

# EMPIRE LIFE INFORMATION CIRCULAR

**DATE:** February 2, 2016

**Nº. 2016-06**

**CATEGORY:** **INSURANCE/INVESTMENT**

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

**SUBJECT:** **Revised Commission Schedules**

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Attached please find updated Commission Schedules. The Commission Schedules have been updated for the following:

- Addition to the FundSERV section

**Reference** **Steve MacCharles**, Vice-President and Product Actuary



# FUNDSEV COMPENSATION SCHEDULE

This Compensation Schedule outlines the compensation payable by The Empire Life Insurance Company (Empire Life) to MGAs, AGAs and National Accounts (collectively, "Dealers") on the investment plans listed below (collectively, the "FundSERV policies") if these plans are settled using the FundSERV system or transacted through a Dealer:

- all Guaranteed Investment Funds (GIF) – 75/75, 75/100 and 100/100 Plans and Class Plus 2.1 policies that have been settled using the FundSERV network.
- Guaranteed Interest Contracts (GIC) issued under a FundSERV Dealer Code will also be compensated under this schedule.

This Compensation Schedule provides the entire compensation payable in respect of FundSERV policies.

Dealers are responsible for paying any and all compensation for FundSERV policies to their Advisors according to the terms agreed upon by the Dealer and its Advisors. Empire Life is not responsible for paying any compensation to Advisors for FundSERV policies.

## Guaranteed Investment Funds (GIF) – 75/75, 75/100 and 100/100 Plans

### Segregated Funds

#### a) New Deposits Commission

DSC	LL	FE
5%	2.50%	Equal to Sales Charge*

\*Valid sale charges are 0% to 5%

#### b) Trailer Commissions

Fund	DSC	LL	FE
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#### MONEY MARKET FUNDS

Money Market GIF	0.15% before the Withdrawal Fee Schedule ends 0.25% after the Withdrawal Fee Schedule ends	0.25%
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#### FIXED INCOME FUNDS

Bond GIF	0.25% before the Withdrawal Fee Schedule ends 0.50% after the Withdrawal Fee Schedule ends	0.50%
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#### BALANCED FUNDS

Income GIF	0.50% before the Withdrawal Fee Schedule ends 1.00% after the Withdrawal Fee Schedule ends	1.00%
Balanced GIF		
Monthly Income GIF		
Dividend Balanced GIF		
Asset Allocation GIF		

#### EQUITY FUNDS

Dividend Growth GIF	0.50% before the Withdrawal Fee Schedule ends 1.00% after the Withdrawal Fee Schedule ends	1.00%
Canadian Equity GIF		
Elite Equity GIF		
Small Cap Equity GIF		
American Value GIF		
Global Equity GIF		
International Equity GIF		

**EMBLEM GIF PORTFOLIOS**

Emblem Diversified Income Portfolio GIF	0.375% before the Withdrawal Fee Schedule ends 0.75% after the Withdrawal Fee Schedule ends	0.75%
Emblem Conservative Portfolio GIF	0.50% before the Withdrawal Fee Schedule ends 1.00% after the Withdrawal Fee Schedule ends	1.00%
Emblem Balanced Portfolio GIF	0.50% before the Withdrawal Fee Schedule ends 1.10% after the Withdrawal Fee Schedule ends	1.10%
Emblem Moderate Growth Portfolio GIF	0.50% before the Withdrawal Fee Schedule ends 1.25% after the Withdrawal Fee Schedule ends	1.25%
Emblem Growth Portfolio GIF		
Emblem Aggressive Growth Portfolio GIF		

**Additional Notes – Guaranteed Investment Funds (GIF)**

- 1) Trailer Commissions
  - a) Paid monthly, (The Annual Trailer rate divided by twelve)
  - b) Based upon the Average Daily Balance during the month
  - c) DSC and LL trailer commission rates are based on each deposit date
- 2) Front-End (FE) Load Deposit Commissions range from 0% to 5% and are equal to the sales charge assessed against the deposit

