

PROTECTION FOR LIFE

GUARANTEE YOUR FUTURE INCOME AND YOUR LEGACY



Thinking about retirement and your legacy?

The days when everyone started full retirement at 65 are gone. Between Canadians that are phasing down work hours, spending more time with family and friends, starting new careers or study, volunteering, and travel, there is no standard definition of retirement anymore. And there is no standard age to start retirement.

Class Plus 3.0 provides you with the flexibility to choose retirement on your terms and still protect your future retirement income as well as your legacy.



**Wealth
accumulation
phase**



**Retirement
phase**



**Legacy
phase**





Get peace of mind knowing your income in retirement and your legacy are protected

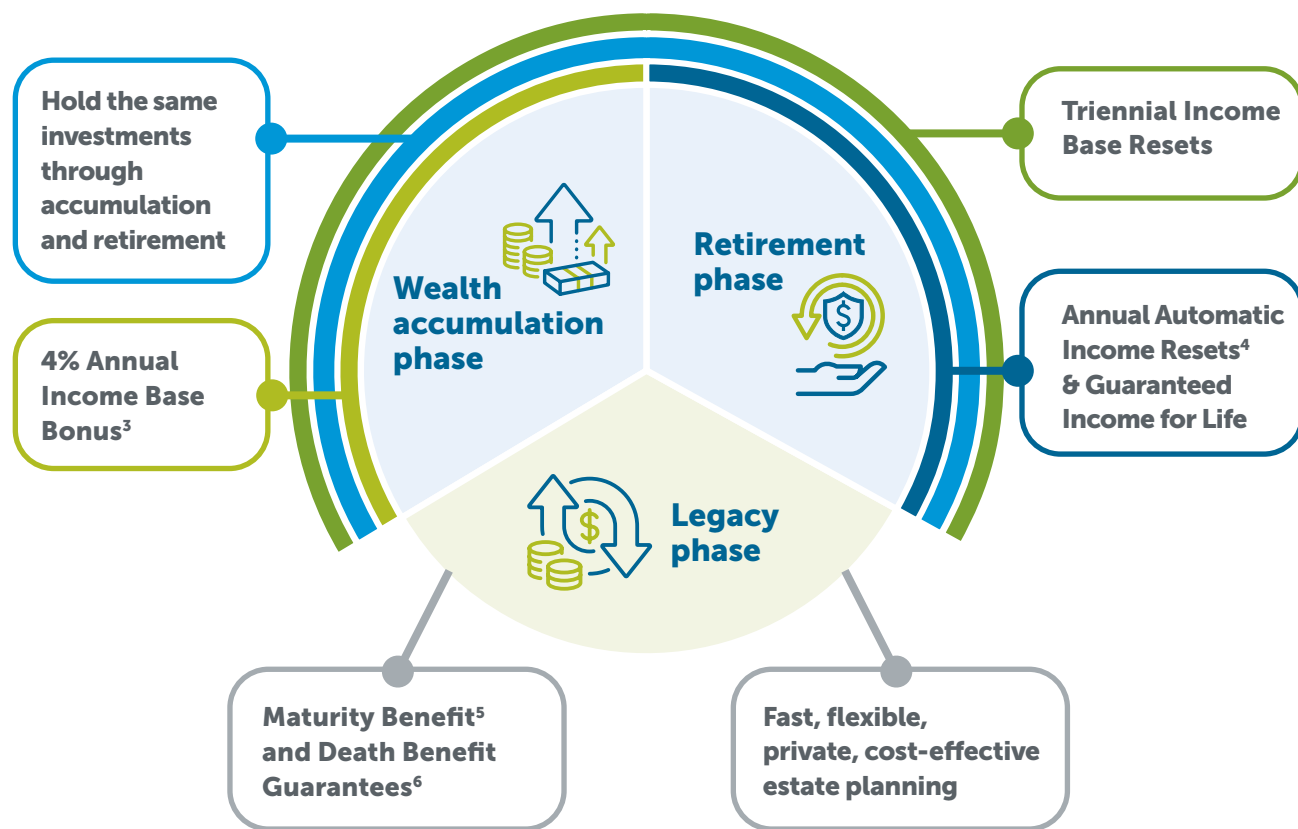
9 of 10 Canadians want guaranteed income for life.¹ Shifting demographics, economic and market realities of today mean more Canadians than ever before are looking for a secure source of retirement income. Get the peace of mind that comes with protection available with Class Plus 3.0 guarantees.

