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What is a Single Premium Annuity?

A Single Premium Annuity can provide your client with a guaranteed income stream for either a set period of time or throughout the annuitant(s) lifetime. A Single Premium Annuity is known as a Term Certain, Life Annuity and a Joint Life and Last Survivor Annuity. Under a Life Annuity the annuitant(s) may also elect to have the income payable for a guaranteed period of time. This is referred to as a Single or Joint Life Annuity with a guaranteed period.

Single Premium Annuities may be issued with:
- Non-Registered Funds
- Registered Retirement Savings Plans (RRSP)
- Registered Retirement Income Funds (RRIF)
- Locked-In Retirement Accounts (LIRA)
- Life Income Funds (LIF)
- Locked-in Retirement Income Fund (LRIF)
- Registered Pension Plans (RPP), or
- Deferred Profit Sharing Plans (DPSP).

Income payments may begin immediately or start at a future date. The amount of the income payment will vary depending on the type of annuity selected and the features chosen. Generally speaking, several factors are taken into consideration to determine the amount of the income payment, such as:
- Interest rates, based on the rate of return of Sun Life Financial Investments.
- Expenses, such as ongoing administration expenses, upfront issue expenses, and commissions.
- Mortality rates, that are dependant on the annuitant’s age and sex.

Once the contract is issued, it may not be changed in any way. A “10 day free look” provision is not included in the annuity contract.

Once an annuity is issued, neither the policy owner nor the insurance company can change the amount or terms of the annuity.

The product guides have been written for advisors and assume an existing level of product knowledge. They are intended as information only, for the convenience of the advisors. Sun Life Assurance Company of Canada and its affiliated companies will not be bound by or liable for any inaccurate, incomplete or out of date information or any loss or damages or actions taken in reliance on this information.
Who will benefit from a Payout Annuity?

A Single Premium Annuity is designed for clients who want to convert their accumulated savings into a guaranteed income stream. In the case of a Life Annuity the annuitant cannot outlive their income. At a time when Canadians are living longer than ever before, it is important that incomes last just as long. Annuities are products that require no ongoing management on the part of the policy owner. The policy owner simply places money into an annuity to receive future guaranteed income.

Annuities issued by a life insurance company offer a unique advantage over other types of saving vehicles. An annuity contract allows your client to designate a beneficiary, only when a guaranteed period is chosen. This means that upon death any benefits will be paid directly to the beneficiary, avoiding unnecessary delays, probate and legal costs. When your client designates certain family members such as spouse, child, grandchild or parent as beneficiary, the funds could be protected from creditors.

Issue ages

- Registered (including Locked-In) - Ages 18 to 90
- Non-Registered - Ages 0 to 90

Premium limits

- Minimum premium amount or limit - $5,000
- Maximum premium amount or limit - $1,000,000

(The Company’s approval is required if the premium exceeds $1,000,000)
Return of Premium Death Benefit

The return of premium death benefit feature applies only to deferred Life Annuities, either Single Life or Joint Life. It does not apply under a Term Certain Annuity.

- In the case of a deferred Life Annuity, if the annuitant dies prior to receiving the first annuity payment, the beneficiary will receive a return of premium.
- In the case of a deferred Joint Life and Last Survivor Annuity, the return of premium death benefit is only payable after the death of both annuitants provided annuity payments have not yet commenced.
- The return of premium death benefit is mandatory if a guarantee period has been selected.

Indexed Annuity

An Indexed Annuity provides for annual increases in income to help offset the effects of inflation. The income payments will increase on each policy anniversary by a fixed amount e.g. 4% per year, including any fractional percentages. An Indexed Annuity is available:

- For Term Certain, Single Life and Joint Life Annuities with or without a guaranteed period.
- For registered or non-registered annuities. For details on tax implications, please see the Taxation section on pages 17 – 21.
Purchase date

The purchase date is the same day the entire single premium is paid. If more than one source of funds is expected, it is the day the last of the funds is received by the Retirement Customer Service team.

Date of first payment

When the policy owner applies for an annuity they select:

- the date they wish the first income payment to be made, and
- the payment frequency - monthly, quarterly, semi-annually or annually.

The date of first payment categorizes the annuity as:

1. **Immediate Annuity**: The first annuity payment occurs one payment frequency after the single premium is paid. For example, in the case of an annuity payable annually, the first annuity payment will be made twelve months after the single premium is paid; if payable semi-annually, it is due in six months; if payable quarterly, it is due in three months; and if payable monthly, it is due in one month.