**Class Plus 2.1****Segregated Funds**

- a) New Deposits Commission

DSC	LL	FE
5%	2.50%	Equal to Sales Charge divided*

\*Valid sale charges are 0% to 5%

- b) Trailer Commissions

Fund	DSC	LL	FE
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**MONEY MARKET FUNDS**

Money Market GIF	0.15%	0.15% before the Withdrawal Fee Schedule ends 0.25% after the Withdrawal Fee Schedule ends	0.25%
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**FIXED INCOME FUNDS**

Bond GIF	0.25%	0.25% before the Withdrawal Fee Schedule ends 0.50% after the Withdrawal Fee Schedule ends	0.50%
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**BALANCED FUNDS**

Income GIF	0.50%	0.50% before the Withdrawal Fee Schedule ends 1.00% after the Withdrawal Fee Schedule ends	1.00%
Balanced GIF			
Global Balanced GIF			
Monthly Income GIF			
Dividend Balanced GIF			
Elite Balanced GIF			
Asset Allocation GIF			

## EMBLEM GIF PORTFOLIOS

Emblem Diversified Income Portfolio GIF	0.375%	0.375% before the Withdrawal Fee Schedule ends 0.75% after the Withdrawal Fee Schedule ends	0.75%
Emblem Conservative Portfolio GIF	0.50%	0.50% before the Withdrawal Fee Schedule ends 1.00% after the Withdrawal Fee Schedule ends	1.00%
Emblem Balanced Portfolio GIF		0.50% before the Withdrawal Fee Schedule ends 1.10% after the Withdrawal Fee Schedule ends	1.10%
Emblem Moderate Growth Portfolio GIF		0.50% before the Withdrawal Fee Schedule ends 1.25% after the Withdrawal Fee Schedule ends	1.25%
Emblem Growth Portfolio GIF			

## Additional Notes – Class Plus 2.1

- 1) Trailer Commissions
  - a) Paid monthly, (The Annual Trailer rate divided by twelve)
  - b) Based upon the Average Daily Balance during the month
  - c) LL trailer commission rates are based on each deposit date
- 2) Front-End (FE) Load Deposit Commissions can range from 0% to 5% and are equal to the sales charge assessed against the deposit

## Guaranteed Interest Contract (GIC)

- 1) Daily Interest Option
 

Trailer Commissions 0.54% (annual rate)

  - a) Paid monthly (Annual Trailer rate divided by 12)
  - b) Based on the Average Daily Balance during the month
- 2) Guaranteed Interest Option
  - a) New Deposits Commissions & Reinvestments

Investment Term	Commission Rate	Investment Term	Commission Rate
30 days	$30/365 \times 0.54\%$	90 days	$90/365 \times 0.54\%$
180 days	$180/365 \times 0.54\%$	—	—
1 year	0.54%	1.5 year	0.81%
2 year	1.08%	2.5 year	1.35%
3 year	1.62%	3.5 year	1.89%
4 year	2.16%	4.5 year	2.43%
5 year	2.70%	5.5 year	2.97%
6 year	3.24%	6.5 year	3.51%
7 year	3.78%	7.5 year	4.05%
8 year	4.32%	8.5 year	4.59%
9 year	4.86%	9.5 year	5.13%
10 year	5.40%	—	—

# EMPIRE LIFE COMMISSION SCHEDULE

## COMMISSION SCHEDULE INDEX

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## GENERAL INFORMATION

Payments of the commissions shown in this Commission Schedule are subject to the terms of the applicable Advisor agreement between you and The Empire Life Insurance Company ("Empire Life") and to the following conditions:

### 1) Extra Premiums

On Individual Life and Individual Health plans, where extra premiums are charged for special hazards or health impairments, a first year commission rate of the lesser of 50% or the first year commission rate for the applicable plan, will be paid on these extra premiums. In subsequent policy years, the commission on these extra premiums will be in accordance with the Commission Schedule rates applicable to those years and plan types.

