

PROTECTION FOR LIFE

PROTECT THEIR FUTURE WHILE INVESTING FOR YOURS



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**Wealth
accumulation
phase**



**Retirement
phase**

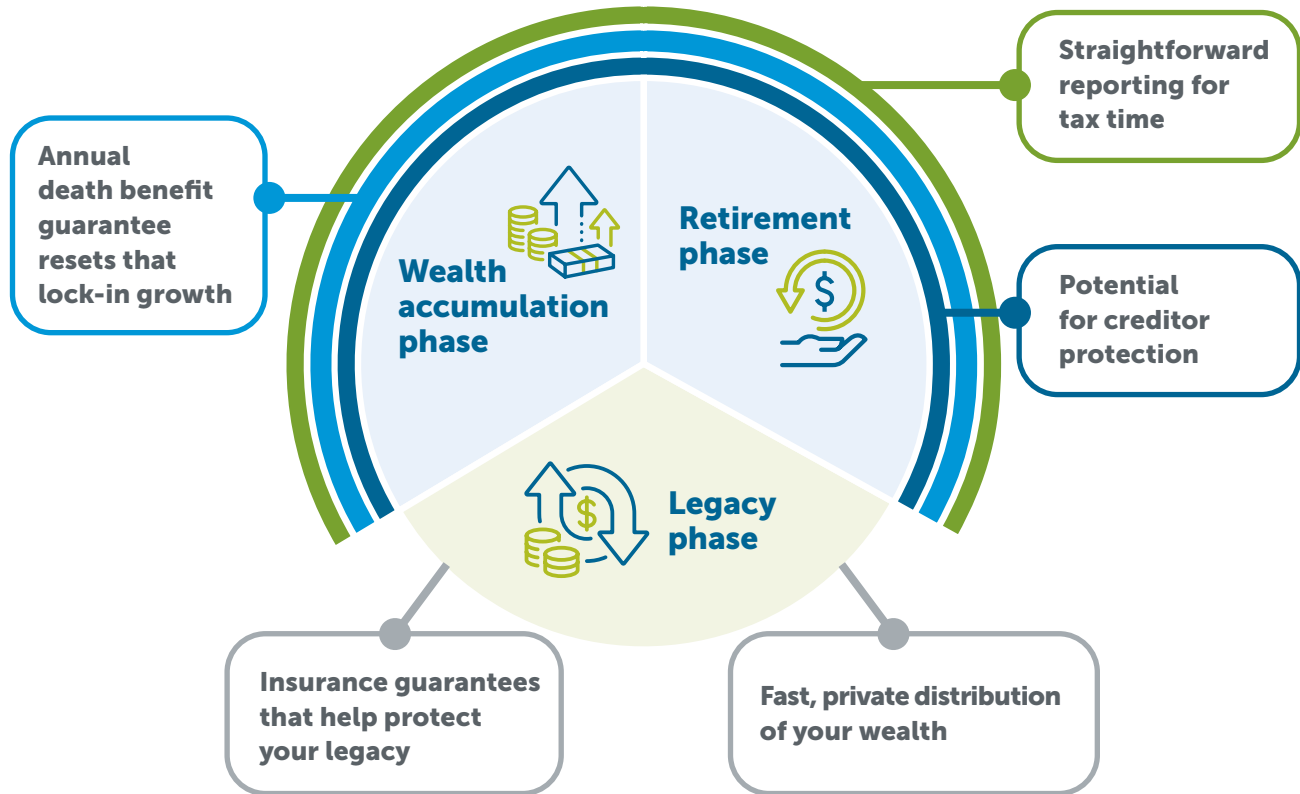


**Legacy
phase**

You have worked hard to build your wealth so you can live comfortably, while securing your family's future. But market volatility has many investors concerned about protecting their financial assets. Get the peace of mind that comes with protection available only with segregated fund guarantees.

