

Designed for:

Client M. 1, Age 56

Residing in Ontario

MTR: 50%

Annuity Illustration

Payout Annuity

Personal Data:

Annuitant #1: Client M. 1, Male
Date of Birth: April 9, 1955, age 56 at purchase

Plan Details:

Purchase Date: April 1, 2012

Type of Funds: RRSP

Source of Funds: New Money

Single Premium Amount: \$90,000.00

Type of Annuity: Life Annuity with a Guaranteed Period of 10 years on Client M. 1
Guaranteed Period ends on 30 Apr 2022

Tax Status: Income Payments are fully taxable

Annuity Income Information Section:

Date of First Payment: May 1, 2012

Annuity Income: \$4,793.78 Payable Annually

Life Annuity - A life annuity pays a periodic guaranteed income benefit for the life of the annuitant. In addition to a lifetime income you also have the option, at issue, of choosing a guarantee period ranging from 0 to 20 years based on your age at the time of application. Should you die prior to the end of the guarantee period an election can be made at issue to have payments continue to your beneficiary or commuted as a lump sum. If the annuity is purchased with registered funds the death benefit must be paid in a lump sum if the beneficiary is not your spouse.

Equitable Life of Canada payout annuities can provide you with a guaranteed income stream for life or for your choice of various guarantee periods. A payout annuity is a single premium investment, which provides you a guaranteed periodic income benefit for life or for a specified period of time. Depending on the source of funds being used to purchase your payout annuity, payments can begin right away or be deferred for up to three years from the date of purchase.

You can purchase your payout annuity with either registered or non-registered funds. While saving for retirement your registered investments have enjoyed the benefits of tax sheltered growth. As a result income payments received from a payout annuity purchased with registered funds (RRSP, RRIF, LIF, RPP) are fully taxable in the year you receive them. Income payments from an annuity purchased with non-registered funds can be set up as either prescribed or non-prescribed. A prescribed annuity levels out the taxable portion of your income payments over the life of your annuity. This provides you with greater after-tax income in the initial years. In contrast the taxable portion of your income payments from a non-prescribed annuity is higher in the early years. This may provide you with an opportunity for tax savings as you draw on other sources of income later in your retirement.

This illustration assumes that the annuity is not being used as part of a back to back funding arrangement.

This illustration, interest rate and amount of annuity income must be confirmed by Home Office Customer Service and are all subject to final Home Office verification and acceptance following receipt of the Application and this confirmed illustration at Company's Home Office.

This quotation assumes the Registered Funds belong to the client named above.