minimum value at death on that date after all transactions have been processed and is paid the next month. Surrenders made to pay these fees will not affect the guaranteed minimum value at maturity or the minimum guaranteed value at death. However, they will have a tax impact on non-registered contracts.

The Ecoflex fee is not subject to the goods and services tax (GST), Quebec sales tax (QST) or harmonized sales tax (HST). For more information, please refer to the Information Folder (F13-772A).

All fees that make up the MER are deducted on the valuation date whereas the Ecoflex fee is deducted quarterly, on the anniversary date of the series.

11.3.3 FORLIFE Fee of the Savings Stage

The Savings Stage of the FORLIFE Series offers policyholders complete protection at death against market downturns as well as the opportunity to lock in guaranteed values. It also offers a minimum income guarantee. Extra fees apply for these guarantees.

The FORLIFE fee of the Savings Stage is charged proportionately and paid to the Company through an automatic surrender of fund units from the Savings Stage of the FORLIFE Series. Before October 23, 2023, the fee is established every December 31 based on market value on that date after all transactions have been processed, and is paid on a quarterly basis, starting in January of the following calendar year. Starting October 23, 2023, the fee is established every quarter based on the guaranteed minimum value at death on that date after all transactions have been processed and is paid the next month. Surrenders made to pay these fees will not affect the guaranteed minimum value at maturity, the minimum guaranteed value at death or the minimum income guarantee. However, they will have a tax impact on non-registered contracts.

The FORLIFE fee of the Savings Stage is not subject to the goods and services tax (GST), Quebec sales tax (QST) or harmonized sales tax (HST). For more information, please refer to the Information Folder (F13-772A).

All fees that make up the MER are deducted on the valuation date whereas the FROLIFE fee is deducted quarterly, on the anniversary date of the series.

11.3.4 FORLIFE Fee of the Income Stage

The FORLIFE Fee of the Income Stage is included in the MER of each Income Stage Fund and is deducted from the assets of each Income Stage Fund on each Valuation Date. The FORLIFE Fee of the Income Stage is not embedded in the management fee.

11.4 Other Taxes and Income Taxes

The funds are subject to foreign withholding taxes on income from non-Canadian investments. Otherwise, according to current tax laws, the funds are tax-exempt since all capital gains and income are attributed to policyholders.

Should the funds become taxable, taxes will be charged against the funds.

GST, QST and HST are included in the MER.

11.5 Surrender Fees

The client can request a partial or total surrender at any time. A partial surrender must be at least $100 per fund and the value of the remaining units must be at least $25.

11.6 Sales Charge Options

11.6.1 Front-End Load Option

A sales charge of up to 5% of the premium is negotiated between the policyholder and his financial advisor and is payable by the policyholder to the financial advisor. Fund units acquired under the front-end load option can be surrendered at all times without surrender fees. Note that a front-end sales charge will reduce the client's net investment.

11.6.2 Deferred Sales Charge Option

This option is available to new premiums invested in the funds until the annuitant reaches age 80.

Under the deferred sales charge option, surrender fees are deducted if a surrender is made within seven (7) years following the acquisition date of the surrendered units. These fees correspond to a percentage of the amount of the surrender and decrease from 5% to 0% after seven (7) years.

Year of Surrender	Surrender Charge as a % of the Market Value
1	5.5%
2-3	5.0%
4-5	4.0%
6	3.0%
7	2.0%
8 and over	0 %

There are no surrender fees for transfers between funds within the same series and for transfers between the series. There are also no surrender fees when fund units are surrendered for settlement of the death benefit.

11.7 Right to Surrender Without Surrender Fees

- Clients can withdraw up to 10% of the market value of the investment funds as at December 31 of the previous year plus 10% of the new premiums invested during the current year, without surrender fees being charged. Please note that 10% must be calculated solely on the funds invested according to the deferred sales charge option and not on the total market value of the series.
- The right to surrender without surrender fees cannot be used to invest in funds with another type of sales commission
- Within the same contract, the right to surrender without surrender fees no longer applies for a transfer from a fund to **a guaranteed investment fund**.
- The premiums surrendered under the periodic income program (PIP) are included in the calculation of the surrenders without surrender fees.