Empire Life Guaranteed Investment Funds (GIF) are a segregated fund solution that can allow you to grow and protect the value of your investments. The funds offer an effective estate planning tool to **protect your loved one's future while still investing for yours.**

The lifecycle of Empire Life GIF



Wealth accumulation phase

Choose from our wide range of investment options to build and adjust your wealth plans as your needs evolve.

Retirement phase

Just like any regular investment, you can start enjoying the fruits of your labour and begin withdrawing funds to support your retirement.



Legacy phase

In the legacy phase, segregated funds provide fast and efficient distribution of your accumulated wealth to any designated beneficiaries.

Protect their future while investing for yours



For you:

- **Growth:** Diverse range of investment solutions to help you grow your wealth
- **Protection:** Creditor protection in some scenarios
- **Efficiency:** Straightforward reporting that takes the time out of tax time.



For them:

- **Growth:** Annual death benefit guarantee resets that lock-in growth allowing your guarantees to keep pace with your investments
- **Protection:** Insurance guarantees that help protect your legacy from market downturns
- **Efficiency:** Fast, private, tax-free distribution of your wealth when your loved ones need it most.



Help protect the value of your investments regardless of how markets perform

Managing risk is important to building wealth. One way to manage risk is to choose a fund manager with an investment style and philosophy that aims to grow and protect your money.

For over 50 years, Empire Life has provided Canadians with the investment choices they need to help build wealth, generate income, and achieve financial security.

What's more, Empire Life GIF offers many important benefits, including valuable maturity and death benefit guarantees, so no matter how the markets perform, you can rest easy knowing your beneficiaries will be taken care of!

Features of Empire Life Guaranteed Investment Funds

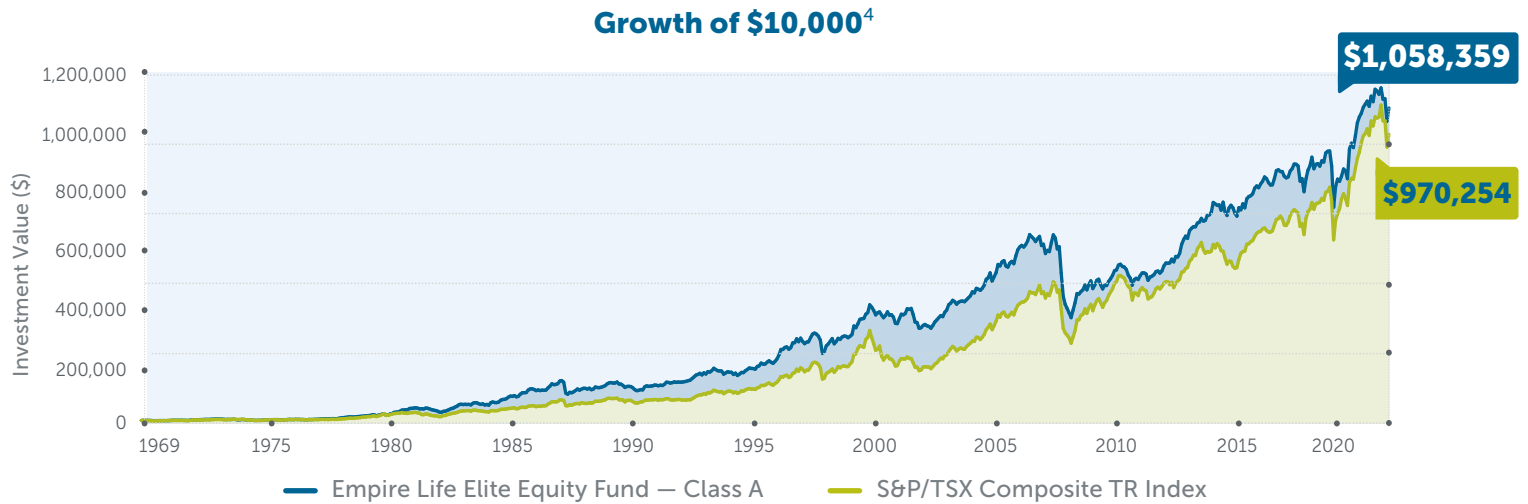
- Choice of 75% or 100% maturity benefit guarantee¹
- Choice of 75% or 100% death benefit guarantee on deposits made to age 90¹
- Automatic annual death benefit guarantee resets until age 80 to lock in market gains
- Freedom from estate and probate fees if you name a beneficiary other than your estate
- Potential for creditor protection which may be particularly valuable for small business owners
- Diversified investment choices ranging from fixed income to 100% equity

¹The maturity and death benefit guarantees are reduced proportionately for any withdrawals.