### 2) Life Time Renewal Commission (LRC)

- On Solution Series coverages settled on or after January 1, 2007 through MGAs and National Accounts, a LRC equal to 2.0% of premiums will be paid as earned, commencing in year 6 and continuing for the lifetime of the coverage.
- On Optimax coverages settled under rate series with an effective date of August 25<sup>th</sup>, 2008 or later through MGAs and National Accounts, a LRC equal to 2.0% of premiums will be paid as earned, commencing in year 6 and continuing for the lifetime of the coverage.
- On Vital Link and Vital Link Return of Premium coverages settled under rates series with an effective date of July 5<sup>th</sup>, 2014 or later through MGAs and National Accounts, a LRC equal to 2% of premiums will be paid as earned, commencing in year 6 and continuing for the lifetime of the coverage.

### 3) Chargebacks

If an Individual Life or Individual Health coverage lapses within the first twenty-four (24) months after issue, we will chargeback the compensation paid for each premium not received. Compensation includes First Year Commission and applicable bonus or override.

### 4) Joint First-to-Die and Joint Last-to-Die Products

Commissions are the same as for a single life at the Single Equivalent Age (SEA), for the plan and volume selected.

### 5) FundSERV

Compensation for investment product plans set out in this Commission Schedule does not apply to any plans settled using the FundSERV system or transacted through a Dealer (collectively, "FundSERV policies"). All compensation for FundSERV policies is payable to the MGA, AGA or National Account (collectively, "Dealer") according to the terms agreed upon by Empire Life and the Dealer. Dealers are responsible for paying any and all compensation for FundSERV policies to their Advisors according to the terms agreed upon by the Dealer and its Advisors. Empire Life is not responsible for paying any compensation to Advisors for FundSERV policies.

### 6) Group Conversions

Any placement that is the result of a client exercising a Group Conversion Option is ineligible for commissions or any other form of advisor compensation.

## 7) Conversion Rules

The following rules cover most occurrences, (please refer to Account Manager for situations not described):

- Conversion of policy less than two years old by original Advisor: the original policy is treated as a lapse, with normal chargeback of compensation. Full compensation is extended on the new policy.
- Conversion of policy less than two years old by different Advisor, original Advisor is active or terminated with compensation vesting: there is no chargeback of compensation to the original Advisor. The replacing Advisor receives compensation on the new case less the chargeback on the original case. The original Advisor will be notified of the replacement.
- Conversion of policy less than two years old by a different Advisor, and the original Advisor is no longer active, and compensation is not vested: the replacing Advisor receives compensation on the new case, less the chargeback on the original case.
- Conversion of policies older than two years: no chargebacks are involved, but notice will be given to the original active or terminated with vesting Advisor where a different Advisor is involved.

## 8) Internal Replacement Policy

The following rules cover most occurrences, (please refer to Account Manager for situations not described).

When a new policy replaces an existing policy, commissions paid on the new policy will be reduced based on following chart:

Replacement prior to receiving all premiums for:	Commissions on new policy will be reduced by:
Years 1 and 2	100% of the commission on the original case.
Year 3	75% of the commission on the original case.
Year 4	50% of the commission on the original case.
Year 5	25% of the commission on the original case.

Additional clarification concerning replacement of policies less than two years old:

Advisor is:	Impact on original Advisor	Impact on Replacing Advisor
Original Advisor	Greater of the normal chargeback or the 100% FYC restriction on the original case.	N/A
Different Advisor and the original Advisor is active or terminated with vesting.	Chargeback of compensation as per contractual agreement.	Commissions on new policy will be reduced by 100% of the commission on the original case.
Different Advisor and the original Advisor is not active and/or not vested.	N/A	Commissions on new policy will be reduced by 100% of the commission on the original case.

## COMMISSION SUMMARY

(Note the Commission Summary is meant as a quick and convenient reference chart. For additional details please refer to the applicable section within the Commission Schedule).

