



# Guaranteed Interest Annuity (GIA) Advisor Guide

# About Serenia Life Financial

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This guide provides an overview of the Serenia Life Guaranteed Interest Annuity, under the Individual Savings Annuity investment product shelf, and the features and benefits available to policy owners. While Serenia Life Financial has made every attempt to ensure the accuracy of the information presented in this guide, the policy contract will govern in all cases.

This guide is FOR ADVISOR USE ONLY.

At Serenia Life, we believe insurance can be kind. And we're on a mission to prove it.

As a grow-to-give company, we share a portion of our profits through community outreach and unique benefits that help members support their family, their community, and the causes they care about.

Each Canadian that purchases an insurance or investment product through Serenia Life enables us to give a little more. Thanks to a long history, a strong foundation, and some highly competitive products and services, we are able to live up to our values of giving back. And we're proud of it.

## **OUR VISION FOR THE FUTURE IS TO EXPAND OUR MEMBERSHIP BY:**

- Clearly explaining our products and services.
- Enhancing member experience and protecting member well-being.
- Inspiring generosity to bring about positive change.

We take care of our members so that they can take care of others – helping them protect what matters most.

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# Serenia Life Guaranteed Interest Annuity (GIA)

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A Guaranteed Interest Annuity (GIA) is one investment offering under the Individual Savings Annuity product. It's a low-risk way for Canadians to save and invest their money, similar to a GIC but with a twist. This Serenia Life GIA is a different kind of investment option that banks do not typically offer. Canadians investing in a GIA will get predictable, guaranteed return that is sheltered from market fluctuations. A GIA is a deferred annuity that provides several investment options for accumulating the amounts of money that can be taken as a lump sum cash at maturity. The amounts may be invested in several investment term options, such as Daily Interest Account (DIA) and/or one or more Guaranteed Interest Accounts (GIA). Serenia Life GIAs are available on both a Registered (TFSA, RRSP, and RRIF) and Non-Registered basis.

## Why Serenia Life for Guaranteed Interest Annuity (GIA)?

A Serenia Life GIA provides policyholders with the certainty, security, and convenience of guaranteed returns on a client's investments. It's low-risk and flexible enough to meet a client's short- or long-term needs. Knowing investments are secured from both market and interest rate risks provides clients with peace of mind. In addition, our current non-contractual bonus rate is unique in the market, as Serenia Life provides additional interest for larger fund values.

These are just a few examples of benefits that members should be considering when they buy a Serenia Life GIA.

## Benefits of a Serenia Life GIA

### ✔ **Guaranteed Return**

A client's investment is locked in at an interest rate for a term of their choice. This means they are assured of a steady cash flow and are provided with a guaranteed return on their savings, despite any market fluctuations.

### ✔ **Potential Bonus Rate<sup>1</sup>**

Clients can potentially receive an extra interest bonus, depending on the deposit amount. The larger the deposit amount, the higher the bonus.

### ✔ **Flexible**

Clients can customize the plan depending on their unique needs. Help them choose a term that matches their savings goal or a payout plan that suits their investment objectives. They can also choose from either an RRSP, TFSA, or RRIF. Clients can even transfer<sup>2</sup> all or a portion of the account value to a different interest account, subject to an adjustment in value.<sup>3</sup>

### ✔ **Freedom**

Clients can access their funds whenever they need to, even before the expiry of the term, and can opt to make full or partial withdrawals. Cash withdrawals are subject to a minimum amount and a minimum policy value. They may also be subject to an adjustment in value<sup>3</sup>.

### ✔ **Creditor Protection**

As GIA is an insurance contract, it may be safeguarded from creditors when the client names a beneficiary.

### ✔ **Estate Protection**

Upon death, the proceeds or funds are given directly to the beneficiary(ies), unlike a traditional GIC. This also means that these funds do not have to pass through probate.

### ✔ **Member Benefits**

As a membership organization, Serenia Life Financial has a growing collection of unique member benefits that encourage members to live generously and give back to their communities.

### **DID YOU KNOW?**

Owners of any Serenia Life Financial product become a member, and automatically get access to industry leading member benefits.

<sup>1</sup>Bonus interest rate is not part of the policy contract and could change at any time.

<sup>2</sup>Transfers are subject to fund transfer rules.

<sup>3</sup>Market Value Adjustments (MVA) may apply if the funds are surrendered from a GIA before the end of its term. Refer to the Definitions section to understand how MVA is calculated.

# Who is a Serenia Life GIA for?

A Serenia Life GIA has been designed for clients with different lifestyles and different needs. With its flexible features, a Serenia Life GIA is for anyone who is looking for a predictable and guaranteed rate of return, whether they are just settling into their career, starting a family, or even planning to retire.