Example:

Date	Transaction	No. of Units	Unit Value	Total Transaction	Market Value After Transaction
30/06/2018	Purchase	1,000	$10	$10,000	$10,000
31/12/2021	----	1,000	$12.25	----	$12,250
21/05/2022	Surrender	384,615	$13	$5,000	$8,000

Calculation of Surrender Fees

Amount of surrender	$5,000
Minus:	
Right to surrender without fees: 10% x $12,250	$1,225
Amount subject to surrender fees	$3,775
Surrender fee rate in year 4:	4%
Surrender fees: 4% x $3,775	**$151**

In the event of partial surrender and to keep the surrender fee rate as low as possible, surrenders are made such that the oldest units credited to the contract are surrendered first.

There are no surrender fees for a transfer between investment funds and the units acquired following the transfer maintain the original date of the transferred units.

Surrender fees do not apply to deposits made in the Money Market Fund, unless these deposits come from a transfer from other investment funds.

11.8 Right to Surrender Without Surrender Fees (RRIF and LIF contracts)

The client can withdraw the following amounts without surrender fees during a calendar year:

The higher of:

a) 10% of: market value of the investment funds*

+

10% of: premiums invested in the current year

*as at December 31 of the previous year

b) The minimum annual RRIF payment or LIF payment provided by law

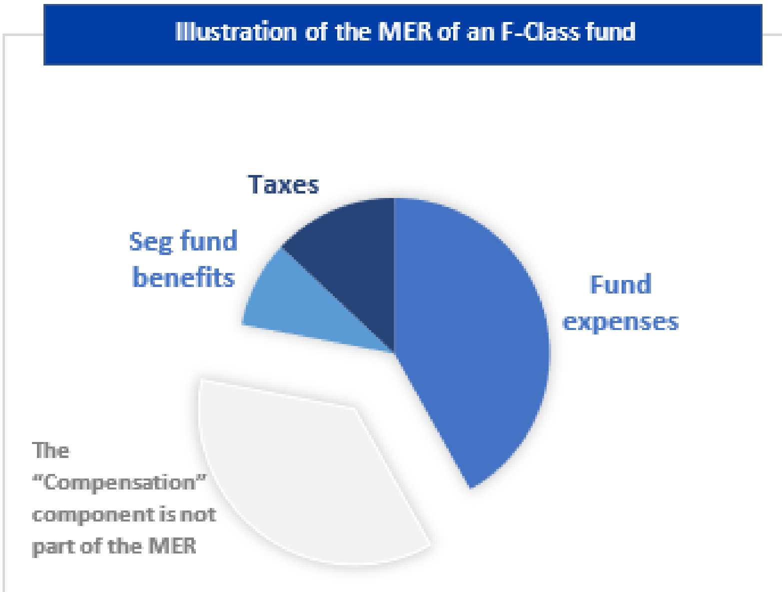
Surrender fees shall apply for a transfer to the daily interest fund+, to guaranteed investments, to the High Interest Savings Account, for transfers to other contracts offered by iA Financial Group, and for transfers to other financial institutions.

The annual surrender without fees privilege is not cumulative and cannot be carried over to subsequent years.

11.9 F-Class - Fee-based investing

This option allows advisors to negotiate a fee rate between 0.50% and 1.25% with their clients.

Unlike other sales charge options, fee-based investing (F-Class) offers clients and advisors flexibility in determining the cost of the advisor's services by excluding compensation from the MER.



Example – MER composition - Deferred Sales Charge (DSC) versus F-Class:

	DSC	F-Class
Management and operating expenses	1.16%	1.16%
Financial advice (compensation)	1.00%	$\boxed{\textbf{0.00\%}}$
Segregated funds benefits	0.25%	0.25%
Taxes	0.36%*	0.21%*
MER total	**2.77%**	$\boxed{\textbf{1.62\%}}$

* Quebec taxes indicated

Compensation

If there is no Compensation component in the MER of an F-Class fund, how are you paid? With F-Class funds, advisory fees are deducted once a month depending on the **fund balance** and the **fee rate** negotiated between yourself and your client.

Note that no additional sales or service commission is payable on F-Class funds, but they are eligible for sales credits.

Calculating advisory fees

The fee amount is calculated by iA and withdrawn as a redemption of units on the last business day of the month. The amount is the market value of each F-Class fund multiplied by the advisory fee rate, on a daily basis, plus applicable sales taxes. Fees are subject to the Goods and Services Tax (GST), the Quebec Sales Tax (QST) and the Harmonized Sales Tax (HST).

If a new fee agreement is signed during the calculation period, the previous rate will be used until the effective date of the new rate, and the new rate will be used thereafter.

