

Income Annuities



Help clients enjoy the sense of security that comes with knowing how much retirement income they'll receive, guaranteed. Competitive rates and flexibility combine to make BMO annuities a practical, reliable solution for clients who want to add certainty to their financial plans.

Our income annuities are a worry-free option for clients who want:

- Guaranteed income for the rest of their lives
- A low-risk income alternative to traditional investments
- Greater income than GICs provide
- Registered and non-registered funding options
- The ability to help mitigate the impact of inflation on their income

The BMO Insurance advantage

- **We accept CANNEX quotes** with your client's annuity application
- **Annuity customer service** with dedicated staff
- **Easy and fast quotes** using The Wave illustration system
- Backed by the financial strength of **BMO Financial Group**, Canada's oldest bank and the organization with the longest uninterrupted record of dividend payments in Canadian history

Serving customers for more than 200 years, BMO Financial Group is a highly diversified financial services provider – the 8th largest bank, by assets, in North America. With total assets of \$1.14 trillion as of October 31, 2022, and a team of diverse and highly engaged employees, BMO provides a broad range of personal and commercial banking, wealth management and investment banking products and services to more than 12 million customers and conducts business through three operating groups: Personal and Commercial Banking, BMO Wealth Management and BMO Capital Markets.

BMO was ranked North America's most sustainable bank by Corporate Knights for the fourth consecutive year in 2023.¹

Income Annuities

	Life Annuity	Term Certain Annuity						
Description	<p>A Single Premium Immediate Annuity, providing a guaranteed income stream over the life of an annuitant. Issued on a Single Life or Joint Life basis.</p> <p>Single Life – Provides a series of level income payments for as long as the annuitant lives.</p> <p>Joint Life – Joint Life and Last Survivor provides income payments for the annuitant’s lifetime and for that of a second annuitant.</p> <p>The payment may remain level or may be reduced by a selected percentage on the death of the Primary Annuitant, the Secondary Annuitant or first Annuitant to die.</p> <p>Income payments may begin immediately or be deferred up to one (1) year. The amount of the income payment will vary depending on the type of the annuity selected and the features chosen. The annuitant has the option to pay a higher premium and guarantee a minimum number of payments are made.</p>	<p>A Single Premium Immediate Annuity providing a guaranteed income stream over a guaranteed period.</p> <p>Income payments may begin immediately or be deferred up to one (1) year. The amount of the income payment will vary depending on the type of annuity selected and the features chosen.</p>						
Income Period	Until death of annuitant (or last survivor annuitant if joint). Optional guarantee of up to 25 years.	Guaranteed income stream can range from three years to a maximum of 25 years.						
Indexing (annual)	<p>Clients can choose an annual indexation rate to help mitigate the impact of inflation. Selecting indexation means income increases yearly by a set percentage.</p> <p>Options:</p> <p>Non-Registered: 0 – 6%</p> <p>Registered: 0 – 4%</p> <p>Not available for prescribed annuities</p>							
Minimum Guarantee Period	<p>Non-registered funds: Seven years</p> <p>Registered funds: No minimum</p>	<p>Non-registered funds: Three years</p> <p>Registered funds: The guarantee period must extend to the annuitant’s 90th birthday</p>						
Maximum Guarantee Period	Up to 25 years but cannot extend beyond the annuitant’s 90 th birthday.	<p>Non-registered funds: 25 years</p> <p>Registered funds: The guarantee period must extend to the annuitant’s 90th birthday but cannot exceed 25 years (i.e., an annuitant who is younger than 65 cannot purchase a registered term certain annuity)</p>						
Source of Funds	<p>Non-Registered</p> <p>Registered: RRSPs, LIRAs, RRIF’s LIFs, RPPs & DPSPs</p>	<p>Non-Registered</p> <p>Registered: RRSPs and RRIFs only</p>						
Minimum Single Premium	\$10,000							
Maximum Single Premium	<p>Non-registered: \$500,000</p> <p>Registered: \$1,000,000</p>	\$2,000,000						
Issue Ages (Based on age at last monthiversary)	18 to 80	<table> <thead> <tr> <th>Source of funds</th> <th>Issue ages</th> </tr> </thead> <tbody> <tr> <td>Non-Registered</td> <td>18 to 80</td> </tr> <tr> <td>Registered</td> <td>65 to 80</td> </tr> </tbody> </table>	Source of funds	Issue ages	Non-Registered	18 to 80	Registered	65 to 80
Source of funds	Issue ages							
Non-Registered	18 to 80							
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Payment Commencement Options	<p>Annuity due: The first annuity payment falls due on the same day the single premium is paid.</p> <p>Immediate annuity: The first annuity payment occurs up to (and including) one year from when the single premium is paid.</p>							
Payment Frequency	<p>Mode</p> <p>Monthly</p> <p>Quarterly</p> <p>Semi-annually</p> <p>Annually Direct</p>	<p>Method</p> <p>Direct Deposit (EFT)</p> <p>Direct Deposit (EFT)</p> <p>Direct Deposit (EFT)</p> <p>Direct Deposit (EFT) or cheque</p>						

	Life Annuity	Term Certain Annuity
Rate Guarantee Period	Registered: 45 days Non-registered: 10 days (Requests for a rate guarantee must be received by midnight ET of the business day following the day the quote is produced)	
Death Benefit	Prior to first annuity payment If death of annuitant (or both annuitants in the case of a joint annuity) occurs before the first income payment is made, the single premium is paid to the beneficiary, without interest. After payments have started If death of the annuitant (or both annuitants in the case of a joint annuity) occurs after the first income payment is made, the beneficiary has the option to: a) commute any remaining guaranteed income payments and be paid in one lump sum or, b) where legislation permits, be paid any remaining guaranteed income payments as scheduled.	
Taxation	Registered The annuity payment is fully taxable in the year it is received. Non-registered The capital portion of the annuity payment is not taxable. The interest earned is taxed based on whether the annuity is a prescribed or non-prescribed annuity. Under a prescribed annuity, a level amount of interest is taxed each year. It is calculated on a straight-line basis. Under a non-prescribed annuity, the interest income is calculated on an amortized basis resulting in a larger portion of the payment being taxable in the early years and a lower amount in the later years. Withholding Tax Tax will not be withheld from any payment unless required by law, or if the owner makes a written request to do so.	
Surrender Charges	Annuities are non-commutable and cannot be surrendered for value.	

Resources

Access tools and resources to help you place business, answer your questions, and support your clients.

- [Annuities Quickstart Guide](#): Get an overview of all the documentation you need to submit
- [Annuity Application](#)
- [Annuity client brochure](#): Provides clients with an easy-to-understand product summary

A full list of forms and materials is available is available on our [advisor site](#).

Let's connect

To find out more about BMO Insurance products, please call your MGA, contact the BMO Insurance regional sales office in your area or call 1-877-742-5244.



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Ontario Region
 1-800-608-7303

Quebec – Atlantic Region
 1-866-217-0514

Western Region
 1-877-877-1272



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¹ BMO Ranked North America's Most Sustainable Bank by Corporate Knights for Fourth Consecutive Year, BMO Capital Markets.

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Insurer: BMO Life Assurance Company.

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