Individual Life Insurance Plans and Individual Health Insurance Plans	Policy Years			
	1	2	3 to 5	6 Plus
<b>TRILOGY</b>				
<b>Target Premium</b>				
Level COI Structure (Life)	50%	2%	2%	N/A
ART85 COI Structure (Life)	60%	2%	2%	N/A
Term 10 and Term 20 COI Structure (Life)	45%	2%	2%	N/A
ART100 COI Structure (Life) and Additional Benefits	80%	2%	2%	N/A
All COI Structure (Life Plus)	45%	2%	2%	N/A
Administration Fee	65%	2%	2%	N/A
<b>Excess Premium</b>	2%	2%	2%	N/A
<b>Draw/Charge Commission</b>				
Level COI Structure (Life), Term 20 COI Structure (Life), Term 10 COI Structure (Life) , ART85 COI Structure (Life), All COI Structures (Life Plus), Additional Benefits and Administration Fee	N/A	3%	3%	N/A
ART100 COI Structure (Life) and TaxGuard Plus	N/A	10%	10%	N/A
Fund Value (Annual Rate)	N/A	0.25%	0.25%	0.25%
Overflow Value (Annual Rate)	2.40%	2.40%	2.40%	2.40%
<b>ESTATEMAX</b>				
EstateMax Life Insurance Component	50%	5%	5%	2%
* The 6 Plus commission on EstateMax is only available on coverages sold through either an MGA or National Account.				
<b>OPTIMAX</b>				
Optimax Life Insurance Component	55%	5%	5%	2%
* The 6 Plus commission on Optimax is only available on coverages sold through either an MGA or National Account.				
<b>SOLUTION SERIES</b>				
Solution 10	45%	5%	5%	2%*
Solution 20	45%	5%	5%	2%*
Solution 100	50%	5%	5%	2%*
* The 6 Plus commission on Optimax is only available on coverages sold through either an MGA or National Account.				
<b>VITAL LINK</b>				
Vital Link and Vital Link ROP	45%	5%	5%	2%*
* The 6 Plus commission on Vital Link and Vital Link ROP is only available on coverages settled on or after July 4, 2014 and sold through either an MGA or National Account.				
Additional Benefits	70%	10%	10%	N/A



Investment Product Plans and Investment Products attached to Individual Life and Health Products	Deposit Commission	Trailer Commission
SINGLE PREMIUM IMMEDIATE ANNUITIES AND TERM CERTAIN ANNUITIES OF 10 YEARS OR MORE (SPIAS)		
First \$100,000 of cumulative premiums	2.25%	N/A
Next \$100,000 of cumulative premiums	1.50%	N/A
Excess over \$200,000 of cumulative premiums	0.75%	N/A
GUARANTEED INVESTMENT FUNDS (GIF) – 75/75, 75/100 AND 100/100 PLANS		
Segregated Funds		See detail
DSC	2.32%	
Low Load (LL)	1.16%	
Front End Load (FE)	0 - 2.32%	
CLASS PLUS 2.1		
DSC	2.32%	See detail
Low Load (LL)	1.16%	
Front End Load (FE)	0 - 2.32%	
GUARANTEED INTEREST CONTRACT (GIC)		
Daily Interest Option	N/A	0.54%
Guaranteed Interest Option	0.25% per year (same for reinvestments)	N/A
OPTION PLUS GROUP RSP		
Treasury Interest Option	0.30%	0.40%
Guaranteed Interest Option	0.25% per year sold	0.30%
Segregated Funds (excluding Money Market)	1.00%	see detail
Money Market	0.075%	0.10%
ESTATEMAX SIDE ACCOUNT		
	N/A	N/A
OPTIMAX TAX EXEMPT INVESTMENT ACCOUNT		
Daily Interest Option	N/A	0.50%
Guaranteed Interest Option	N/A	0.50%
Index Option	N/A	1.00%

Note: Investment policies settled using the FundSERV system are excluded for consideration from this Commission Schedule. Compensation for these policies will be as detailed by the ancillary agreements that granted FundSERV accessibility.