2. **Deferred Annuity**: This type of annuity defers the date of the first annuity payment. When requesting an illustration for a deferred annuity, it is essential that the due date of the first annuity payment be specified. The maximum deferred period issued by the Company is three years. Under a deferred annuity, if the annuitant dies prior to receiving the first annuity payment, the original purchase price of the annuity will be returned. This is called the return of premium death benefit.
Life Annuity

A Life Annuity provides a guaranteed income during the life of the annuitant, no matter how long they live. This type of annuity provides the highest lifetime income payments for a given purchase price. However, upon death of the annuitant income payments cease. If the client wants to ensure at least a minimum number of income payments will be made, then they should consider buying a Life Annuity with a guaranteed period. An annuity with a guaranteed period guarantees that payments will continue for a minimum period of time, regardless of whether the annuitant is alive. This provides a death benefit for the beneficiary.

See also:
- Indexing – page 4
- Impaired Annuity – page 8
- Return of premium death benefit – page 4

Joint Life and Last Survivor Annuity

Like a Life Annuity, a Joint Life and Last Survivor Annuity provides income payments for your client’s lifetime and for that of a second person. Income payments can continue for the same amount after the first person dies, or the income can be reduced.

1. For registered funds, the annuitants must be spouses.
2. Payments may be level until the second death or may reduce on the first death, subject to provincial legislation.
3. If the policy owner has elected to have the payments reduce after the first death and there is a guaranteed period, upon death of the first life the payments will not reduce before the end of the guaranteed period, provided the surviving annuitant is still alive.

See also:
- Indexing – page 4
- Return of premium death benefit – page 4
- Single or Joint Life Annuity with a guaranteed period – page 7
Single or Joint Life Annuity with a Guaranteed Period

A Single Life or Joint Life Annuity with a guaranteed period provides income payments for as long as the annuitant(s) lives, but it also guarantees that these payments will continue for a minimum period of time, whether the annuitant(s) lives or not.

The income payments from a Life Annuity with a guaranteed period will be less than payments from a Life Annuity with no guarantee, as the client is paying for an additional guarantee.

The guaranteed period may be any term from zero to 40 years, including fractional years.

Non-registered Life Annuity

- The maximum age at the end of the guaranteed period is the age of the annuitant at the payment start date plus the guaranteed period. This number cannot exceed 114.
- Any payments remaining in the guaranteed period at the death of the annuitant(s) will continue to be paid. If the annuitant has elected a payee other than the estate, they must also designate this payee as contingent owner in order for them to have ownership capacity - including the right to change beneficiaries.

Registered Life Annuity

- The maximum guaranteed period is equal to 90 minus the age of the annuitant or spouse, if younger.
- Upon death of the annuitant, any remaining guaranteed payments will continue to the spouse, if applicable.
- If the beneficiary is not the spouse of the annuitant, the law requires that any remaining payments be commuted.

See also:
- Indexing – page 4
- Return of premium death benefit – page 4
Term Certain Annuity

A Term Certain Annuity (or Annuity Certain) provides income payments for a selected period of time. The payments are made whether the annuitant lives to receive them or not.

- The minimum term for an Annuity Certain is three years. The maximum term is 40 years.
- The purchase price is entirely independent of age. However, some rules concerning taxation are dependent on age. For more details, please refer to the Taxation section on pages 17 - 21.
- For registered funds, annuity payments must be guaranteed for a period of 90 minus the age of the annuitant.
- If the funds are registered and resulting from a refund of premium and the beneficiary is a financially dependent child or grandchild, the proceeds may be used to purchase a Term Certain Annuity to age 18.

Impaired Annuity

Where an applicant is not in good health, the Company will consider issuing a Life Annuity at preferred rates. Particulars of the impairment, with an attending physician’s report, should be sent to Retirement Customer Service, 227 King Street South, Waterloo, Ont., N2J 4C5 with the particulars of the annuity applied for and a request for an impaired annuity rating.

Retirement Customer Service will forward to the Underwriting and Issue department. (Note: the impairment must be severe and permanent in order to receive the rating. For example, such an individual would normally be uninsurable for life insurance.)

A rating, if offered, will give an increase in the age of the annuitant and will be guaranteed for a period of six months from the date of the medical examination. The effect of an increase in the age of the annuitant is to increase the annuity income for the same premium.

