

EMPIRE LIFE CLASS PLUS 2.1

Guaranteed retirement
income for life™

SCENARIO

IN RETIREMENT TAKING INCOME NOW JOINT TIERED LWA

John and Mary are a married couple who will be turning 65 and 60 this year. They have \$500,000 in savings. They want a joint equity-based investment that will guarantee them a fixed annual income with the potential for a future increase in income. Class Plus 2.1 with guaranteed retirement income for life™ meets their objectives.

Given that Mary, at 60, is the younger of the two, her age will determine the LWA rate. John and Mary's annual income will be \$15,000 (Income Base of \$500,000 x 3.00% for Joint Tiered LWA Percentage at age 60).¹

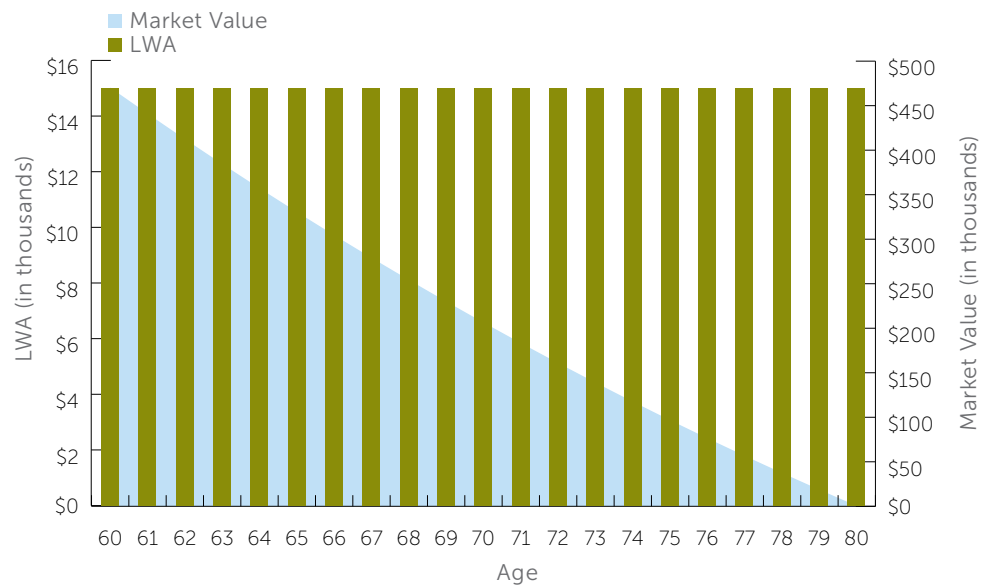


¹ Provided there are no Excess Withdrawals.

HOW CLASS PLUS 2.1 PROTECTS JOHN AND MARY'S GUARANTEED RETIREMENT INCOME IN **DOWN MARKETS**

Assuming poor market conditions, John and Mary's investment may deplete by Mary's 81st birthday or John's 86th birthday. However, with Class Plus 2.1, John and Mary are guaranteed an annual income of \$15,000.¹

In the year that Mary turns 70, their Joint Tiered LWA Percentage is 3.75%. Their guaranteed income will not increase in this down market scenario, as the Income Base will be \$350,000 with an LWA of \$13,125 ($\$350,000 \times 3.75\%$). As this amount is less than their current annual income of \$15,000, their guaranteed income will be protected and they will continue to be paid \$15,000.²