# INDIVIDUAL LIFE INSURANCE PLANS

## TRILOGY

Compensation Components	Policy Years		
	1	2 to 5	6 Plus
<b>Target Premium</b>			
Level COI Structure (Life)	50%	2%	N/A
ART85 COI Structure (Life)	60%	2%	N/A
Term 10 and Term 20 COI Structure (Life)	45%	2%	N/A
ART100 COI Structure (Life)	80%	2%	N/A
All COI Structure (Life Plus)	45%	2%	N/A
Additional Benefits	80%	2%	N/A
Administration Fee	65%	2%	N/A
<b>Excess Premium</b>	2%	2%	N/A
<b>Draw/Charge Commission</b>			
Level COI Structure (Life), ART85 COI Structure (Life), Term 20 COI Structure (Life), and Term 10 COI Structure (Life)	N/A	3%	N/A
ART100 COI Structure (Life) and TaxGuard Plus	N/A	10%	N/A
All COI Structure (Life Plus)	N/A	3%	N/A
Additional Benefits	N/A	3%	N/A
Administration Fee	N/A	3%	N/A
<b>Fund Value (Annual Rate)</b>	N/A	0.25%	0.25%
<b>Overflow Value (Annual Rate)</b>	2.40%	2.40%	2.40%

## Additional Notes – TRILOGY

### 1) For TRILOGY there are four types of commission components:

- a) Premium commissions are based on target and excess premiums.
  - i) The first year target premium receives equivalent treatment to a first year premium under a traditional Individual Life plan. The FYC associated with first year target premium is payable on an advance basis and is subject to the Individual Life chargeback rules.
  - ii) The excess premium and all premiums in years 2-5 will generate commission on an as earned basis, paid monthly.  
In each policy year, excess premium is only recognized once all target premium requirements have been satisfied.
- b) Draw commissions are based on monthly cost of insurance charges and fees deducted from the policyholder's tax exempt account.
- c) Fund value commissions are based on the fund value in the given month. Fund value commissions exclude the Overflow account.
- d) Overflow value commissions are based upon the Overflow Account Value at the end of the given month and are paid monthly. Overflow value commissions are ineligible for any bonus consideration.

### 2) No commissions are paid on deposits to the Overflow Account. Transfers from the Overflow Account will generate commissions in the same manner as premiums credited directly to the policy.

### 3) Maximizer is Life coverage and earns the commissions corresponding to its' COI Structure (Life), (i.e. an ART85 Maximizer would be eligible for ART85 COI Structure (Life) commissions).

### 4) Any placement that is the result of a client converting ART85 coverage is ineligible for First Year Target Premium Commissions.

## ESTATEMAX

### Life Insurance Component

Product	Policy Years		
	1	2 to 5	6 Plus
EstateMax 100 and EstateMax 20 Pay	50%	5%	2%

\* The 6 Plus commission on EstateMax is only available on coverages settled through either an MGA or National Account.

### EstateMax Side Account

a) New Deposits Commission	N/A
b) Anniversary Trailer Commissions	N/A

## OPTIMAX

### Life Insurance Component

Product	Policy Years		
	1	2 to 5	6 Plus
Optimax 100 and Optimax 20 Pay	55%	5%	2%

\* The 6 Plus commission on Optimax is only available on coverages sold through either an MGA or National Account.

### Optimax Paid-Up Additions Rider

Accumulated Value of Deposits applied to purchase Paid-Up Additions	5.0%
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This commission is payable upon purchase of Paid-Up Additions and is ineligible for any bonus considerations.

### Optimax Tax Exempt Investment Account

#### 1) Daily Interest Option

a) New Deposits Commission	N/A
b) Anniversary Trailer Commissions	0.50%

#### 2) Guaranteed Interest Option

a) New Deposits Commission	N/A
b) Anniversary Trailer Commissions	0.50%

#### 3) Index Option

a) New Deposits Commission	N/A
b) Anniversary Trailer Commissions	1.00%

Anniversary Trailer Commissions are calculated on the accumulated value of the investment option at the policy anniversary date.

## Additional Life Insurance Products

Product	Policy Years		
	1	2 to 5	6 Plus
<b>SOLUTION SERIES</b>			
Solution 10	45%	5%	2%*
Solution 20	45%	5%	2%*
Solution 100	50%	5%	2%*
* The 6 Plus commission on Solution Series is only available on coverages sold through either an MGA or National Account.			
<b>Additional Benefits attached to Individual Life Policies</b>	70%	10%	N/A

Additional Benefits include Guaranteed Insurability Rider, Children's Life Rider, Children's Critical Illness Rider, Accidental Death & Dismemberment, Waiver of Premium.