The rating varies according to the age of the annuitant and the type of annuity chosen. If a rating is offered and the applicant decides to proceed with the annuity, an annuity application form must be completed showing the rated age.

Attach a copy of the notification from underwriting to the application.
Integrated Annuity

Clients who wish to retire early can bridge the income gap between early retirement and the time they begin to receive benefits from their Canada or Quebec Pension Plan (CPP/QPP) and Old Age Security (OAS), which is normally age 65, by purchasing an Integrated Annuity. At age 65, the income payments will decrease by the amount of government benefits that are applicable at the time of purchase. If the level of CPP/QPP or OAS increases before the annuitant reaches age 65, the annuity will not reduce as a result of the higher government benefit.

An annuity purchased with registered funds may only be integrated with the OAS benefit.
Money Laundering - when do requirements apply?

Federal Proceeds of Crime legislation requires life insurance companies to obtain identification on their clients who may pay a premium of $10,000 or more for any non-registered annuity. The requirements must be satisfied for any non-registered Life Annuity or Annuity Certain application with a premium of $10,000 or more.

Exceptions:
1. any policy being purchased with registered or locked-in funds, and
2. any Life Annuity or Annuity Certain policy to be totally paid for with funds transferred from another Sun Life Assurance Company of Canada policy(ies) for which the money laundering requirements have been satisfied.

Failure to satisfy the requirements of the legislation exposes representatives to risks of fines or imprisonment.

See also:
- Money Laundering - guide to questions – page 11
Money Laundering - guide to questions

To satisfy the requirements:

Complete the application questions for the premium payor’s name, permanent address, occupation or nature of business and, if a space is provided, name of employer. Where the premium payor is not the annuitant, not the applicant and not the owner, apply the requirements to the applicant rather than the premium payor.

About the occupation/nature of business question:

- Replies must provide an explanatory description, using either a trade or skill (“carpenter”, “stock broker”, “teacher”), or a business activity (“lawn maintenance”, “banking”, “travel planning”).
- Terms such as “Vice-president”, “worker”, and “businesswoman” should be avoided unless combined with an employer name (“Manager, ABC Co. Ltd”).
- If not employed, indicate “Unemployed” or “Retired”.

See personal identification of the premium payor, and record in the Representative’s Report the type of document seen, including any document identification number.

Acceptable documents are:

- a birth certificate
- a driver’s license
- a passport; or
- a provincial health insurance card, if not prohibited by the province.

Reply must provide either:

i) the required information, or
ii) one of these explanations: “supplied before”, “immediate relative” or “not required”.

The indication “not required” can be used only for the Exceptions listed below.

Exceptions:

1. any policy being purchased with registered or locked-in funds, and
2. any Life Annuity or Annuity Certain policy to be totally paid for with funds transferred from another Sun Life Assurance Company of Canada policy(ies) for which the money laundering requirements have been satisfied.
Transfer from other Sun Life Assurance Company of Canada policies to an Annuity (Settlement Option 5)

If the source of the funds is a transfer from:
- a pre-Superflex Annuity
- a company group plan
- a company pension plan
- cash surrender value from a life policy issued prior to 1992
- matured endowments, or
- death benefit from a life policy issued prior to 1992
then a Settlement Option 5 discount will apply.
The amount of the discount is not guaranteed and will vary depending on where the funds originated. If the proceeds from one of these company policies are used to purchase:
- a Life Annuity under Settlement Option 5, a bonus discount of 2% or 2.5% will apply to the annuity, or
- a Term Certain Annuity, a bonus discount of 1% or 1.5% will apply.
The result of the applicable discount will be an increase in the income payments.
The minimum premium payment for Settlement Option 5 is $5,000.
Annuities purchased under Settlement Option 5 will receive reduced commissions.
For more details, please refer to the Advisor Commission Schedule.
Annuity payments used to pay life insurance premiums

For those clients who want to use a Life Annuity to pay their life insurance premiums, the income payments will be administered within the Company. The following guidelines will apply:

- The request to have the life premiums paid by the annuity payments must be clearly indicated in the Special Instructions section of the annuity application.
- The life insurance policy MUST have level premiums. The arrangement is NOT available for graded premium plans and renewable term plans.
- This is NOT available for SunTerm 100 and SunUniversal Life.
- The life premium and annuity payment frequency must be the same. Also, the life premium due date and annuity payment date MUST coincide.
- The annuity payment from one annuity must pay one life premium.
Multiple premium cheques

Frequently the funds used to purchase a Single Premium Annuity are from more than one source.