Class Plus 3.0 is a **Guaranteed Withdrawal Benefit** product that allows you to choose from a select range of segregated funds. It provides all the great benefits of a segregated fund **PLUS guarantees that you will receive predictable income for as long as you live**. The income is always protected from market downturns and will continue even if the value of your investment goes to zero.²

¹ Designing retirement schemes Canadians want. CAAT Pension Plan. April 2017.

² Making an Excess Withdrawal may decrease the guaranteed retirement income for life amount.

The lifecycle of Class Plus 3.0



Wealth accumulation phase

Build your retirement nest egg from a range of investment options such as Emblem Portfolios for instant diversification and several standalone funds that offer up to 80% equity exposure.

Retirement phase

Here is where you get to enjoy the fruits of your labour, and with Class Plus 3.0 you can rest easy knowing that your income is guaranteed for as long as you live.



Legacy phase

Class Plus 3.0 enables you to protect your initial investment in the event of your untimely death, by providing quick, cost-effective and private distribution of funds. You can also choose to continue the contract by naming a Successor Annuitant.

³ The Income Base Bonus is credited in years that there are no withdrawals from Class Plus 3.0 for the first 20 calendar years you own Class Plus 3.0. It is a notional amount and has no cash value.

⁴ Increasing Lifetime Withdrawal Amount (LWA) rates between ages 55 to 80, and level thereafter. Calculated based on the current Income Base and the applicable LWA percentage that corresponds to the Annuitant's age as of December 31st of the following calendar year.

⁵ Adjusted proportionally for withdrawals.

⁶ Death Benefit Guarantee automatically resets every 3 years to lock-in any market gains. Up to and including Annuitant's 80th birthday. Adjusted proportionally for withdrawals.

Protect their future while investing for yours



For you:

- **Growth:** Wide range of investment choice with up to 80% equity exposure to participate in market growth and a 4% Annual Income Bonus to help grow your future retirement income.
- **Protection:** Triennial income base resets and automatic annual income resets, ensures your retirement income is ready when you are.
- **Efficiency:** Clear, straightforward reporting that takes the time out of tax time.



For them:

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



Class Plus 3.0 gives you peace of mind in retirement. Here's how.



Your retirement income can be protected 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 investments they need to build wealth, generate income, and achieve financial security.

What's more, Class Plus 3.0 has benefits that offer you both income and protection, in retirement and beyond:

Income and Protection

- 4% Annual Income Base Bonus⁷ builds your retirement income potential regardless of how markets perform
- Death Benefit Guarantee and Income Base reset automatically every 3 years to lock-in any market gains
- 75% Maturity Benefit and Death Benefit Guarantees
- Start receiving an income as early as age 55
- Triennial Income Base Resets mean your income may be bumped up if the market value is greater than the income base at that time
- Retirement Income Privileges let you stop and resume your payments without penalty⁸

Potential creditor protection

Like a traditional segregated fund, assets in Class Plus 3.0 may be protected from creditors in the event of bankruptcy. If there is a named beneficiary of the preferred class (i.e. certain types of family members) or an irrevocable beneficiary, your segregated funds may be protected from seizure by creditors during the lifetime of the insured. This may be an important benefit to professionals and small business owners.⁹

⁷ The Income Base Bonus is credited in years that there are no withdrawals from Class Plus 3.0 for the first 20 calendar years you own Class Plus 3.0. It is a notional amount and has no cash value.

⁸ Retirement Income Privileges not available in RRIF or LIF plans where you must take at least the minimum amount as prescribed by the Income Tax Act.

⁹ The policy must be owned by an insured individual, not by a small business corporation or professional corporation.



Four ways Class Plus 3.0 helps protect your income from volatility and inflation during wealth accumulation and retirement

Regardless of market volatility, Class Plus 3.0 may be suitable for pre-retirees who want to build their retirement nest egg and those enjoying retirement and can be held in a RRIF when the time comes. At any life stage, long-term growth potential is available in investment options with up to 80% equity exposure.

Protection from market volatility

1. Protection in down markets

Class Plus 3.0 can potentially increase income when markets are down because each year before retirement that you make no withdrawals, you receive a **4% Annual Income Base Bonus**.¹⁰ During retirement, the **Lifetime Withdrawal Amount (LWA)** will remain constant ensuring that your income doesn't change even if markets are down.¹¹ These two benefits help protect your current and future income.