Availability

F-Class funds are available only in the IAG Savings and Retirement Plan, in the following series:

- Classic series 75/75 and Classic series 75/75 Prestige
- Series 75/100 and Series 75/100 Prestige
- Ecoflex Series 100/100

Note that the F-Class may be combined **with Prestige preferential pricing.**

F-Class is an addition to the three other sales charge options at iA Financial Group, namely:

- Front-End Load (FEL)
- Chargeback – CB3 and CB5
- Deferred Sales Charge (DSC)

Note that all the sales charge options may coexist in a single IAG SRP contract.

Sales Taxes

As with all goods or services, your client is required to pay sales taxes on advisory fees. Consequently, sales taxes represent part of the amount deducted from the client's contract. The amount of sales taxes is determined by the customer's province of residence.

The remittance of sales taxes to the government, which is your sole responsibility, is the biggest difference between F-Class and all other sales charge options (FEL, CB, DSC).

To be able to offer F-Class to your client, you must first be registered for GST/HST and QST, and at least once a year, you must remit these taxes to the government. In Quebec, you only need to register with Revenu Québec to remit provincial AND federal taxes. In all other provinces, you register with the Canada Revenue Agency (CRA) for the GST/HST, depending on the province. Note that you are not required to register for provincial sales taxes in Saskatchewan, Manitoba or British Columbia.

For full details concerning F-Class, refer to the *Advisor Guide - Fee-based investing* and the Information Folder.

12. INCOME PROGRAMS

12.1 Periodic Income Program (RRSP, TFSA and Non-registered Contracts)

On written request, the client can enroll in the periodic income program (PIP). The client can choose to receive the income on an annual or monthly basis. The amount of periodic income must not be lower than $1,000 per year or $100 per month. The client can terminate the PIP at any time on written request.

The periodic income program is only available with contracts of over $10,000.

12.2 Periodic retirement benefits (RRIF and LIF)

Each year, the Company pays the policyholder retirement benefits according to the terms of payment he has chosen. The total benefits paid during each calendar year must not be lower than the minimum payment defined by law. The schedule of RRIF/LIF surrenders is presented in Appendix I.

For the Income Stage of the FORLIFE Series, only the Income Stage RRIF minimum withdrawal allows for benefits higher than the FORLIFE Income without resulting in a reduction of the FORLIFE Income.

12.2.1 Minimum benefits

This is the minimum annual payment provided by law. It is established on January 1 of each year by multiplying the book value of the contract on that date by a percentage prescribed by the law.

12.2.2 Level benefits

The annuitant receives a fixed amount determined for the duration of the contract. The amount of the selected benefit can be modified at any time on written request. This amount must include the FORLIFE Income, where applicable.

12.2.3 Maximum benefits (LIF)

The amount paid during the calendar year corresponds to the maximum surrender provided by law with respect to a Life Income Fund (LIF).

12.2.4 Frequency of benefits

Policyholders can choose to receive periodic retirement benefits on a monthly, quarterly, semi-annual or annual basis, on the day of their choice. However, if the total periodic retirement benefits during a calendar year are less than $1,200 the frequency must be annual. In the absence of instructions from the policyholder, payments will be made on a monthly basis.

12.2.5 Automated management of the benefit

All benefits paid (periodic retirement benefits as well as lump-sum surrenders) are made from investment vehicles determined by the client.

Thanks to an AST (automatic surrender term), the benefits are withdrawn according to the instructions specified by the client.

13. TRANSFER OPTIONS AT DEATH

The contract can be maintained in force after the policyholder's death if the annuitant's spouse has been designated as the sole beneficiary*.

* If the beneficiary is someone other than the spouse, the contract cannot be maintained in force. The beneficiary receives the death benefit and the contract terminates.

13.1 Spouse as Sole Beneficiary

On the death of the annuitant, the contract is transferred to the surviving spouse **tax-free**. The spouse must make a choice:

- Receive the amount of the guarantee at death and terminate the contract.
- Keep the contract in force.

This choice must be made upon the notification of death.

If the spouse beneficiary chooses to keep the contract in force:

- The values accumulated in the contract are maintained.
- The guarantee at death applies. The spouse becomes the policyholder and the new annuitant (the surviving annuitant).
- The spouse obtains all ownership rights, including the right to increase or decrease the amount of benefits, name or replace beneficiaries, make lump-sum withdrawals, etc.

13.1.1 Classic Series 75/75 (regular or Prestige)

The guarantee at death applies. The new guaranteed minimum value at death and at maturity is equal to 75% of the market value when the documents confirming the annuitant's death are received by the Company and following any unit credits provided for under the guarantee at death.