A history of helping Canadians build and grow wealth

As one of Canada's longest running segregated funds², the Empire Life Elite Equity GIF Class A³ has an impressive 53-year record of delivering strong performance results; outperforming the S&P/TSX Composite Index since it was launched.⁴ The fund's long-term success can be directly attributed to the Empire Life investment team's value-oriented, conservative investment approach that focuses on attractively valued, high-quality businesses.



Source: Morningstar Direct as of July 31, 2022

²According to data compiled by Morningstar Research Inc.

³The legal name of the fund is "Elite Equity Fund".

⁴Net of fees, December 1, 1969, to July 31, 2019, is for Class A shares only; other classes may have different performance characteristics. Class A units only available to existing clients.

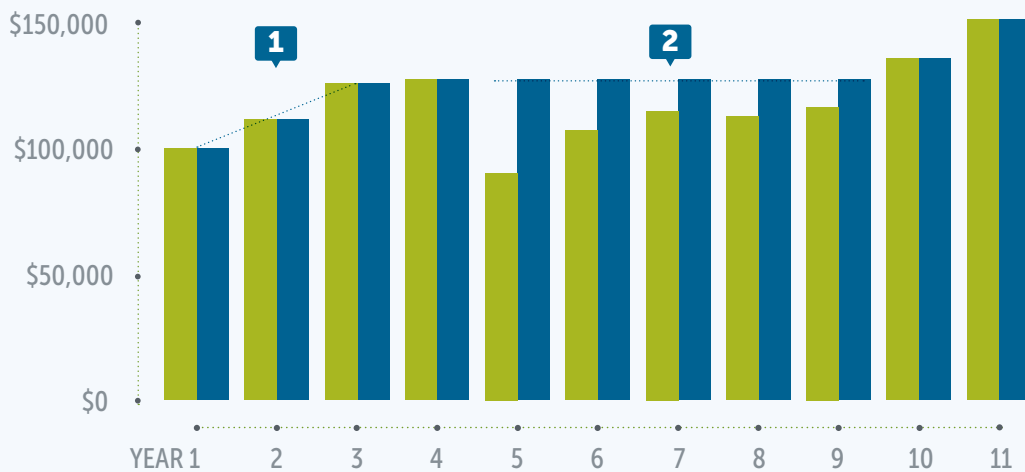


Help protect your loved one's future from short-term volatility with the power of resets

On the reset date every year, if the market value of your policy is higher than the death benefit guarantee, the death benefit guarantee is automatically reset to the higher value. This automatic reset occurs annually until age 80 to lock in market growth and increase your guaranteed value.

Resets protect the amount available to beneficiaries. As long as no withdrawals have been made, your death benefit will never decrease below the last reset amount, **even if the market value decreases**.

Resets in action



1

If the market value goes up, the automatic annual death benefit resets lock in that growth.

2

Your death benefit will never decrease below the last reset amount, even if the market value goes down.

- Death Benefit Guarantee
- Market Value

Based on a 100% death benefit guarantee. The market values represented are hypothetical and for illustrative purposes only. They should not be considered representative of past or future investment performance. Initial premium: \$100,000.





Estate Planning that is quick and cost-effective

Even with the best intention and a solid plan, the costs of settling an estate may greatly erode it. Unlike other investments, benefits paid from a segregated fund contract such as an Empire Life GIF contract can bypass your estate upon death. As an insurance policy, the death benefit of an Empire Life GIF is paid directly to your named beneficiary rather than to the estate. The hypothetical example below shows how an Empire Life GIF contract can help keep your estate intact, saving over an estimated \$44,000 in fees.

