



INSURED RETIREMENT PROGRAM (IRP)

How to reduce your retirement shortfall

Retirement can be a very rewarding time. You can relax and enjoy the fruits of your labour, travel, spoil your grandkids. But you may also be wondering whether your savings will be enough – or if you'll outlive them.

If you have a permanent life insurance policy, you may already have the solution to the challenge of not having enough retirement funds.

The premiums you've been depositing into your permanent life insurance policy over the years have been accumulating cash surrender value (CSV). This can be used to secure a line of credit from which you can draw cash as additional retirement funds.

MANULIFE BANK INSURED RETIREMENT PROGRAM (IRP) CAN FILL YOUR RETIREMENT GAP

The IRP is an interest-capitalizing line of credit secured by a permanent life insurance policy issued by a major life insurance carrier approved by Manulife Bank. Upon approval, Manulife Bank will establish a credit line at 75% of the CSV of the policy (see chart on the back for details).

What's great about the IRP is that interest can capitalize within the line of credit (meaning, you have the option to not pay interest; it is simply added to the outstanding loan balance, reducing the available line) as long as the account remains within the limit and in good standing. If structured

properly, the line of credit gets paid out from the death benefit proceeds of your policy when you die, with the remainder going to your beneficiaries.

WHY MANULIFE BANK IRP?

1. Tax benefits – no tax triggered on withdrawals
2. Investment growth – access cash while CSV continues to grow tax-free within the policy
3. Economical – typically less expensive than policy loans and can be repaid at any time without penalty
4. Flexibility – you have access to income, if needed, without hurting the insurance policy

WHAT SOME IRP CLIENTS SAY:

"It's a good way to diversify your retirement planning..."

(Richard, from PEI)

"I was in need of some cash and rather than access more illiquid sources, chose to set up an IRP to access some of the cash I'd been putting into my life insurance plan."

(Colin, from Ontario)

HOW MANULIFE BANK IRP WORKS

Acceptable collateral	Manulife life insurance policies with net CSV (universal life or whole life) Net CSV in whole life insurance policies issued by: Canada Life, Great-West Life, London Life, Sun Life, RBC Insurance, Industrial Alliance, BMO Life/AIG, Ivari, Equitable Life, Empire Life and Desjardins Insurance.
Access to funds ¹	Bank machine withdrawals Cheques Direct payment Pre-Authorized Payments Internet, mobile and telephone banking <i>Interac</i> [®] e-Transfers
Minimum client age	You must be at least 50-years old to apply for an IRP
Repayment terms	No minimum payment required: interest can be capitalized (added to the loan balance), provided the loan remains in good standing. Interest may also be paid monthly.
Maximum line of credit	75% of the net cash surrender value ²
Interest rates	For lines of credit between: \$25,000 and \$99,999 – the Bank's Prime Lending Rate +1.50% \$100,000 and \$249,999 – the Bank's Prime Lending Rate +1.25% \$250,000 and greater – the Bank's Prime Lending Rate +1.0%

¹ See manulifebank.ca for a list of fees.

² Manulife Bank has a custom program available on certain Manulife policies with a higher loan to value of up to 90%.

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