**A Serenia Life GIA is ideal for individuals that are looking for:**

- a short- or long-term investment with the flexibility to choose a term that suits their needs
- a more conservative investment to balance their portfolio
- a guaranteed rate of return, regardless of how the financial markets perform
- security and retirement savings

# Features at a Glance

<b>Registration types</b>	Non-registered TFSA RRSP RRIF
<b>Issue ages</b>	Non-registered: 0 – 110 TFSA: 18 – 110 RRSP: 18 – 70 RRIF: 18 - 110
<b>Issue age basis</b>	Age last
<b>Coverage options</b>	Single Life <ul style="list-style-type: none"> <li>• Only available as a base plan</li> </ul>
<b>Investment options</b>	Daily Interest Account (DIA) Guaranteed Interest Account (GIA) – 9 months through 60 months (5 years), in 3-month increments
<b>Minimum deposit</b>	Minimum: <ul style="list-style-type: none"> <li>• \$500 (initial, additional deposit, and allocation amount to GIA)</li> <li>• \$50 (initial PAC amount to DIA)</li> </ul>
<b>Mode of deposit / payment</b>	<ul style="list-style-type: none"> <li>• Monthly</li> <li>• Quarterly</li> <li>• Semi-Annually</li> <li>• Annually</li> <li>• Pre-Authorized Cheque (PAC)</li> <li>• Single Payment/Premium</li> <li>• Ad Hoc Payments (any frequency)</li> </ul>

<b>Interest rate bands (GIA)</b>	<ul style="list-style-type: none"> <li>Band 1: \$500 - \$49,999</li> <li>Band 2: \$50,000 - \$99,999</li> <li>Band 3: \$100,000 and up</li> </ul> <p>Note: There are no interest rate bands for DIA. DIA interest rate follows the current money market rates that could rise and fall.</p>
<b>Withdrawal options</b>	Full or Partial
<b>Withdrawal/surrender charges</b>	Market Value Adjustments (MVA) may apply if the funds are surrendered before the end of the GIA's term
<b>Withdrawal/surrender rules</b>	<ul style="list-style-type: none"> <li>Funds will be withdrawn from DIA first, until exhausted</li> <li>If necessary, funds will be withdrawn from GIAs, beginning with the GIA closest to the expiry of its term</li> </ul>
<b>Fund transfer rules</b>	<ul style="list-style-type: none"> <li>All or a portion of the account value of any interest account may be transferred to a new interest account</li> <li>MVA may apply to a transfer from a GIA before expiry of its term</li> <li>Transfers are subject to the \$500 minimum amount for the new account</li> </ul>
<b>Application Form</b>	Wealth eApp or Paper Application
<b>Tax treatment</b>	<p>Non-Registered: Accrual taxation  RRSP/RRIF: Funds are fully taxable when received  TFSA: None (on investment earnings or withdrawals)</p>
<b>Assignments</b>	Collateral assignments are only allowed on a non-registered policy
<b>Unique Features</b>	<p>Bonus Interest Rate<sup>4</sup></p> <ul style="list-style-type: none"> <li>Offers extra basis points to larger deposits</li> </ul>
<b>Member Benefits</b>	<ul style="list-style-type: none"> <li>Action Teams</li> <li>Mission Trips</li> <li>Post-Secondary Scholarship</li> <li>Online Will &amp; Power of Attorneys</li> <li>Bereaved Child Benefit</li> <li>Bundles of Joy Benefit</li> <li>Wills &amp; Power of Attorney</li> <li>CPR/First Aid Benefit</li> <li>Babysitter's Benefit</li> </ul>

<sup>4</sup>Bonus interest rate is not part of the policy contract and could change at any time.

# Serenia Life GIA Product Features

## Owner/Life Annuitant

### Registered (RRSP and TFSA) and Non-Registered Adult Policies:

Owner and Life Annuitant must be the same person.

### Non-Registered Juvenile Policies

(i.e., issue ages 0 through 17 inclusive):

The Owner and Life Annuitant must be different people.

The owner can only be another person

(i.e., company-ownership, joint-ownership, etc. are not permitted).

## Investment Options

### Daily Interest Account (DIA)

A DIA is like a high-interest savings account. Its interest rate follows the current money market rates that could rise and fall at any time.

A DIA does not receive an extra interest rate for larger deposit amounts/policy value.

### Guaranteed Interest Account (GIA)

A GIA is available for terms of 9 months to 60 months (or 5 years), in 3-month increments.