	Segregated Fund Contracts	Other Investments (mutual funds, stocks, bonds)
Investment value at death	\$1,000,000 Greater of Death Benefit Guarantee and Current Market Value	\$1,000,000 Current Market Value
Estate Administration Tax ⁵ (ON)	\$0	-\$14,250
Executor fees (3-5%) ⁶	\$0	-\$30,000
Estimated total cost⁷	\$0	-\$44,250
Net proceeds	\$1,000,000 Paid quickly and directly to beneficiaries, ensuring the details are kept private	\$955,750 Paid to beneficiaries once the will has been "probated" which can be a lengthy process and is publicly available

Hypothetical example for illustrative purposes only. Please seek professional advice before making any decision.

Want to save your beneficiaries even more? See the next page.

⁵ Known in other provinces as probate fees. For illustrative purposes only. Example uses Ontario estate administration tax of \$15 per \$1,000 for estates over \$50,000 as of January 1, 2020 and are subject to change. Probate fees applicable in other provinces differ by province. Other costs can vary depending on the complexity of the estate.

⁶ For illustrative purposes only. Fees vary depending on province and size of estate. Example uses general Ontario legal and executor estate administration fees.

⁷ Estimated total costs upon death. There may be other costs during the life of the investment or the segregated fund contract.





The time value of money

Another factor, besides cost, is the time it can take to settle an estate relative to a segregated fund. For other investments and assets, the average time to settle an estate in Canada can be six months to one year⁸. For a segregated fund, it can be in as little as one week. The case study below assumes that your beneficiaries would elect to pay off a portion of their debt with the proceeds of your estate. It reflects a median household debt of \$45,770⁹ and an average interest rate on unsecured debt of 18% per annum¹⁰.

Think of the time and interest saved if your loved ones could have that debt paid off sooner!

	Paid off with proceeds from a segregated fund (within one week)¹¹	Paid off after waiting one year for estate settlement
Average Household Debt	\$45,770	\$45,770
Fixed monthly payment amount	\$0	\$1,371
Interest paid in one year (assumes interest rate of 18%) ¹⁰	\$0	\$8,239
Balance remaining	\$0	\$37,557
Interest saved	\$8,239	\$0

You can rest easy knowing that the proceeds from an Empire Life GIF segregated fund contract will be paid directly to your loved ones and that any expenses will be taken care of.

⁸ As of January 1, 2020, in the province of Ontario, an estate representative must file an Estate Information Return with the Ministry of Finance within 180 calendar days after the estate certificate has been issued. <https://www.ontario.ca/page/estate-administration-tax>

⁹ Canadian Consumer Debtor Profile 2021 infographic, Government of Canada, published as of July 25, 2022: <https://www.ic.gc.ca/eic/site/bsf-osb.nsf/eng/br04667.html>

¹⁰ Source: Sallie Mae Bank Accrued Interest Calculator, published as of September 22, 2022. Assumes debt of \$45,700, with a 18% interest rate and a fixed monthly payment of \$1,371: <https://www.salliemae.com/college-planning/tools/accrued-interest-calculator/>

¹¹ Based on the average settlement timeframe of a claim at Empire Life.



Efficient, simplified tax reporting

When held in a non-registered investment account, segregated funds offer several benefits that help make tax time simple, fast, and easy. Any capital gains or losses either generated within the fund or by the surrender of units by an investor are reported on the T3 for that tax year. No more calculating the average cost base. The value is simply provided to you.

