



# INFORMATION CIRCULAR

**DATE:** FEBRUARY 03, 2021

No. 2021-08

**CATEGORY:** INVESTMENTS

**TO:** Managing General Agents, Associate General Agents, Brokers, General Agents, Financial Advisors and National Accounts

**SUBJECT:** Empire Life GIF Growth Commission Bonus program 2021

**Announcement** Empire Life is pleased to announce the Empire Life GIF Growth Commission Bonus Program. For a limited time, advisors who are actively promoting the value of Empire Life Guaranteed Investment Funds (GIF) to their clients by growing their GIF deposits and assets, will have the opportunity to earn a commission bonus that rewards their growth. The GIF Growth Commission Bonus is available on deposits made between January 1 and December 31, 2021.

## Eligible Products

All advisors with a minimum of \$100,000 in GIF deposits in 2021 will be eligible to receive the growth commission bonus. GIF includes the following products:

- GIF 75/75
- GIF 75/100
- GIF 100/100

Deposits into Class Plus 3.0 or Empire Life legacy products will not be included.

## How The Program Works

100% of the GIF Growth Commission Bonus is payable directly to advisors to reward them for growing their GIF business and providing outstanding in-force service to existing Empire Life GIF clients. The program rewards successful advisors in two ways:

1. **GIF Deposit Bonus Rate** – A commission bonus is payable based on GIF gross deposits.
2. **Net Growth Bonus Factor** – The GIF Deposit Bonus Rate is multiplied by the Net Growth Bonus Factor to determine the total GIF Growth Commission Bonus.

### 2021 GIF Growth Commission Bonus formula

Total GIF Deposits  
x Deposit Bonus Rate  
x Net Growth Bonus Factor  
GIF Growth Commission Bonus

## Bonus Commission Payout Date

The GIF Growth Commission Bonus will be calculated in early January 2022, after all 2021 GIF deposits & redemptions have been processed. The commission bonus will be paid sometime in late January or early February 2022.

**GIF Deposit Bonus Rate**

<b>A bonus commission is payable based on GIF gross deposits</b>	
<b>Deposits</b>	<b>GIF Deposit Bonus Rate</b>
\$0-\$99,999 <sup>1</sup>	0.00%
\$100,000-\$499,999	0.25%
\$500,000-\$999,999	0.30%
\$1,000,000-\$1,999,999	0.35%
\$2,000,000-\$2,999,999	0.40%
\$3,000,000-\$3,999,999	0.45%
\$4,000,000-\$4,999,999	0.50%
\$5,000,000+	0.55%

<sup>1</sup>Advisor must have more than \$100,000 in gross GIF deposits in 2021 to be eligible

**Net Growth Bonus Factor**

<b>The GIF Deposit Bonus Rate is multiplied by the Net Growth Bonus Factor to determine the total GIF Growth Bonus</b>	
<b>Ratio Formula (Gross Deposits – Redemptions) ÷ Gross Deposits</b>	
<b>Net GIF Growth Formula (result of formula)</b>	<b>Net GIF Growth Bonus Factor</b>
0% - 9% <sup>2</sup>	100%
10% - 19%	105%
20% - 29%	110%
30% - 39%	115%
40% - 49%	120%
50% - 59%	125%
60% - 69%	130%
70% - 79%	135%
80% - 89%	140%
90% - 99%	145%
100%	150%

<sup>2</sup>The Growth Ratio has a floor of 0%, so advisors who have a negative growth ratio will not have a negative Growth Factor.

**Reference**

Geoff Gibson, Vice-President, Investment Product and Marketing

## APPENDIX

### GIF Growth Commission Bonus Eligibility

All Empire Life GIF deposits received and processed from January 1<sup>st</sup>, 2021 through the end of business December 31, 2021 will be eligible for the growth commission bonus. This includes all deposits received through:

- Fast & Full Investment Application
- Fundserv deposits via Wire Order
- Additional GIF deposits processed through the Empire Life My Advisor Dashboard
- Pre-authorized Debits (PAD)
- Paper applications and deposits

### GIF Growth Commission Bonus Example A

Robert generated \$4,000,000 in segregated fund deposits into Empire Life GIF contracts in 2021. He also had \$1,700,000 in redemptions from Empire Life GIF contracts. Robert's segregated fund growth bonus will be calculated as follows:

- Deposits = \$4,000,000; resulting GIF Deposit Bonus Rate = 0.50% (based on chart)
- Redemptions = \$1,700,000
- Net Growth Ratio =  $(\$4,000,000 - \$1,700,000) \div \$4,000,000 = 57.5\%$
- Resulting Net GIF Growth Bonus Factor = 125% (based on chart)

**2021 GIF Growth Commission Bonus =  $\$4,000,000 \times 0.50\% \times 125\% = \underline{\$25,000}$**

### GIF Growth Commission Bonus Example B

Julia generated \$2,500,000 in segregated fund deposits into GIF contracts in 2021. She also had \$3,000,000 in redemptions from Empire Life GIF contracts. Julia's segregated fund growth bonus will be calculated as follows:

- Deposits = \$2,500,000; resulting GIF Deposit Bonus Rate = 0.40% (based on chart)
- Redemptions = \$3,000,000
- Net Growth Ratio =  $(\$2,500,000 - \$3,000,000) \div \$2,500,000 = -20\%$
- Resulting Net GIF Growth Bonus Factor = 100% (based on chart)

**2021 GIF Growth Commission Bonus =  $\$2,500,000 \times 0.40\% \times 100\% = \underline{\$10,000}$**

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