This is common for registered contracts where a client has funds in several financial institutions, and will occasionally add a personal cheque for their current RRSP contribution. In these situations the funds must be combined to purchase the annuity.

Administrative steps:

1. The annuity application must be submitted to 227 King Street South, Waterloo, Ont., N2J 4C5, Attn: Document and Distribution Centre, 00F10. Attach a note to the annuity application indicating that premium payments will follow directly from the transferring company.

   **Note:** For transfers involving a rate basis guarantee request, the annuity application must be submitted immediately, without waiting for the first premium payment.

2. Cheques are to be forwarded to 227 King Street South, Waterloo, Ont., N2J 4C5, Attn: Document and Distribution Centre, 00F10, indicating the policy to which it belongs.

3. Once the last cheque is received, that date is the purchase date. Unless a rate basis guarantee has been used, the rate basis in effect on the date of receipt of the last cheque is used.

4. The contract will be issued when all funds have been received.
Proof of age

LIFE ANNUITIES ONLY

Proof of age must be submitted with the application for each annuitant. Proof of age consists of:

■ a Birth Certificate
■ a Driver’s License, or
■ a Passport.

Certificate of Existence Letters

For the protection of the annuitant, verification that the annuitant is still living is required by the Company. This practice is in place to avoid situations of annuity payments not being suspended when an annuitant becomes deceased because the Company was not advised of the death.

The Company sends Certificate of Existence letters to certain annuitants to confirm that they are alive. The letters are based on the following criteria:

■ the annuitant’s month of birth
■ the annuitant’s age, and
■ the amount of payment received.

The annuitant is asked to sign the letter and return the bottom portion to the Company to confirm:

■ that payments are being received, and
■ current mailing address.
Advisor’s Report

In every case, the advisor must be satisfied that the applicant has the capacity to enter into a contract and, in the case of a Life Annuity, that the proposed annuitant appears to be in a reasonably satisfactory state of good health. Extreme care must be exercised when selling a Life Annuity to a person over age 75.

If the Life Annuity applied for does not have a guaranteed period, the applicant must sign a declaration that they understand that annuity payments will be made only while the annuitant lives and that a Life Annuity with a guaranteed period could have been purchased at an increased cost. A copy of the annuity illustration should be included with the application. Illustrations produced by an Advisor are not guaranteed.

Delivery of the Annuity Contract

Until the premium has been paid and satisfactory evidence of age (Life Annuities only) has been submitted, the Company will not issue an annuity contract. Where an amendment is required, a copy of the signed Alteration of Application Form will be inserted in the contract.
Taxation

The information in this section reflects our understanding of current income tax laws, both Federal and Quebec. Taxation laws are subject to change, and rules and restrictions may differ in the future. It is important that clients be encouraged to seek advice from a tax consultant regarding the tax implications of their individual situation.

Registered Single Premium Annuity

As RRSPs, registered annuities are non-taxable during any deferred period. During the payout period, all annuity income is fully taxable.

The Single Premium Annuity may be registered as a RRSP with Canada Customs and Revenue Agency (CCRA) provided that:

- The contract is issued on the life of the owner, or as a Joint Life And Last Survivor Annuity on the life of the owner and the spouse.
- In the case of a Deferred Annuity, the first annuity payment must take place within one annuity payment period following the end of the calendar year of the annuitant’s 69th birthday and at regular intervals thereafter.
- In the case of an Immediate Annuity, the annuity must be purchased before the end of the calendar year of the annuitant’s 69th birthday.
- Annuity payments cannot be guaranteed for a period exceeding 90 minus the age of the annuitant (or younger spouse, if chosen).
- Return of premium death benefit.
- The contract provides for level payments at least until the owner’s death, except that:
  i. Payments may increase at a fixed annual percentage up to 4%.
  ii. Payments under a Joint Life and Last Survivor Annuity may reduce on the death of the owner, second annuitant or either death.
  iii. Payments may be integrated with Old Age Security benefits.
Tax reporting: Registered Single Premium Annuity

By the end of February each year, the Company will issue a T4RSP form for payments made in the previous calendar year. The form will also show the amount of tax withheld, if any. Questions involving the tax forms should be directed to Retirement Customer Service.

