



Product Specifications – Individual Savings Annuity RIF

General

Product Name	Product Name <ul style="list-style-type: none">Individual Savings Annuity RIF (ISA RIF)
High-Level Description	Individual Savings Annuity RIF is a Retirement Income Fund established to provide regular income payments. Amounts may be invested in the Daily Interest Account and/or one or more Guaranteed Interest Accounts. Available only on a Registered basis, and as a Locked-In plan for pension funds.
Launch Date	18 December 2006
Par/Non-Par	Participating – Dividends are not currently being paid, but if payable will be applied to the Daily Interest Account.
Policy Values	Policy Value – at any time, is the sum of the Account Value of the Daily Interest Account (DIA) and the Account Value of all the Guaranteed Interest Accounts (GIAs) Net Cash Value – at any time prior to the maturity date, is equal to the Policy Value minus any Market Value Adjustments applicable to the GIAs.
Line of Business	Annuity
Age Definitions	Issue Age: age last birthday

Basic Features

Basic Policy Form(s)	Individual Savings Annuity RIF is available as a base plan only.
Maturity Date	For RRIF/PRIF policies, and LIF policies where annuitization is not required by legislation – there is no maturity date since the policy is established to provide regular income payments. The system will be programmed to age 120. For LIF policies where annuitization is required by provincial pension legislation – the maturity date is the policy anniversary in the year in which the Life Annuitant is required to purchase a payout annuity (often age 80).
Number of Lives	Single Life
Owner/Life Annuitant	The Owner and Life Annuitant must always be the same person.
Benefit Payable	Death Benefit If the Life Annuitant dies while the policy is in force, a death benefit will be payable to the named Beneficiary. The Death Benefit is the Policy Value on the date of Death. No Market Value Adjustments will apply.
Benefit Payable To	The Death Benefit will be paid to the named beneficiary, unless assigned or subject to a garnishee.
Guarantees	Not applicable.



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Surrenders (Full or Partial)	<p>All or a portion of the policy's Net Cash Value may be surrendered at any time. The minimum partial surrender amount allowed is \$500.</p> <p>For surrenders made to cash, Market Value Adjustment charges will not apply. For transfers (both internal and external), Market Value Adjustments may apply.</p> <p>The minimum policy value remaining after a partial surrender must be at least \$500, or the entire net cash value must be surrendered. Similarly, if the partial surrender is coming from a GIA, the minimum remaining in the GIA must be \$500 or the entire GIA must be surrendered with any excess transferred to the DIA.</p> <p>Refer to Appendix A.</p>
Scheduled Payouts	<p>Scheduled Payouts must be made via EFT, and can be monthly, quarterly, semi-annually or annually. For our administrative purposes, the minimum amount is \$50 per payment. Payment dates allowed are the 1st through 28th.</p> <p>For RRIF/LIF/PRIF scheduled payouts, the annual minimum is as defined by the Income Tax Act (Canada). Maximum amounts for LIF policies are as defined by the applicable pension legislation.</p> <p>January payments will be based on the previous year's payment, and Feb – Dec payment amounts will be adjusted as required to accommodate the current year's minimum/maximum calculations.</p> <p>Refer to Appendix A.</p>
Internal Transfers	<p>All or a portion of the Account Value of any Interest Account may be transferred to a new Interest Account. A Market Value Adjustment may apply to a transfer from a GIA before the expiry of its term. All such transfers to a GIA are subject to the \$500 minimum amount requirement for the new Account.</p>
Charges	<p>A Market Value Adjustment applicable to a GIA at any time will be equal to the product of A, B and C where:</p> <p>A is the Account Value of the GIA</p> <p>B is the number of years and fractional years remaining to the end of the term, and</p> <p>C is the excess, if any, of the highest of the interest rates then applicable to new GIAs, plus an administration expense amount, over the interest rate applicable to the affected GIA. The administration expense amount will not exceed 1% (currently 0.2%).</p>
Investment Options	<ul style="list-style-type: none">▪ Daily Interest Account (DIA) Option▪ Guaranteed Interest Account (GIA) Options – 9 months through 5 years (inclusive), in 3-month increments▪ No segregated fund investment options available <p><i>Unless elected otherwise, at the end of the term of each GIA, the Account Value of the GIA will be transferred to another GIA of the same length term, at the interest rate in effect at the time of transfer.</i></p>