Lifetime Withdrawal Amount (LWA)

The LWA is the maximum amount available for withdrawal from Class Plus 3.0 each year, starting as early as the year you reach age 55. The LWA may increase through Income Base Bonuses and Income Base Resets, but it will never decrease as long as no Excess Withdrawals are made.

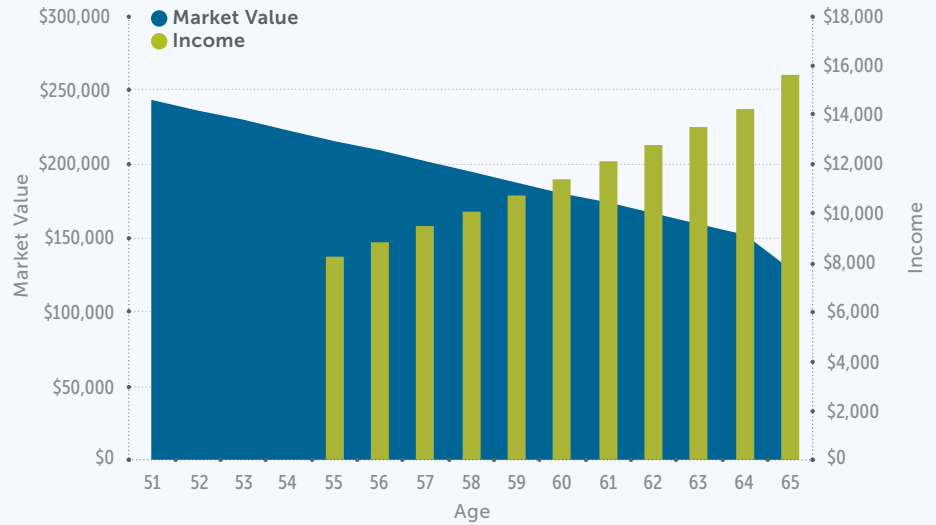
¹⁰ The Income Base Bonus is credited in years that there are no withdrawals from Class Plus 3.0 for the first 20 calendar years you own Class Plus 3.0. It is a notional amount and has no cash value.

¹¹ Increasing LWA rates between ages 55 to 80, and level thereafter. Calculated based on the current Income Base and the applicable LWA percentage that corresponds to the Annuitant's age as of December 31st of the following calendar year.

Protecting future income in pre-retirement from down markets—4% Annual Income Base Bonus

The 4% Annual Income Base Bonus contributes to your potential future income and protects you against downside market risk. In this scenario, the income base would grow from \$250,000 to \$390,000. That's a 56% increase in the Income Base despite the declining market conditions. If you retire at age 65, you will receive guaranteed income for life of \$15,600 a year (\$390,000 Income Base x 4.00% LWA at age 65).

How Class Plus 3.0 can increase guaranteed retirement income in **down markets**

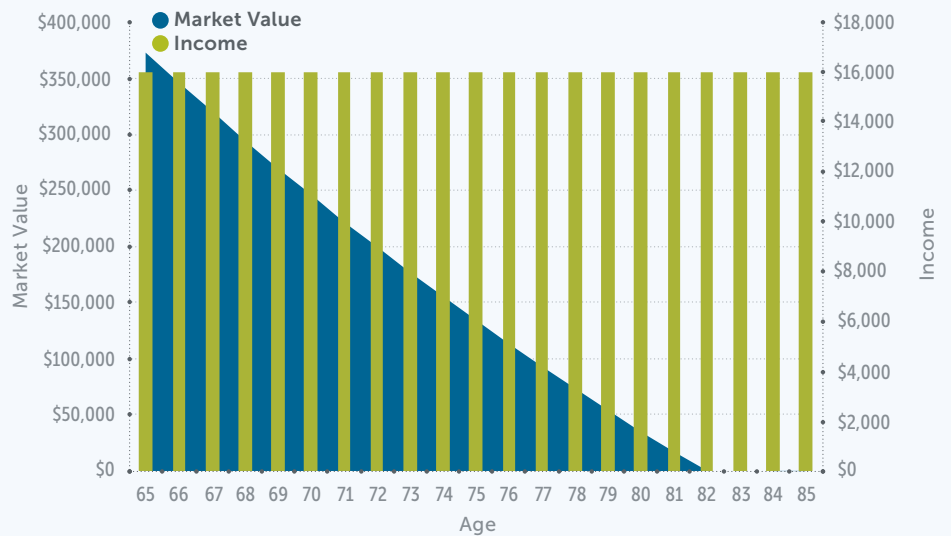


The values quoted are hypothetical and should not be considered as representative of past or future investment performance. **Past performance is no guarantee of future performance.** For illustrative purposes the fund accumulates at a rate of return of -2.0%. The Empire Life Class Plus 3.0 scenario assumes no contract withdrawals made, and an Income Base Bonus of 4% each year. A Class Plus Fee of 1.25% annually of the Income Base was charged. All returns are calculated after taking expenses, management and administration fees into account.