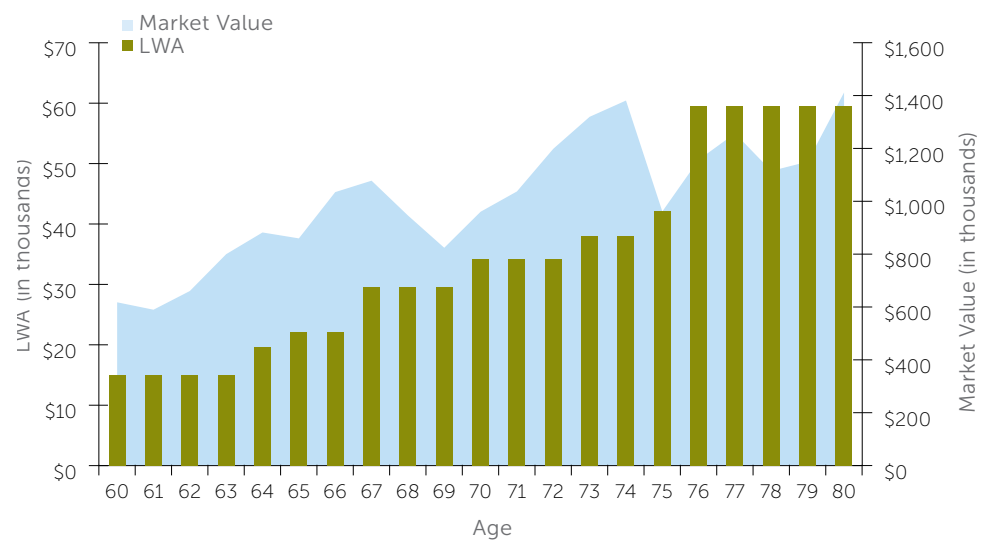


HOW CLASS PLUS 2.1 CAN INCREASE JOHN AND MARY'S GUARANTEED RETIREMENT INCOME IN **UP MARKETS**

With strong market conditions John and Mary will be entitled to increases to their annual income from two factors:

- 1) automatic Income Base Resets every third Class Plus Anniversary Date where the Income Base is set to equal the market value of the Fund Class Units at the credit of their contract, if the market value is greater than the Income Base at that time; and
- 2) an increase to the Joint Tiered LWA Percentage based on Mary's age.

John and Mary's LWA increased from \$15,000 at issue to a maximum of \$59,492 as a result of an increase to the Income Base through triennial resets and an increase to the Joint Tiered LWA Percentage based on Mary's age.³



¹ Provided there are no Excess Withdrawals. ² For illustrative purposes the fund accumulates at a rate of return of -1.5%. A monthly Class Plus Fee of 0.125% (1.50% annually) of the Income Base was charged. ³ The following scenario's market value is based on historical rates of return using a blend of 80% S&P/TSX and 20% DEX Universe Bond Index, from December 31, 1994 to December 31, 2013, with an average rate of return of 9.20%. The monthly Class Plus Fee is 0.125% of the Income Base. Refer to the Class Plus 2.1 Information Folder for complete details.



RETIREMENT IS ABOUT LIVING!

The flexibility you need

You live life on your own terms. Why should your retirement be any different? In today's world, income generation with maximum flexibility can influence one's retirement destiny.

Single and Joint Tiered LWA Options

The flexibility of Class Plus 2.1 is enhanced by the Single and Joint Tiered LWA Options. Joint Tiered LWA Option is only available as a non-registered contract.

Single Tiered LWA Percentage	Joint Tiered LWA Percentage ¹
age 0-54: 0.00%	age 0-54: 0.00%
age 55 - 59: 3.00%	age 55 - 59: 2.50%
age 60 - 64: 3.50%	age 60 - 64: 3.00%
age 65 - 69: 4.00%	age 65 - 69: 3.50%
age 70 - 74: 4.25%	age 70 - 74: 3.75%
age 75+: 5.00%	age 75+: 4.50%

Automatic Income Reset

Class Plus 2.1 does not tie you into the same payout rate for the rest of your life. As you can see from the table above, the percentage rate used to calculate income increases with age.²

Retirement Income Privileges

With our unique Retirement Income Privileges, you can stop your payments at any time to suit your income needs, continue to be eligible for the Income Base Bonus,³ then resume your income, without penalty.

¹Determined based on the age of the youngest of the Annuitant and the Joint Life. ²On December 31st of each year the LWA is calculated for the following year. If there have been no Excess Withdrawals during the year, the LWA for the following year will be the greater of the current LWA or the new LWA, if it is higher. Calculated based on the current Income Base and the applicable LWA percentage. ³Available to increase the Income Base in those years you do not make any withdrawals.

For more information, please contact your advisor.

The Empire Life Insurance Company (Empire Life) offers competitive individual and group life and health insurance, investment and retirement products to help you build wealth and protect your financial security.

Empire Life is among the top 10 life insurance companies in Canada¹ and is rated A (Excellent) by A.M. Best Company². Our vision is to be known for simplicity, being easy to do business with and having a personal touch.

¹ *The Globe and Mail Report on Business*, June 2014, based on revenue

² As at May 21, 2014

¹ The Empire Life Insurance Company has been managing money for 50 years; including through its subsidiary Empire Life Investments Inc. since 2012.

The information in this document is for general information purposes only and is not to be construed as providing legal, tax, financial or professional advice. The Empire Life Insurance Company assumes no responsibility for any reliance made on or misuse or omissions of the information contained in this document. Please seek professional advice before making any decision.

A description of the key features of the individual variable insurance contract is contained in the Information Folder for the product being considered. **Any amount that is allocated to a Segregated Fund is invested at the risk of the contract owner and may increase or decrease in value.**

® Registered trademark of The Empire Life Insurance Company.

™ Trademark of The Empire Life Insurance Company.

Policies are issued by The Empire Life Insurance Company.

