

# EMPIRE LIFE CLASS PLUS

## GUARANTEED RETIREMENT INCOME FOR LIFE<sup>®</sup>

### CLASS PLUS IS IDEAL FOR CLIENTS SEEKING RELIABLE, SUSTAINABLE AND POTENTIALLY INCREASING INCOME FOR LIFE.

Class Plus is a feature of the Empire Class Segregated Funds Contract, providing guaranteed income for life<sup>1</sup>. This income, known as Lifetime Withdrawal Amount (LWA), is available in the calendar year the client turns 65 and continues even if the market value of the investments goes to zero. The LWA could increase through resets and bonuses.

## KEY TERMS

### LIFETIME WITHDRAWAL AMOUNT (LWA)

- The Class Plus guaranteed retirement income for life, or the LWA is equal to 5% of the Income Base.
- The LWA is calculated on December 31 of the year the client turns age 64 (and is recalculated every year thereafter).
- Withdrawals above the LWA are treated as an Excess Withdrawal and result in a downward adjustment to the Income Base, reduction of the Class Plus market value and a proportional reduction to the Maturity and Death Benefit Guarantees.
- Clients with a RRIF (including locked-in plans, e.g LIF, LRIF, PRIF) invested in Class Plus Funds are entitled to withdrawals up to the legislated minimum without it being considered an Excess Withdrawal.

### MAXIMUM WITHDRAWAL ALLOWANCE

- Maximum Withdrawal Allowance is available while the client is age 64 or under and is equal to 5% of the Income Base.

- Taking the Maximum Withdrawal Allowance results in equal reductions to the Income Base and market value, decreasing the eventual amount of guaranteed lifetime income or LWA.

### INCOME BASE

- The Income Base is the basis for determining the LWA and Maximum Withdrawal Allowance.
- The Income Base is equal to the amount of the initial deposit to Class Plus. It increases through additional deposits, Income Base Resets and Income Base Bonuses; and decreases through withdrawals.
- The Income Base has no cash value. If the Class Plus funds are surrendered during the payment phase, the proceeds will be the current market value of the Class Plus funds less any applicable charges, not the value in the Income Base.

## INCOME BASE RESETS

- The Income Base can potentially increase every third Anniversary Date with an automatic reset. If the market value of the Class Plus Funds is greater than the current value of the Income Base, the Income Base will be reset to the market value of the Class Plus Funds.

## INCOME BASE BONUS

- The Income Base Bonus is 5% of the Bonus Base and is added to the Income Base each year of the Contract, provided no withdrawals are made in that year.
- The Income Base Bonus is calculated on the last valuation date of the calendar year after all transactions have been processed.
- The 5% Income Base Bonus is not a guaranteed rate of return, a cash deposit or available for withdrawal. It does not affect the market value of the Class Plus Funds.

## EXCESS WITHDRAWAL ALERT SERVICE

- This service is designed to protect clients' guaranteed retirement income for life.
- Advisors will be notified if the client's requested withdrawal amount will result in an Excess Withdrawal. Written authorization will be required to proceed with the transaction.
- Withdrawals in excess of the annual 5% LWA and Maximum Withdrawal Allowance will result in an Income Base Downward Adjustment.

## GUARANTEED PAYMENT PHASE

- If the market value of the Class Plus Funds is at \$0 and the Income Base has a positive value, Class Plus will still provide annual payments, determined each calendar year:
  - Before age 64 - up to the Maximum Withdrawal Allowance until the Income Base is \$0, the contract reaches maturity or the death of the client.
  - At age 65 - up to the LWA for the life of the client.
- During the Guaranteed Payment Phase, the annual Class Plus Fee is not payable and no additional deposits can be made.

## MATURITY AND DEATH BENEFIT GUARANTEES

- Class Plus guarantees 100% of the sum of net deposits upon the death of the last Annuitant (reduced proportionately for withdrawals).
- The Death Benefit Guarantee can potentially increase with resets that occur automatically every three years up to the client's 80th birthday if the market value of the Class Plus Funds is higher than the previously guaranteed value.
- A final Death Benefit Guarantee reset will occur on the client's 80th birthday.
- There are no Maturity Benefit Guarantee resets for Class Plus Funds.
- When co-mingling Class Plus and other Fund Classes (B, C and G or D, E and H) in the same Contract, the maturity date of the Contract will automatically be set at age 120 of the client.

<sup>1</sup> Provided there are no Excess Withdrawals.

Refer to the Empire Class Segregated Funds Information Folder for complete details.

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A description of the key features of the individual variable insurance contract is contained in the Information Folder for the product being considered. Subject to any applicable Death and Maturity Benefit Guarantee, **any part of the premium/deposit or other amount that is allocated to a Segregated Fund is invested at the risk of the Plan/Contract Owner and may increase or decrease in value** according to the fluctuations in the market value of the assets of the Segregated Fund.

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