Sample of T3 slip

Canada Revenue Agency / Agence du revenu du Canada		Year / Année	Statement of Trust Income Allocations and Designations T3 / État des revenus de fiducie (répartitions et attributions) T3	
Actual amount of eligible dividends / Montant réel des dividendes déterminés		Taxable amount of eligible dividends / Montant imposable des dividendes déterminés		Dividend tax credit for eligible dividends / Crédit d'impôt pour dividendes déterminés
49 800.08		50 1,186.91		51 178.27
Actual amount of dividends other than eligible dividends / Montant réel des dividendes autres que des dividendes déterminés		Taxable amount of dividends other than eligible dividends / Montant imposable des dividendes autres que des dividendes déterminés		Dividend tax credit for dividends other than eligible dividends / Crédit d'impôt pour dividendes autres que des dividendes déterminés
23		22		29
Capital Gains / Gains en capital		Capital gains eligible for deduction / Gains en capital admissibles pour déduction		Other income / Autres revenus
21 11,966.15		30		26
Trust year end / Fin d'année de la fiducie		Year / Année		Month / Mois
21		21		
Other information (see the back) / Autres renseignements (lisez le verso)		Footnotes - Notes		
Box / Case		Amount / Montant		
37		1,092.52		
Recipient's name (last name first) and address - Nom, prénom et adresse du bénéficiaire		Trust's name and address - Nom et adresse de la fiducie		
T3 (20)		Recipient identification number / Numéro d'identification du bénéficiaire		Report code / Code de genre du feuillet
12		14 T		16 O
		Account number / Numéro de compte		Beneficiary code / Code du bénéficiaire
				18 1

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For information, see the back. / Pour obtenir des renseignements, lisez le verso.



Want to learn more?



Take care of your beneficiaries your way

Annually Settlement Option

Every need is unique

Insurance and investments are designed to help you provide for your beneficiaries. However, if you have young beneficiaries, you may need to consider an annuity settlement option. This option allows you to receive your death benefit in a series of annual payments that can be used to pay for living expenses, such as education, or to provide for your beneficiaries' needs.

Is this right for me?

- I have young beneficiaries.
- I want to provide for my beneficiaries' needs.
- I want to receive my death benefit in a series of annual payments.
- I want to provide for my beneficiaries' needs.



Take care of your beneficiaries your way. Find out if an annuity settlement option is right for you.



Protect the value of your investments regardless of how markets perform

Protect your investments with a reset option. A reset option allows you to lock in market growth and increase your guarantee value. This option is available on certain investment contracts. Learn more about how resets can work for you.



Read our case study to learn how resets lock-in market growth and increase your guarantee value. Get the power of resets working for you.



Simplify your estate with an Empire Life Guaranteed Investment Fund contract

With an Empire Life Guaranteed Investment Fund (GIF) contract, you can simplify your estate plan. GIF contracts are designed to provide a steady stream of income to your beneficiaries. This option is available on certain investment contracts. Learn more about how GIF contracts can work for you.

Here's an example:

	Empire Life GIF Contract	Other Investments
Investment value	\$1,000,000	\$1,000,000
Annual income	\$40,000	\$40,000
Income tax	\$10,000	\$10,000
Net income	\$30,000	\$30,000
Income tax on net income	\$0	\$10,000
Net income after tax	\$30,000	\$20,000



Read more about simplifying your estate with an Empire Life GIF contract



TAXATION OF NON-REGISTERED POLICIES

Understanding your taxation may be easier than you think.

Insurance contracts are subject to a 179(b) election. This election allows you to report income from segregated funds in a simplified manner. This option is available on certain investment contracts. Learn more about how this option can work for you.



The simplified tax reporting of segregated funds may help to make understanding your taxation easier. Read more about how income is reported in non-registered policies.

Segregated Fund contracts are issued by The Empire Life Insurance Company ("Empire Life"). A description of the key features of the individual variable insurance contract is contained in the Information Folder for the product being considered. **Any amount that is allocated to a Segregated Fund is invested at the risk of the contract owner and may increase or decrease in value.**

The information in this document is for general information purposes only and is not to be construed as providing legal, tax, financial or professional advice. The Empire Life Insurance Company assumes no responsibility for any reliance made on or misuse or omissions of the information contained in this document. Please seek professional advice before making any decision..

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To find out if Empire Life GIF segregated funds are right for you, speak with your financial advisor or visit empire.ca/protection-for-life

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