



Income annuities

Retirement income guaranteed

Are you looking for stable and guaranteed income you can count on throughout your retirement?

A lifetime income annuity can become the cornerstone of your retirement income plan.

Income for life, no matter how long you live

Reliable, guaranteed income payments

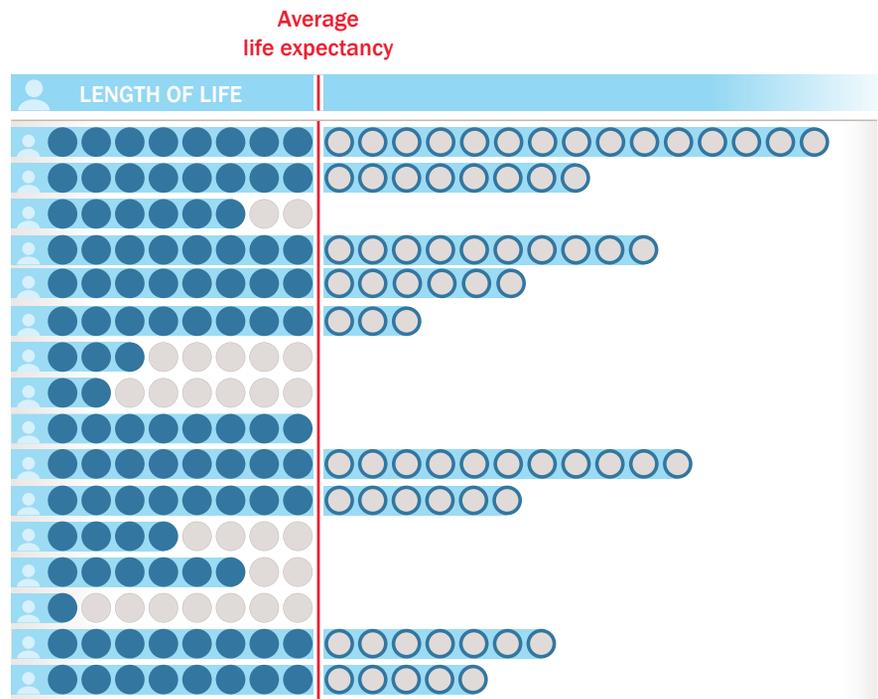
Stable and secure

Here's how we can guarantee your income payments

Canadians are living longer than before. Increasing life spans means your retirement income needs to last longer. Recent studies show that men are now expected to live to age 87 and women to age 89.* This is why it's important to plan for your retirement income to last into your 90s.

Similar to a pension plan, an annuity can be thought of as a pooling of money from thousands of Canadians. The insurance company invests the money conservatively. The company's expertise allows it to estimate how many people in this group are likely to live beyond the average life expectancy and how many may not. People whose lives are shorter than average will receive less money overall. People who live longer will get more money overall. It's this variability in life span, combined with conservative investments, that allows the insurance company to guarantee your income for life.

Growing pool of money from thousands of Canadians conservatively invested.



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	● Annuity income payments	○ Annuity income payments beyond average
Original investments	✓	✓
Investment returns	✓	✓
● Pooled income payments (from those who died earlier than expected)		✓

* Investment Executive, February 2013

Step into retirement with certainty

You've worked hard and saved for your retirement, but do you worry about outliving your savings? What if there was a way for you to receive guaranteed income in retirement? Fortunately, there is, with an income annuity from Canada Life.

When you buy an annuity, you receive regular income for as long as you live or, if you prefer, for a fixed period of time.

It's important to know that unless the cashable feature is available, the amount that you put into your annuity is locked in.

If you choose a lifetime annuity, Canada Life will pay you a regular income for the rest of your life, no matter how long you live. Moreover, you don't have to annuitize all your retirement savings. It may be just as effective to put a reasonable portion into an income annuity to cover your basic living expenses.

Income annuities can be the right income choice if you are:

- Near or in retirement.
- Concerned about outliving your money.
- Concerned that poor financial markets may reduce your retirement savings.
- Seeking a steady income stream to cover your essential expenses.
- In need of income until your Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) and old age security (OAS) payments begin.
- Looking to convert your registered retirement savings plan (RRSP) funds into a regular income stream.



Choose your annuity

With the different types of annuities available from Canada Life, you can structure your income in retirement based on your essential living expenses and lifestyle needs.

Guaranteed income for life for yourself and your spouse

If you're looking for predictable, guaranteed income for the rest of your life, you can choose one of the following types.

Lifetime income for you from single-life annuity

- Similar to a pension plan for one person
- Provides income payments for life

Lifetime income for a couple from joint annuity

- Similar to a pension plan for a couple
- Pays a regular income for as long as you or your spouse lives. When one spouse dies, the survivor continues to receive income payments.