Protecting income in retirement from down markets

The initial annual income is \$16,000 (\$400,000 Income Base x 4.00% LWA at age 65). The contract could be depleted in 18 years if you withdrew \$16,000 every year. But with Class Plus 3.0, you are guaranteed an income of \$16,000 for your lifetime, regardless of market conditions. In this scenario, the Income Base would not receive any Income Base Resets, nor would the LWA increase from any Automatic Income Resets. You will continue to receive guaranteed income for life of \$16,000 a year, even after the contract becomes fully depleted.

How Class Plus 3.0 protects guaranteed retirement income in **down markets**



The values quoted are hypothetical and should not be considered as representative of past or future investment performance. **Past performance is no guarantee of future performance.** For illustrative purposes the fund accumulates at a rate of return of -2.0%. A Class Plus Fee of 1.25% annually of the Income Base was charged. All returns are calculated after taking expenses, management and administration fees into account.

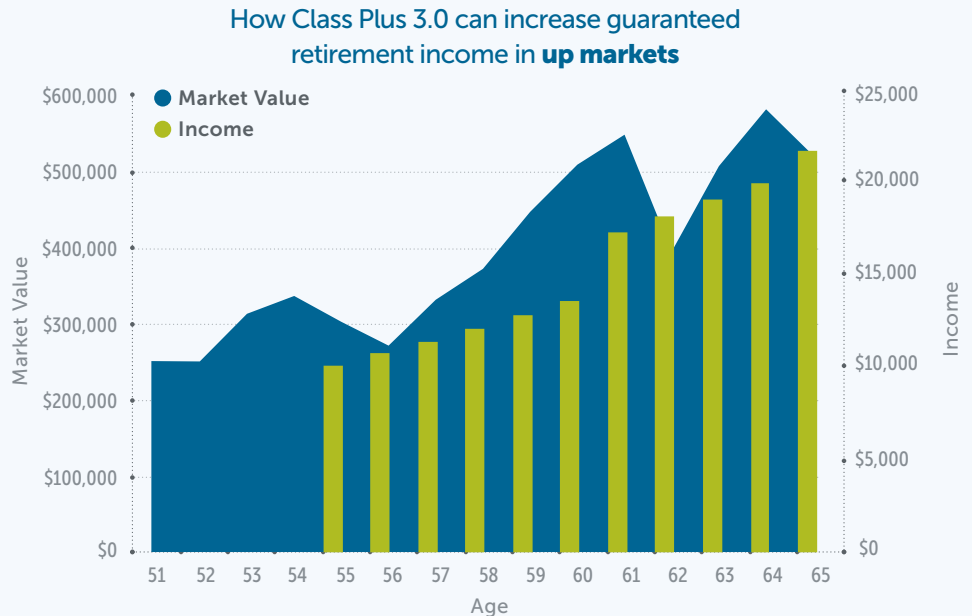
Protection from market volatility

2. Locking in gains in up markets

Triennial **Income Base Resets** mean that when markets are strong the Income Base, which resets every 3 years, locks in any market gains, due to the automatic income base resets, and helps protect against inflation. The income base never resets to a lower amount.

Taking advantage of up markets with triennial Income Base Resets

The 4% annual Income Base Bonus contributes to your potential future income. And in a strong market, you would also benefit from the Income Base Reset. In this scenario, the Bonus and Reset combine to grow the Income Base from \$250,000 to \$537,313. When ready to retire at age 65, the annual income would be \$21,497 (\$537,415 Income Base x 4.00% LWA at age 65).