13.1.2 Series 75/100 (regular or Prestige)

The guarantee at death applies. The new guaranteed minimum value at maturity is equal to 75% of the market value of the funds when the documents confirming the annuitant's death are received by the Company and following any unit credits provided for under the guarantee at death. The new guaranteed minimum value at death will be determined based on the age of the new annuitant (100% if under age 85, 75% if age 85 or older).

13.1.3 Ecoflex Series 100/100

- The guarantee at death applies.
- A new guaranteed minimum value at maturity is determined on the date the Company receives the documents confirming the annuitant's death. The new guaranteed minimum value at maturity is equal to 100% (75% if the new annuitant is 72 years of age or older) of the market value on this date, including the value of units credited by the Company in accordance with the guarantee at death, if applicable.
- A new guarantee maturity date must be determined by the policyholder. There must be a minimum of 15 years between the new guarantee maturity date and the date on which the Company receives the documents confirming the annuitant's death. The new guarantee maturity date must also fall between the successor

annuitant’s 60th and 71st birthdays. If the successor annuitant is 56 years of age or older, the guarantee maturity date must be set at exactly 15 years from the date the Company receives the documents confirming the annuitant’s death.

13.1.4 FORLIFE Series

- The guarantee at death applies. The new guaranteed minimum value at maturity is equal to 75% of the market value of the funds when the documents confirming the annuitant’s death are received by the Company and following any unit credits provided for under the guarantee at death. The new guaranteed minimum value at death will be determined based on the age of the new annuitant (100% if under age 80, 75% if age 80 or older).
- If the spouse has at least 50 years of age and that the market value is at least $25,000, the FORLIFE Income is recalculated according to the new annuitant's age and the market value on the date on which all documents attesting to the death are received by the Company.
- If applicable, the minimum income base is recalculated on the date on which all documents attesting to the death are received by the Company.

Additional Details on Spouse

For the Classic Series 75/75 (regular or Prestige), Series 75/100 (regular or Prestige) and FORLIFE Series, the maturity date of the guarantee is modified to correspond to December 31 of the year in which the new annuitant reaches age 100.

- The initial investment dates of the Classic Series 75/75 (regular or Prestige), of Series 75/100 (regular or Prestige) and of FORLIFE Series remain unchanged.
- The new annuitant can make new deposits in accordance with the maturity date of the investment period.
- The new guaranteed minimum values at death and at maturity are equal to the market value at the moment when the spouse becomes the successor annuitant (refer to section 1.8 and 1.9 of the contract).

Investment Loan - New IAG Savings and Retirement Plan Contract

When an IAG Savings and Retirement Plan contract is assigned as collateral for an Investment Loan upon issue, the spouse designated sole beneficiary will not be able to maintain the contract. The death benefit will be paid in this case.

13.2 Taxation

When the contract is transferred to the spouse as successor annuitant, there are no tax consequences. Taxes are deferred until the surviving spouse dies.

The property transfer takes place without the contract going through the deceased annuitant's estate. The transfer of ownership may result in some tax implications and it is suggested to consult a tax specialist. Please refer to sections 1.8 and 1.9 of the contract for additional details.

13.3 Gradual payment of the death benefit

There’s an option called **Inheritance Your Way** which allows to bequest the death benefit based on a formula adapted to each heir. It can be in the form of a one-time lump-sum payment, an annuity certain, a life annuity or a combination of all three. To know more about **Inheritance Your Way**, go to the Document Centre in the Advisor

Center. You will find the **F13-925A** pamphlet, a **FAQ** (Frequently Asked Questions) and the appropriate form **F51-296A**.

14. DEATH BENEFIT

On the death of the annuitant, regardless of the type of contract purchased, the benefit payable is equal to:

- The book value of the DIF+, the High Interest Savings Account and guaranteed interest funds

  Plus

- The market value of investment funds* or the guaranteed minimum value (whichever is higher)

* For the deferred sales charge option, there are no surrender fees for the death benefit purpose.

15. ADDITIONAL BENEFIT

15.1 Contribution in the Event of the Insured's Disability (CID)

When an IAG Savings and Retirement Plan contract contains PACs, the client can subscribe to the **CID** benefit (contribution in the event of the insured's disability). Under this benefit, the Company will continue to make the client's contributions to the contract (**registered or not**) in the event of a disability.