Regular income for a specific period from term annuity

If you know you'll need income payments for only a certain number of years in your retirement, you can choose a term annuity that:

- Pays a regular income to you
- Provides a set number of income payments for a specific time period

An income annuity can provide valuable benefits in retirement

- Regular income payments for life or a fixed term, regardless of market performance or changes in interest rates
- The guaranteed income acts similar to a pension plan and can fill a gap if you don't have one at work
- The income from your annuity isn't affected by financial market changes
- Supplements other income
- Access to cash (when the cashable feature is available)



Annuity options and features

There are various options and features available to meet your retirement income needs. Availability of these is based on the details of your contract. Some options don't apply to every type of annuity so consult your advisor* for details.

Protect your loved ones

If you want to leave a legacy, you can opt for one or more of the following annuity options:

Guaranteed income payment option

- Income payments will be made from your annuity for a specific period (e.g., five years), even if you (or you and your joint annuitant) die.
- If you die before the guaranteed period ends, your beneficiary can either:
 - Receive one lump-sum payment equal to the present value of all remaining guaranteed payments; or
 - Continue to receive your regular income payments until the end of the guaranteed period.

For registered sources of money, the beneficiary can only choose to continue to receive income payments if he or she is both the sole beneficiary and your spouse at the time of death.

Return of premium options

- Your loved one receives the initial purchase amount if you pass away.
- If the last annuitant dies *before* any income payments have been made from the annuity, your beneficiary will receive:
 - A lump-sum death benefit equal to the initial purchase amount of the annuity. You can choose to have this benefit paid with or without interest.
- If the last annuitant dies *after* income payments have begun, depending on the feature that was selected, the beneficiary will receive:
 - A **one-time** payment (cash refund) equal to the initial purchase amount minus the income payments already received; or
 - Continuing income payments (instalment refund) until the total initial purchase amount is returned.

Protect your retirement income from the effects of inflation

You can choose to have your income payments increase at a fixed annual rate to a maximum of four per cent for registered annuities and six per cent for non-registered annuities. Selecting the **annual payment increase (indexing)** option may help you counter the effects of inflation.

Ensure the taxation on your non-registered annuity income doesn't increase over time

By choosing **prescribed (level) taxation** (if your non-registered annuity qualifies), the taxable amount will remain at a set percentage of each income payment. This leveling out of taxable income payments means you would receive more after-tax income within your early income payments. This income is subject to legislative restrictions.

You will get larger taxable income in your early years of retirement

For non-registered annuities, **accrual taxation** usually means a larger taxable income in the initial years that declines over time. It is a default if you don't qualify for prescribed taxation. Talk to your advisor for the qualification criteria.

Plan ahead with income that starts in the future

With the **deferred annuity** option, you can delay the start of your income payments for up to 10 years after the issue date of the annuity policy. There are some restrictions related to registered sources of money, so talk to your advisor for details.

Health-based annuity

If you have health issues, you may qualify for a **health-based adjustment**, which means higher income payments for life, subject to certain conditions.

Access to your money

If you have an unexpected expense and suddenly need cash, the **cashable** feature will allow you to cash out some (or all) of your guaranteed income payments. You can do this up to the end of the guaranteed period. This will stop or reduce your income payments until the end of the guaranteed period, then payments will start or increase again. This feature is only available with a non-registered annuity with accrual taxation.

Exclusive annuity options from Canada Life

You can also choose from the following options, available only from Canada Life.

For protecting your loved ones

Extended death benefit option

This option provides a lump sum that's paid out when the last annuitant dies close to the end of or after the guaranteed period. The lump-sum amount is six months' worth of income payments or one annual income payment (depending on the income payment frequency chosen). This death benefit is payable until age 90 of the youngest annuitant. More details are available in the contract.

Income transition period (joint life) option

If you choose a joint-life annuity where income payments are reduced when one of the annuitants dies close to the end of or after the guaranteed period, your income reduction will be delayed by six months or by one annual payment, depending on your income frequency. More details are available in the contract.

For greater flexibility in choosing your income payment start date

Flexible income start date option

With this option, you can change the date your income payments begin at any time before you receive your first income payment. Starting income later than your original date will increase the amount of your income payments.

For greater income should rates increase

Short-term rate protection option

With this option, if on the initial six-month or 12-month anniversary of your annuity policy (depending on the option chosen), the increase in the Government of Canada 10-year bond rate is higher than a specified percentage, you will receive larger income payments.



Converting all or part of your retirement savings into income is going to be one of your most important financial decisions.

Please work with your advisor to select the annuity options that meet your needs.

Helping people achieve more™

* In Quebec, advisor refers to a financial security advisor for individual insurance and segregated fund policies; and to an advisor in group insurance/annuity plans for group products.