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Minimums & Maximums

Issue Ages	Ages 16 through 110, varying by plan (as a general rule, LIFs/PRIFs may be purchased no earlier than 55 years of age, or an earlier age if permitted under the pension plan from which the funds originated)
Contributions	<p>Contributions must be transfers from another registered plan. The minimum Initial Contribution to a RRIF is \$10,000. The minimum Initial Contribution to a LIF/PRIF is \$10,000. In addition, the minimum contribution to any GIA is \$500.</p> <p>Existing FaithLife Financial RRSP policies that are reaching their age 69 maturity can be transferred to a new ISA RIF/LIF if the maturity value is at least \$7,500.</p> <p>Refer to Appendix B</p>

Issue Considerations

Application Process	WM Electronic Application. (Paper application – Form #182-12-2006 – will be accepted until March 1, 2007.)
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Contract Considerations

10 Day Free Look	No
Member Assurance Guarantee	N/A
Other	Premiums, benefits and definitions are guaranteed. Administrative limits are not guaranteed.

Taxation

Tax Treatment of Benefit Payment	Standard annuity taxation
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Claim Considerations

Benefit Payments	Upon death of the Life Annuitant proceeds become payable to the designated beneficiary. Proceeds will be released when claim documentation requirements including proof of death have been filed with our Head Office. We request that the policy be returned to us at the time of settlement.
Interest on Delayed Claims/Settlement Annuities	The Death Benefit is the Policy Value on the date of Death. Interest is payable from the date of death to the date of payment at the rate then in effect.



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Compensation & Distribution Channels

Commission	<p>To align the commission structure to industry standards, we will have commissions paid as follows:</p> <p><u>Contributions to a Policy:</u> (paid to the Writing District Representative)</p> <p>New Money to Society – 0.50%</p> <p>Transfers from other Society Policies – 0%</p> <p><u>DIA Commission:</u> (paid to Servicing District Representative)</p> <p>Daily Interest Account (DIA) value: $0.20\%/12 \times \text{amount in Daily Interest Account}$</p> <p>→ paid on the “policy anniversary day” of each month</p> <p><u>GIA Commissions:</u></p> <p>Initial Commission (paid to the Writing District Representative)</p> <p>Guaranteed Interest Account (GIA) values: $0.20\% \times (\# \text{ of months in the term}/12)$</p> <p>→ paid on contribution</p> <p>Rollover Commission (paid to the Servicing District Representative)</p> <p>Guaranteed Interest Account (GIA) values: $0.20\% \times (\# \text{ of months in the term}/12)$</p> <p>→ paid at rollover</p> <p>* For policy years where the Life Annuitant has attained age 85 or more, commissions payable will be half the standard commissions defined above.</p> <p>These rates apply to each single premium payment except when the premium arises from the proceeds of another policy (refer to AFP #37).</p> <p>This commission is not payable after termination of the District Representative Service Contract.</p> <p><u>Overrides:</u></p> <p>No override is payable to the District Representative.</p>
Chargebacks	N/A
Agent Licensing	Life license required



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Appendix A – Rules for Cash Payouts/Surrenders

Payout/Surrender	RRIF	LIF/PRIF
Scheduled Payouts - RRIF	<ul style="list-style-type: none">• Annual minimum amount is defined by Income Tax Act (Canada)• Elected payment amount subject to a minimum of \$50 per frequency (monthly, quarterly, semi-annually or annually)• No MVA charges applied• Default withdrawal rules apply	<ul style="list-style-type: none">• Annual minimum amount is defined by Income Tax Act (Canada)• Annual maximum amount if applicable per pension legislation• Elected payment amount subject to a minimum of \$50 per frequency (monthly, quarterly, semi-annually or annually)• No MVA charges applied• Default withdrawal rules apply
Partial or Full Surrenders - RRIF	<ul style="list-style-type: none">• Minimum partial surrender = \$500• For cash payouts, MVA charges are waived.• If surrender is coming from a GIA, the minimum remaining in the GIA must be \$500, or the entire GIA must be surrendered with the excess transferred to DIA	If permitted by pension legislation, RRIF surrender rules apply.



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Appendix B – Contribution Rules

	RRIF	LIF/PRIF
Minimum Amount to start a policy	\$10,000 (via transfer only)	\$10,000 (via transfer only)
Minimum Amount if coming from a FLF Vested policies (i.e. an age 69 RRSP maturity)	\$7,500 (via internal transfer only)	\$7,500 (via internal transfer only)
Minimum Additional Lump Sum Contribution	Any amount (via transfer only)	Any amount (via transfer only)
Minimum Allocation Amt to any GIA	\$500	\$500
Minimum PAC Contributions – Adult & Juvenile Policies	N/A	N/A
Minimum Payroll Contributions	N/A	N/A