If the contract is registered, the contributions are paid up to the eligible maximum provided by law. Any excess contributions are paid into a non-registered IAG Savings and Retirement Plan contract.

Disability - Definition:

Disability is the inability to carry out the normal functions of one's job for 24 months, and inability to perform the duties of any occupation afterward (see the definition of "disability" in the contract).

Total disability must occur before the insured reaches age 60. The first contribution payment is made four (4) months after the onset of disability and terminates on the first of the following dates:

- The end of the disability
- The insured's 65th birthday
- The start of annuity payments provided under the contract

The following rules apply at issue of the CID benefit:
- Age: 18–55
- Minimum insured contribution: $50/month
- Maximum insured contribution: $650/month

See Appendix II for the annual or monthly premium for this additional benefit.

GLOSSARY

Anniversary Date

For the three series, the anniversary date corresponds to the date on which units were credited to any fund in the series for the first time.

Valuation Date

A valuation date refers to a day on which the market value of fund units is established. The market value of fund units is evaluated on each working day on which the stock markets are active.

Initial Investment Date

The initial investment date corresponds to the date on which a premium is invested for the first time in any fund in a series. The Initial Investment Date of Savings Stage is reset each time the market value of the Savings Stage is equal to 0.

Guarantee at Maturity

This is a contractual guarantee under which the client is assured of recovering a minimum amount defined by the guarantee.

For the **Classic Series 75/75 (regular or Prestige)**, **Series 75/100 (regular or Prestige)** and **FORLIFE Series,** "maturity" refers to the maturity of the contract, which corresponds to December 31 of the year in which the annuitant reaches age 100.

For the **Ecoflex Series 100/100,** "maturity" refers to the date of maturity of the guarantee, which is chosen by the client, within certain limits.

Premium

A premium is an amount received by the Company for purposes of investing in the contract. For the sake of simplification, the term "deposit" is generally used in this guide.

Surrender

A surrender is an amount withdrawn from the contract by the client.

Automatic investment term (AIT)

AIT is an investment instruction that specifies how the client wants to allocate the money circulating in the contract, including PACs and the money that is in the Daily Interest Fund+.

Book Value

The book value of a guaranteed investment is equal to the amount invested in the guaranteed investment plus accrued interest.

APPENDIX I - RRIF MINIMUM SURRENDER

Table illustrating the percentage of minimum surrender that must be made each year under the Income Tax Act (Canada)

Minimum Surrender as a % of Assets on January 1			
Age on January 1	**% of fund**	**Age on January 1**	**% of fund**
55	2.86%	76	5.98 %
56	2.94%	77	6.17%
57	3.03%	78	6.36%
58	3.13%	79	6.58%
59	3.23%	80	6.82%
60	3.33%	81	7.08%
61	3.45%	82	7.38%
62	3.57%	83	7.71%
63	3.70%	84	8.08%
64	3.85%	85	8.51%
65	4.00%	86	8.99%
66	4.17%	87	9.55%
67	4.35%	88	10.21%
68	4.55%	89	10.99%
69	4.76%	90	11.92%
70	5.00%	91	13.06%
71	5.28%	92	14.49%
72	5.40%	93	16.34%
73	5.53%	94	18.79%
74	5.67%	95 +	20.00%
75	5.82%		

APPENDIX II - TABLE OF CID BENEFIT PREMIUMS

Contribution in the event of the insured's disability (CID)

ANNUAL PREMIUM* PER $10 OF MONTHLY CONTRIBUTION		
Age	**Male**	**Female**
18	2.50	3.43
19	2.58	3.53
20	2.66	3.64
21	2.75	3.75
22	2.83	3.87
23	2.92	3.99
24	3.01	4.12
25	3.11	4.25
26	3.21	4.39
27	3.31	4.54
28	3.42	4.69
29	3.53	4.84
30	3.65	5.00
31	3.77	5.16
32	3.90	5.33
33	4.04	5.50
34	4.18	5.67
35	4.34	5.83
36	4.50	6.00
37	4.67	6.17
38	4.85	6.33
39	5.05	6.50
40	5.25	6.66
41	5.47	6.82
42	5.70	6.97
43	5.95	7.12
44	6.21	7.27
45	6.48	7.42
46	6.78	7.57
47	7.09	7.72
48	7.43	7.87
49	7.80	8.04
50	8.20	8.23
51	8.66	8.44
52	9.19	8.71
53	9.86	9.08
54	10.78	9.65
55	12.19	10.62

*** To obtain the monthly premium, multiply the annual premium by 0.09**

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