## Individual Health Insurance Plans

Product	Policy Years		
	1	2 to 5	6 Plus
Vital Link	45%	5%	2%
Vital Link Return of Premium	45%	5%	2%
The 6 Plus commission on Vital Link and Vital Link ROP is only available on coverages settled on or after July 4, 2014 and sold through either an MGA or National Account.			
<b>Additional Benefits attached to Individual Health Policies</b>	70%	10%	N/A

Additional Benefits include Children's Life Rider, Children's Critical Illness Rider, Accidental Death & Dismemberment, and Waiver of Premium

## INVESTMENT PRODUCT PLANS

### Single Premium Immediate Annuities and Term Certain Annuities of 10 Years or More (SPIAs)

#### New Deposits Commissions

a) First \$100,000 of cumulative premiums	2.25%
b) Next \$100,000 of cumulative premiums	1.50%
c) Excess over \$200,000 of cumulative premiums	0.75%

SPIA purchases, which are the result of a transfer from a pre-existing Empire Life policy, may be subject to commission adjustments in those instances where either market value adjustments or surrender charges are being waived to accommodate the SPIA purchase.

## Guaranteed Investment Funds (GIF) – 75/75, 75/100 and 100/100 Plans

### Segregated Funds

#### a) New Deposits Commission

DSC	LL	FE
2.32%	1.16%	Equal to Sales Charge divided by 2.15*

\*Valid sale charges are 0% to 5%

#### b) Trailer Commissions

Fund	DSC	LL	FE
MONEY MARKET FUNDS			
Money Market GIF	0.06% before the Withdrawal Fee Schedule ends 0.11% after the Withdrawal Fee Schedule ends		0.11%
FIXED INCOME FUNDS			
Bond GIF	0.11% before the Withdrawal Fee Schedule ends 0.23% after the Withdrawal Fee Schedule ends		0.23%
BALANCED FUNDS			
Income GIF	0.23% before the Withdrawal Fee Schedule ends 0.46% after the Withdrawal Fee Schedule ends		0.46%
Balanced GIF			
Monthly Income GIF			
Dividend Balanced GIF			
Asset Allocation GIF			
EQUITY FUNDS			
Dividend Growth GIF	0.23% before the Withdrawal Fee Schedule ends 0.46% after the Withdrawal Fee Schedule ends		0.46%
Canadian Equity GIF			
Elite Equity GIF			
Small Cap Equity GIF			
American Value GIF			
Global Equity GIF			
International Equity GIF			
EMBLEM GIF PORTFOLIOS			
Emblem Diversified Income Portfolio GIF	0.17% before the Withdrawal Fee Schedule ends 0.34% after the Withdrawal Fee Schedule ends		0.34%
Emblem Conservative Portfolio GIF	0.23% before the Withdrawal Fee Schedule ends 0.46% after the Withdrawal Fee Schedule ends		0.46%
Emblem Balanced Portfolio GIF	0.23% before the Withdrawal Fee Schedule ends 0.51% after the Withdrawal Fee Schedule ends		0.51%
Emblem Moderate Growth Portfolio GIF	0.23% before the Withdrawal Fee Schedule ends 0.58% after the Withdrawal Fee Schedule ends		0.58%
Emblem Growth Portfolio GIF			
Emblem Aggressive Growth Portfolio GIF			

## Additional Notes – Guaranteed Investment Funds (GIF)

### 1) Trailer Commissions

- a) Paid monthly, (The Annual Trailer rate divided by twelve)
- b) Based upon the Average Daily Balance during the month
- c) DSC and LL trailer commission rates are based on each deposit date

### 2) Front-End (FE) Load Deposit Commissions range from 0% to 2.32% and are equal to the sales charge assessed against the deposit, divided by 2.15

## Class Plus 2.1

### Segregated Funds

#### a) New Deposits Commission

DSC	LL	FE
2.32%	1.16%	Equal to Sales Charge divided by 2.15*

\*Valid sale charges are 0% to 5%

#### b) Trailer Commissions

Fund	DSC	LL	FE
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#### MONEY MARKET FUNDS