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Protection from inflation

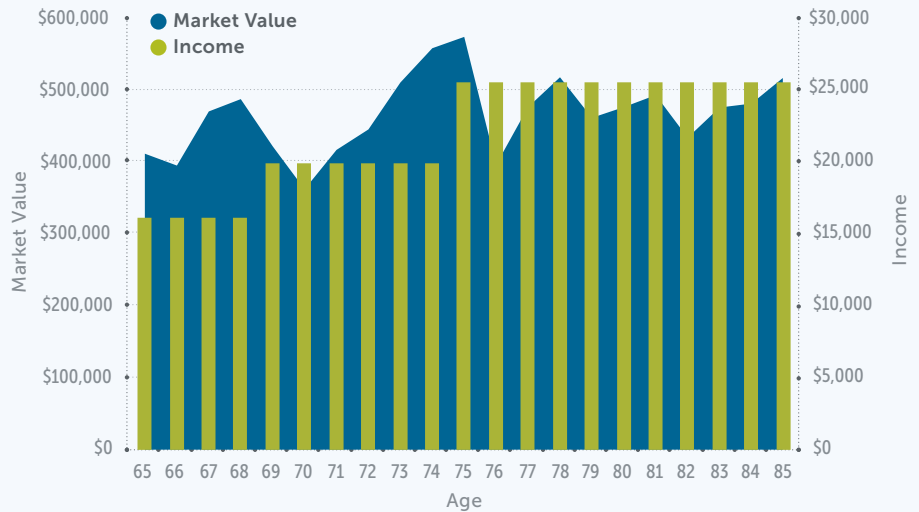
3. Annual Automatic Income Resets¹² mean your income may be bumped up in retirement. Class Plus 3.0 does not limit you to the same payout rate for the rest of your life but increases every year from ages 55 to 80, potentially providing a buffer against inflation.

Potentially increasing guaranteed income in retirement with triennial Income Base Resets and Annual Automatic Income Resets

In this scenario, you will be entitled to increases to your Lifetime Withdrawal Amount (LWA) from two factors:

1. Income Base Resets every three years where the income base is set to equal the market value of the fund class units at the credit of the contract, if the market value is greater than the income base at that time.
2. Annual Automatic Income Reset which results in an increase to the LWA percentage for your age every year.

How Class Plus 3.0 potentially increases guaranteed income in up markets



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4. Investment options with up to 80% equity exposure

Class Plus 3.0 offers a range of investment options, including investments with up to 80% equity exposure. A diversified investment portfolio can provide growth and allow your investments to keep pace with inflation over time. Whether you're a pre-retiree building your nest egg or already enjoying retirement, with Class Plus 3.0, you have the investment choice to support your personal financial goals.



Investment options with up to 80% equity exposure

Create income stability in your Registered Retirement Income Fund (RRIF)

In years where your guaranteed income is greater than your RRIF minimum, you'll receive your guaranteed income amount, providing you with a stable and predictable income for the rest of your life. Conversely, if your RRIF minimum is higher in any year than your Class Plus 3.0 income, you can withdraw up to your RRIF minimum without a negative impact to your future Class Plus 3.0 income—and this is not considered an excess withdrawal.

¹² Increasing LWA rates between ages 55 to 80, and level thereafter. Calculated based on the current Income Base and the applicable LWA percentage that corresponds to the Annuitant's age as of December 31st of the following calendar year.



Peace of mind knowing your legacy and loved ones are protected

Class Plus 3.0 simplifies your estate planning with benefits that include ensuring you can leave a legacy that is paid directly to your loved ones upon your death, or you can transfer your wealth to a spouse or family member.

- **Protect their future**—75% Maturity Benefit¹³ and Death Benefit Guarantees¹⁴ help protect the value of your initial investment in the event of your death, so you can be assured your loved ones have the benefit of this protection.
- **Fast, private, cost-effective estate planning**—When you name a beneficiary, the Death Benefit is paid directly to your beneficiary, bypassing the costly and lengthy probate and estate settlement process.
- **Flexibility**—Seamlessly transfer your wealth to family by naming a Successor Annuitant, which allows the contract to continue to a widowed spouse or other family member upon your death. A successor Annuitant other than the spouse can be named in a non-registered policy.

Class Plus 3.0 helps you enjoy retirement!

You have worked hard to build your nest egg, and when you are ready to take your retirement income, you may face financial challenges such as outliving your savings, inflation risk, and market volatility. All of which can erode your nest egg and negatively impact your retirement lifestyle. That's why Empire Life has designed Class Plus 3.0—to address these challenges and help you enjoy retirement.



**Wealth
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**Retirement
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**Legacy
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¹³ Adjusted proportionally for withdrawals.

¹⁴ Death Benefit Guarantee automatically resets every 3 years to lock-in any market gains. Up to and including Annuitant's 80th birthday. Adjusted proportionally for withdrawals.

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.**

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To find out if Empire Life Class Plus 3.0 is right for you, speak with your financial advisor or visit empire.ca/protection-for-life

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