

# EMPIRE LIFE CLASS PLUS

GUARANTEED RETIREMENT INCOME FOR LIFE®

## SCENARIO

### **SAVING FOR RETIREMENT TAKING INCOME LATER**

Sarah plans to retire in 15 years and has \$250,000 to invest. She needs her portfolio to grow before she retires and wants an investment that will provide her with predictable income in retirement. Sarah is concerned that poor market performance may erode her savings and her retirement plans.

Empire Life Class Plus can give Sarah the peace of mind she needs.

With Class Plus Sarah will receive guaranteed retirement income for life<sup>1</sup>. She can increase her future income through the 5% Income Base Bonus<sup>2</sup> in all markets and take advantage of the investment growth through Triennial Income Base Resets when the markets are strong.

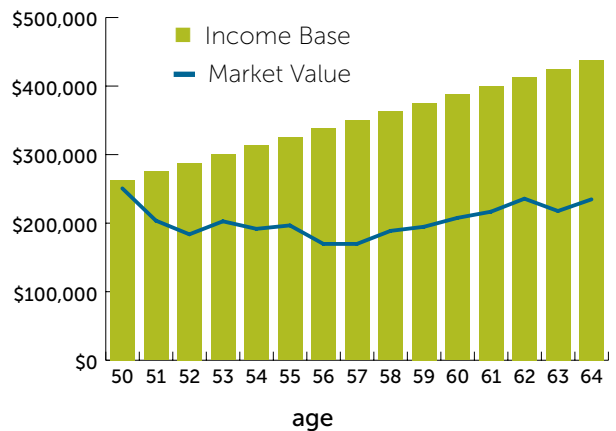
## CLASS PLUS CAN INCREASE SARAH'S GUARANTEED RETIREMENT INCOME IN DOWN MARKETS

The 5% Income Base Bonus contributes to Sarah's potential future income and protects her against downside market risk. Despite poor market conditions, Sarah's Income Base would grow from \$250,000 to \$437,500<sup>3</sup>, assuming no withdrawals were made. By the time she is ready to retire, she would have a guaranteed annual income of \$21,875 (\$437,500 X 5%) – **that's an increase of \$9,375**, thanks to the 5% Income Base Bonus.

$$\$437,500 \times 5\% = \$21,875$$

$$\$250,000 \times 5\% = \$12,500$$

$$\mathbf{\$21,875 - \$12,500 = \$9,375}$$



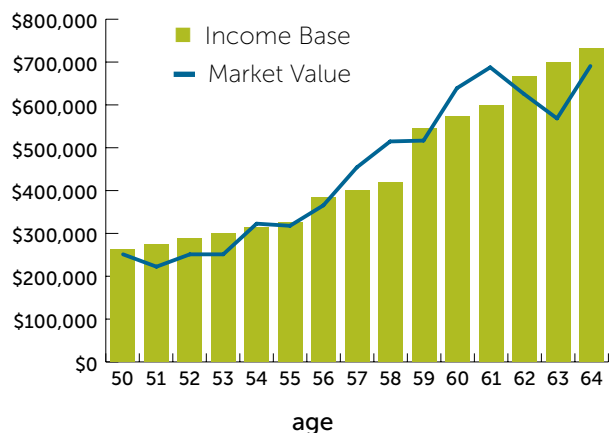
## CLASS PLUS CAN INCREASE SARAH'S GUARANTEED RETIREMENT INCOME IN UP MARKETS

Under strong market conditions, in addition to the 5% Income Base Bonus, Sarah would also benefit from the automatic triennial reset feature. Every third Class Plus Anniversary Date, a Class Plus Income Base Reset may occur. The Class Plus Income Base Reset occurs only when the market value is greater than the current Income Base, which results in a higher Income Base. In Sarah's case, her Income Base would have grown from \$250,000 to \$730,603<sup>4</sup>. By the time she is ready to retire, her guaranteed annual income would be \$36,530 (\$730,603 X 5%) – **that's an increase of \$24,030**, thanks to the 5% Income Base Bonus and resets.

$$\$730,603 \times 5\% = \$36,530$$

$$\$250,000 \times 5\% = \$12,500$$

$$\mathbf{\$36,530 - \$12,500 = \$24,030}$$



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

<sup>2</sup> The Income Base Bonus is notional and has no cash value.

<sup>3</sup> Market performance is based on hypothetical rates of return, assuming an annual average rate of return of 0.8%. The chart values are based on year end values of the Income Base after deducting the annual fund fee rate. For illustration purposes, fees are assumed to be 0.75%.

<sup>4</sup> The chart values are based on year end values of the Income Base after deducting withdrawals and annual Class Plus fee. For illustration purposes, fees are assumed to be 0.75%, and the market value is based on an historical rate of return using a blend of 80% S&P/TSX and 20% DEX Universe Bond Index, as at December 31, 1989 to December 31, 2008. The average annual rate of return corresponding to the chart's illustrated durations is 9.0%.

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. **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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