Money Market GIF	0.06%	0.06% before the Withdrawal Fee Schedule ends 0.11% after the Withdrawal Fee Schedule ends	0.11%
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#### FIXED INCOME FUNDS

Bond GIF	0.11%	0.11% before the Withdrawal Fee Schedule ends 0.23% after the Withdrawal Fee Schedule ends	0.23%
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#### BALANCED FUNDS

Income GIF	0.23%	0.23% before the Withdrawal Fee Schedule ends 0.46% after the Withdrawal Fee Schedule ends	0.46%
Balanced GIF			
Global Balanced GIF			
Monthly Income GIF			
Dividend Balanced GIF			
Elite Balanced GIF			
Asset Allocation GIF			

#### EMBLEM GIF PORTFOLIOS

Emblem Diversified Income Portfolio GIF	0.17%	0.17% before the Withdrawal Fee Schedule ends 0.34% after the Withdrawal Fee Schedule ends	0.34%
Emblem Conservative Portfolio GIF	0.23%	0.23% before the Withdrawal Fee Schedule ends 0.46% after the Withdrawal Fee Schedule ends	0.46%
Emblem Balanced Portfolio GIF	0.23%	0.23% before the Withdrawal Fee Schedule ends 0.51% after the Withdrawal Fee Schedule ends	0.51%
Emblem Moderate Growth Portfolio GIF	0.23%	0.23% before the Withdrawal Fee Schedule ends 0.58% after the Withdrawal Fee Schedule ends	0.58%
Emblem Growth Portfolio GIF			

## Additional Notes – Class Plus 2.1

### 1) Trailer Commissions

- a) Paid monthly, (The Annual Trailer rate divided by twelve)
- b) Based upon the Average Daily Balance during the month
- c) LL trailer commission rates are based on each deposit date

### 2) Front-End (FE) Load Deposit Commissions can range from 0% to 2.32% and are equal to the sales charge assessed against the deposit, divided by 2.15

## Guaranteed Interest Contract (GIC)

### 1) Daily Interest Option

- Trailer Commissions 0.54% (annual rate)
- a) Paid monthly (Annual Trailer rate divided by 12)
  - b) Based on the Average Daily Balance during the month
  - c) Trailer commissions are ineligible for bonus

### 2) Guaranteed Interest Option

- a) New Deposits Commissions & Reinvestments

Investment Term	Commission Rate	Investment Term	Commission Rate
30 days	$30/365 \times 0.25\%$	90 days	$90/365 \times 0.25\%$
180 days	$180/365 \times 0.25\%$	—	—
1 year	0.25%	1.5 year	0.375%
2 year	0.50%	2.5 year	0.625%
3 year	0.75%	3.5 year	0.875%
4 year	1.00%	4.5 year	1.125%
5 year	1.25%	5.5 year	1.375%
6 year	1.50%	6.5 year	1.625%
7 year	1.75%	7.5 year	1.875%
8 year	2.00%	8.5 year	2.125%
9 year	2.25%	9.5 year	2.375%
10 year	2.50%	—	—

## Option Plus Group RSP

### 1) Treasury Interest Option

- a) New Deposits Commission 0.30%
- b) Anniversary Trailer Commissions 0.40%

### 2) Guaranteed Interest Option

- a) New Deposits Commission

Investment Term	Commission Rate	Investment Term	Commission Rate
1 year	0.25%	1.5 year	0.375%
2 year	0.50%	2.5 year	0.625%
3 year	0.75%	3.5 year	0.875%
4 year	1.00%	4.5 year	1.125%
5 year	1.25%	6 year	1.50%
10 year	2.50%	—	—

- b) Anniversary Trailer Commissions 0.30%

The Guaranteed Interest Option's Anniversary Trailer Commissions are based upon the accumulated value of certificates that were the result of a reinvestment; (i.e. the certificate has passed its first reinvestment date).