Note that subject to this restriction and unless elected otherwise, at the end of the term of each GIA, the policy value of the GIA will be transferred to another GIA of the same length term, at the interest rate in effect at the time of transfer.

A GIA term may not be selected if it will end after the policy maturity date.

### DID YOU KNOW?

A Serenia Life GIA offers an extra bonus rate for larger deposit amounts for terms 9 months or higher. A deposit amount/policy value that ranges from \$50,000 to less than \$100,000 can receive an extra 0.25% on the interest rate. A deposit amount/policy value of \$100,000 or more can receive an extra 0.50% on the interest rate. The bonus interest rate is not part of the policy contract and could change at any time.

- Basic rate + 0.25% for  $\geq$  \$50,000 and  $<$  \$100,000 deposit amount/policy value
- Basic rate + 0.50% for  $\geq$  \$100,000 deposit amount/policy value



**Internal Transfers:**

- All or a portion of the policy value of any interest account may be transferred to a new interest account.
- A Market Value Adjustment may apply to a transfer from a GIA before the expiry of its term.
- All such transfers to a GIA are subject to the \$500 minimum amount requirement for the new account.

## Minimum Investment/Contribution

Variable contributions are allowed, either through lump sum deposits or through a monthly PAC deposit.

	Non-Registered and TFSA	RRSP
<b>Minimum initial amount</b>	\$500 (lump sum) \$50 (PAC to DIA)	\$500 (lump sum) \$50 (PAC to DIA)
<b>Minimum additional lump sum contribution</b>	\$500	\$500
<b>Minimum allocation amount to any GIA</b>	\$500	\$500
<b>Minimum PAC contribution to DIA (adult and juvenile policies)</b>	\$50	\$50

## Death Benefit

Upon the death of the Life Annuitant, the designated beneficiary(ies) will receive the funds/proceeds called the death benefit.

### RRSP and Non-Registered Policies:

If the Life Annuitant dies while the policy is in force, the named beneficiary(ies) will receive the death benefit. The Death Benefit is the Policy Value on the date of death. No Market Value Adjustments will apply.

### TFSA:

In addition to the above, the following provisions apply:

- The death benefit will be tax-free.
- If the named beneficiary is the spouse or common-law partner, the death benefit can be transferred to the TFSA of the beneficiary without affecting the TFSA contribution room of the beneficiary. The transfer must be completed by the end of the calendar year that follows the year of death of the Life Annuitant, and the beneficiary must file CRA Form RC240 within 30 days of the transfer.

## Maturity Benefit

The policy owner receives the maturity benefit. On the maturity date, the automatic maturity provisions apply depending on the policy.

### RRSP Policies:

The policy value will be converted to a RRIF policy if one is available at the time.

### Non-Registered Policies:

The policy value will be used as a single premium to purchase a life annuity with a guarantee period of 10 years.

At time of maturity, the Life Annuitant may request to defer the policy's maturity. If this is elected, the policy will remain in-force for 10 more years, at which time a new maturity date will be reached.

### TFSA Policies:

The policy value will be used as a single premium to purchase a 10-year certain annuity.

At time of maturity, the Life Annuitant may request to defer the policy's maturity. If this is elected, the policy will remain in-force for 10 more years, at which time a new maturity date will be reached.

## Settlement Options Available Prior to Maturity:

At any time prior to the maturity date, one of the following maturity options may be requested instead of the automatic maturity provisions as described above:

- A Life Annuity with or without a guaranteed period
- Lump sum cash settlement
- Conversion to a RRIF policy if the policy is an RRSP (if one is available at the time, and subject to the minimum requirements for such contracts)
- Other settlement options which we may offer at that time

## Claims

### DEATH BENEFIT PAYMENTS

Proceeds will be released when claim documentation requirements, including proof of death, have been filed with Serenia Life Head Office. We request that the policy be returned to us at the time of settlement.

### CLAIMS DEPARTMENT

Toll Free: 1.800.563.6237

# Member Benefits

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As a member of Serenia Life Financial, clients become eligible to receive unique benefits that encourage them to give back to their communities. Each time a member pays a premium for a Serenia Life insurance policy, we share the profits through member-directed community outreach to support the causes our members care about.

## **DID YOU KNOW?**

With the help of our members, Serenia Life Financial has delivered an impact of over \$55 million to individuals communities in need since 1972.

## Action Team Benefit

The Action Team benefit assists members who wish to make a difference in the world around them. A member can apply to receive \$150 to serve as “seed” money to organize a fundraising event that will positively impact their community, and an additional \$100 will be donated to the Registered Canadian Charity of their choice once they’ve completed the event.