Non-residents: Registered Single Premium Annuity

Canada imposes a withholding tax of 25% on RRSP income benefits paid by a Canadian carrier to a non-resident. This rate may be reduced or exempted by a treaty between Canada and the client’s country of residence. How the amounts paid will be taxed upon receipt in the client’s country of residence is determined by the treaty and tax laws of that country.

Different kinds of payments receive different withholding rates depending on the category. In accordance with bilateral tax treaties Canada has with other countries and under the Income Tax Convention Interpretation Act (Canada) RRSP retirement income annuity payments fall under the category of “periodic pension payments”.

An individual may also apply to CCRA to have the amount of statutory withholding tax reduced by completing a NR5 form. If CCRA approves the request, they will notify the institution on the proper amount of tax to deduct.
Taxation: Non-registered Annuities

From a taxation perspective, non-registered annuities may qualify as either prescribed or non-prescribed. During the lifetime of an annuity the tax treatment can change between prescribed and non-prescribed. For example, during the deferred period all annuities are non-prescribed, however, once level payments begin the tax treatment will change to prescribed, assuming that all prescribed conditions are met. Ultimately, a prescribed annuity is the preferred tax reporting method.

During the deferred period, the increase in value of all non-registered annuities is taxable to the owner. Since 1989, interest accrued at each policy anniversary is reported annually. For individually owned deferred annuities purchased before 1990, and while the deferred period continues, interest accrued is reported either annually or at every third policy anniversary. However, for corporations, partnerships and trusts, annual reporting is required.

During the payout period, the taxation of annuity payments depends on whether the policy is prescribed or non-prescribed during the particular taxation year. In general terms, prescribed annuity payments are considered to be a level blend of interest and capital during the year, i.e. an equal percentage of each annuity payment will be taxable. In contrast, a non-prescribed annuity is taxed on the interest accrued on the funds applied to purchase the annuity. Generally speaking, non-prescribed annuities have substantially larger taxable amounts in the early years and lower taxable amounts in later years compared to similar prescribed annuities. A non-prescribed annuity works much like a mortgage in that the interest is all up front.

Tax reporting:
Non-registered Single Premium Annuity

By the end of February each year, the Company will issue a T4A form (2) for prescribed annuities and a T5 for non-prescribed annuities, for the payments made in the previous calendar year.

Questions involving the tax forms should be directed to Retirement Customer Service.
Taxation: Prescribed Annuities

To qualify as a prescribed annuity, the contract must satisfy all of the following conditions:

1. The payee must be the owner and an individual (and may be a spouse, trust or a testamentary trust).
2. The annuity must be non-commutable.
3. Payments must have started, i.e. prescribed status cannot apply during the deferred period.
4. Payments must be level but may reduce on the first death under a Joint Life Last Survivor Annuity.
5. A joint annuitant must be the primary annuitant’s spouse, brother or sister.
6. A guaranteed or certain period cannot extend beyond the owner’s 91st birthday (or joint annuitant’s 91st birthday if later).

Prescribed status will apply automatically, if the above conditions are met, unless the owner advises the Company to the contrary.

The taxable portion for a prescribed annuity depends on the age(s), plan type, payment frequency and rate basis. To calculate the taxable portion, you need to know the annual income, the adjusted cost base, and the expectancy.

**Annual Income (A.I.):** This is the total amount that will be received by the annuitant in a full calendar year of payments. For example, it equals 12 times the payment for a monthly case.

**Adjusted Cost Base (A.C.B.):** For new issues, and any contracts which have not been taxed since issue (for instance, an annuity deferred two years where tax was on a triennial basis), the A.C.B. is the single premium. For other cases, such as Settlement Option 5 annuities and policies changing to prescribed after being taxed as non-prescribed, the A.C.B. takes into account the original premium paid, any previously reported taxable amounts, as well as other minor items. For these cases, the A.C.B. is calculated by Head Office.

**Expectancy (E):** For an Annuity Certain, expectancy is simply the certain period in years. For Life Annuity, expectancy depends on the age and sex of the annuitant. Age is calculated as year of first payment minus year of birth. The life expectancy for an impaired annuity is determined without recognition of the annuitant’s shorter life expectancy resulting from the impairment.