### **3) Segregated Funds (excluding Money Market)**

- a) New Deposits Commission 1.00%
- b) Trailer Commissions
- i) For policies administered under the Managing General Agents Agreement and issued after July 20<sup>th</sup>, 2008
    - (1) The Annual Trailer Rate is 0.40%
    - (2) Trailer Commissions are paid monthly.
    - (3) Trailer Commission will be based upon total value of Segregated Funds, (excluding Money Market), less Segregated Fund deposits in the last twelve months multiplied by The Annual Trailer rate divided by twelve.
  - ii) For policies issued prior to July 21<sup>st</sup>, 2008 or administered under either the General Agent's Agreement or Producer's Agreement.
    - (1) The Trailer is classified as an Anniversary Trailer Commission
    - (2) The Annual Trailer Rate is 0.85%
    - (3) Trailer Commissions are paid annually.
      - (a) For money purchase pension plans, trailer commissions are paid at the end of the plan year on the entire group.
      - (b) For RRSPs, trailer commissions are calculated and paid based upon the anniversary date of each member's certificate.
    - (4) Trailer Commission will be based upon total value of Segregated Funds, (excluding Money Market), less Segregated Fund deposits in the last twelve months multiplied by The Annual Trailer rate.

### **4) Money Market**

- a) New Deposits Commission 0.075%

Surrenders from the Money Market Fund within three months of the deposit date will be subject to full commission chargeback.

- b) Trailer Commissions
- i) For policies administered under the Managing General Agents Agreement and issued after July 20<sup>th</sup>, 2008
    - (1) The Annual Trailer Rate is 0.10%
    - (2) Trailer Commissions are paid monthly.
    - (3) Trailer Commission will be based upon total value of Money Market less Money Market deposits in the last twelve months multiplied by The Annual Trailer rate divided by twelve.
  - ii) For policies issued prior to July 21<sup>st</sup>, 2008 or administered under either the General Agent's Agreement or Producer's Agreement.
    - (1) The Trailer is classified as an Anniversary Trailer Commission
    - (2) The Annual Trailer Rate is 0.10%
    - (3) Trailer Commissions are paid annually.
      - (a) For money purchase pension plans, trailer commissions are paid at the end of the plan year on the entire group.
      - (b) For RRSPs, trailer commissions are calculated and paid based upon the anniversary date of each member's certificate.
    - (4) Trailer Commission will be based upon total value of Money Market less Money Market deposits in the last twelve months multiplied by The Annual Trailer rate.



## Additional Notes – Option Plus Group RSP

- 1) Option Plus Group RSP Anniversary Trailer Commissions are calculated on the accumulated value of the investment option at the policy anniversary date less all deposits made during the preceding twelve months.**
  - a) For money purchase pension plans, trailer commissions are paid at the end of the plan year on the entire group.
  - b) For RRSPs, trailer commissions are calculated and paid based upon the anniversary date of each member's certificate.
- 2) Transfers between investment options do not generate New Deposits Commissions.**
- 3) Funds surrendered from a Segregated Fund, (excluding Money Market), within one year of the Segregated Fund deposit date.**
  - a) An unearned commission chargeback will be assessed. The chargeback will equal the commission paid multiplied by the number of months remaining from the surrender date to the end of the initial year on deposit. Partial months count as a full month for the purposes of this calculation.
- 4) Transfer from Guaranteed Interest Option to Other Investment Option**
  - a) If the source of the funds is Guaranteed Interest Options transferring prior to the end of the investment term then the following will occur:
    - i) Any unearned commission will be charged back against the advisor. Unearned commission is equal to the commission rate per year of investment for the term selected multiplied by the number of complete months remaining in the term divided by twelve.
    - ii) Guaranteed Interest Options funds currently receiving Anniversary Trailer Commissions are not subject to an unearned commission chargeback.
- 5) Transfer to a Single Premium Immediate Annuity**
  - a) Full SPIA commission is payable
  - b) If the source of the funds is Guaranteed Interest Options transferring prior to the end of the investment term then the following will occur:
    - i) No Market Value Adjustment will be assessed against the client.
    - ii) Any applicable Interest Adjustments will be assessed.
    - iii) Any unearned commission will be charged back against the advisor. Unearned commission is equal to the commission rate per year of investment for the term selected multiplied by the number of complete months remaining in the term divided by twelve, (Guaranteed Interest Options funds currently receiving Anniversary Trailer Commissions are not subject to an unearned commission chargeback).