## **DID YOU KNOW?**

Serenia Life Action Teams are inspired by the passion of our members to volunteer and give back! Members may apply to lead a fundraising initiative, either virtually or in person, to help support the causes they care about.

## Mission Trip Benefit

Serenia Life will help cover the costs of volunteering abroad or within Canada with a donation of up to \$200 paid directly to the Registered Canadian Charity that is organizing the trip, and an additional \$50 donation to the cause once they have completed their trip.

## **DID YOU KNOW?**

The Mission Trip benefit is not only for overseas – there are many Canadian communities that could use help with providing clean water, disaster relief efforts, building opportunities, and more.

## Post-Secondary Scholarship

Members pursuing a full-time undergraduate or graduate university degree or college diploma at any accredited institution can apply for a one-time scholarship of \$1,000 during any year of study.

### **DID YOU KNOW?**

Post-secondary education costs continue to increase. With this benefit, Serenia Life is demonstrating our commitment to educating the next generation.

## Online Will & Power of Attorneys

This benefit gives members access to Willful's™ premium plan at no cost. Members can complete their legally valid will or power of attorney online – in less than 20 minutes.

## Bereaved Child Benefit

This benefit is designed to support juvenile members whose parents have died too soon, with payments of \$500 per month until they reach the age of 19. At least one parent must have been a member of Serenia Life at the time of their death in order for the juvenile member to qualify.

### **DID YOU KNOW?**

The very foundation of a membership organization is ensuring that members are taken care of. While life insurance is designed to protect our loved ones in the case of an untimely death, this benefit can be applied to assist with a potential shortfall if the unexpected occurs.

## Bundles of Joy Benefit

The Bundles of Joy Benefit provides a \$100 'baby bonus' to parents who recently had a baby and purchased a Whole Life insurance policy before their newborn's 1st birthday.

## Wills & Power of Attorney

Members can apply for a reimbursement of up to \$150 every 5 years when they engage the services of a legal professional to draft or update their will or power of attorney.

### DID YOU KNOW?

According to a survey conducted by the Angus Reid institute in 2018, 51% of Canadians don't have a will and 35% of Canadians that have a will noted that it was not up to date. This statistic demonstrates the power of this benefit for Canadians.

## CPR/First Aid Benefit

When a member chooses to complete an accredited CPR or First Aid (re)certification training course, they can apply for reimbursement of up to \$50 (available once every three years).

## Babysitter's Benefit

The Babysitter's Benefit gives 11-15 year-olds the opportunity to acquire caregiving skills and earn spending money, too. When a member completes an accredited Babysitting course, they can apply for reimbursement of up to \$50.

Serenia Life Financial's member benefits and programs are not contractual. They are subject to change and maximum funding limits.

## Definitions

### Beneficiary(ies)

Individual(s) who are entitled to receive the death benefit proceeds upon the life annuitant's death.

### Life Annuitant

An individual on whose life the death benefit guarantees are based.

### Market Value Adjustments (MVA)

A Market Value Adjustment is applicable to a GIA at any time and will be equal to the product of A, B, and C where:

A = Is the Account Value of the GIA

B = Is the number of years and fractional years remaining to the end of the term, and

C = Is the excess, if any, of the highest of the interest rates then applicable to new GIAs, plus an administration expense amount, over the interest rate applicable to the affected GIA.

The administration expense amount will not exceed 1%.

### Maturity Date

The policy matures at the policy anniversary in the year the life annuitant reaches age 71 for registered policies or age 85 for non-registered and TFSA policies. The policy owner can select one of the maturity options in this guide in advance of the maturity date. Otherwise, the default maturity provisions described in this guide will apply.

### Net Cash Value

At any time prior to the maturity date, is equal to the Policy Value minus any Market Value Adjustments applicable to the GIAs.

### Policy Value

At any time, Policy Value is the sum of the Account Value of the Daily Interest Account (DIA) and the Account Value of all the Guaranteed Interest Accounts (GIAs).

# We are Serenia Life Financial

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As a member-directed organization, Serenia Life has been protecting members and encouraging them to live more generously for nearly 100 years.

## **INSURANCE UNCOMPLICATED**

Uncomplicating our products means our members make better financial decisions for themselves and their loved ones.

## **KINDNESS AS OUR COMPASS**

Serving our members at every stage of their lives with unique benefits and one-to-one guidance.

## **LIVING GENEROUSLY**

Inspiring generosity and simple human kindness by supporting our members and empowering them to give back.

\*Serenia Life Financial\* is an alternate business name used by FaithLife Financial. All benefits are provided, and all policies are underwritten, by FaithLife Financial.

SereniaLife.ca    