For an annuity which suggests the plan type be prescribed at issue, the taxable portion will appear on the quotation. However, the fact that a taxable portion is printed is not a guarantee that the annuity can be prescribed as it may fail one of the other tests, such as the annuitant not being the owner. The taxable portion does not appear for Settlement Option 5 cases since the adjusted cost base does not equal the premium.

For more information, please contact Retirement Customer Service.
Taxation: Non-prescribed Annuities

Under a non-prescribed annuity, a policy owner may be required to include in taxable income an amount greater than the annuity income received in a given year. This generally occurs where annuity payments are expected to be made for a long period of time or where payments are guaranteed beyond the annuitant’s 90th birthday.

Deferred Annuities are on an annual taxation basis during the deferred period. In the year annuity payments start, any untaxed gain accrued since the last taxation year will be spread over the annuity payout period.
Grandfathered Life Insurance Policies

Policies issued prior to December 2, 1982 are considered to have grandfathered status.

Interest accrued, under an accumulation vehicle or life insurance policy, prior to 1982 (Unallocated Income) is not taxable until the policy is surrendered or annuitized. Upon annuitization, the interest accrued prior to 1982 will be spread proportionately over the expected number of annuity payments to be made.

For example, a policy owner of a pre-Superflex did not pay tax on interest accrued prior to 1982, unless the policy was surrendered, or funds were moved from the policy to another institution where it would be taxed on the interest accrued. However, if the funds were used to purchase an annuity with the Company no tax would be payable at the time of annuitization. Tax would only be payable once income payments commenced. Then each annuity payment includes a portion of the gain realized under the pre-Superflex policy. Effectively, the policy gain is spread out over the annuity payout period and taxed as received.

An annuity arising from a grandfathered insurance policy and unchanged since, is not subject to accrual taxation during the deferred period, therefore, no tax is payable. However, once payments commence the payments are taxable as a level blend of interest and capital throughout the payout period.

Annuities purchased with a death benefit from a Grandfathered Policy

If an annuity is purchased with proceeds from a death benefit, the resulting annuity is not considered as an annuity arising from a grandfathered insurance policy, therefore normal accrual taxation applies.
Non-resident: Non-registered Annuity

When the owner of a non-registered payout annuity becomes non-resident, no tax form is issued for any interest accrued during the deferred period. Once payments begin, Canada imposes a withholding tax of 25% on the taxable portion of amounts paid by a Canadian financial institution to a non-resident. This rate may be reduced or exempted by a treaty between Canada and the client’s country of residence.

How the amounts paid will be taxed upon receipt in the client’s country of residence is determined by the tax laws of that country.
Glossary

**Annuitant** – The person on whose life expectancy the policy is based. For Term Certain Annuities the annuitant is the measuring life used to determine the length of the term certain period. The annuitant is typically the owner of the policy.

**Annuity** – An annuity converts a fixed sum of money into a series of periodic payments that provide a regular source of income, usually during retirement.

**Beneficiary** – The person designated to receive the death benefit payable on death of the annuitant, where applicable.

**Deferred Annuity** – An annuity where the income payments begin at a specific date in the future. The advantage is the owner is able to lock-in interest rates today, even though the income is not needed until some time in the future.

**Impaired Annuity** – Impaired annuities are specially designed for those suffering from serious health problems. This type of annuity will provide higher income payments than a standard annuity provided the annuitant qualifies for an age rating.

**Indexed Annuity** – Indexed annuities help to combat the effects of inflation by providing automatic income increase on an annual basis. These increases are made according to a predetermined percentage. You can choose from an amount up to 4%.

**Joint Life Annuity** – In order to offer maximum security, Joint Life Annuities provide income payments for the lifetime of a primary annuitant and that of a second annuitant (usually a spouse). Income payments may continue to the survivor in the same amount, or in a predetermined reduced amount.

**Life Annuity** – As it’s name implies, a Life Annuity provides income payments during the life of the annuitant.

**Single or Joint Life Annuity with a Guaranteed Period** – Like standard Life Annuities, these products provide income payments for the life of the annuitant. In addition, however, these annuities will guarantee that a certain number of income payments will be made, whether the annuitant lives or not.

**Term Certain Annuity** - Also known as Fixed Term Annuities, these products provide income payments only for a specific number of years. These payments are not contingent upon survival.
General definitions

In this product guide, references to “the Company” mean Sun Life Assurance Company of Canada, a member of the Sun Life Financial group of companies.

Guide date

December 2002