

Responsible annuities

RECEIVE GUARANTEED INCOME
AND CONTRIBUTE TO A
SUSTAINABLE WORLD

 **Desjardins**
Insurance
Life • Health • Retirement



**Looking for a solution that
will give you security and
stability without depleting
your savings?**

Have we got an offer for you!

With a **responsible annuity**, you can convert your savings into guaranteed income using a responsible approach that lets you contribute to a more sustainable world. Several types of annuities are available to meet your needs, with no management necessary on your part.



WITH MORE THAN 30 YEARS OF EXPERTISE IN RESPONSIBLE INVESTMENT, DESJARDINS NOW OFFERS **RESPONSIBLE ANNUITIES**. A FIRST IN CANADA!

Key facts about term certain annuities

1 GUARANTEED INCOME FOR A SET PERIOD

Term certain annuities provide a guaranteed, stable income for a predetermined amount of time, called the **guarantee period**.

The guarantee period can be anywhere from 1 to 50 years.¹ At the end of this period, your annuity payments will stop.

2 COVERAGE FOR BASIC NEEDS WHILE DELAYING PENSION INCOME

3 SAFE FROM MARKET FLUCTUATIONS

4 NO MINIMUM AGE TO PURCHASE

5 FLEXIBILITY

You can surrender the annuity at the discounted value (registered or non-prescribed).

6 PROTECTION IN THE EVENT OF DEATH:

If the annuitant dies before the guarantee period ends, the designated beneficiary will receive any remaining payments:

- If the beneficiary is the annuitant's spouse,² they'll be able to:
 - Continue to receive the same payments until the guarantee period endsor
 - Receive the current value of any remaining guaranteed payments in the form of a lump-sum payment³
- If the beneficiary is someone other than the annuitant's spouse:²
 - They'll receive the current value of any remaining guaranteed payments in the form of a lump-sum payment³
 - In the case of a non-registered annuity, the beneficiary may also continue to receive the same payments until the guarantee period ends

OPTION AVAILABLE

Indexation: With indexed annuities, the amount of the annuity payment increases gradually, for example, by 2% per year, to help you cover the increase in the cost of living.

¹ Restrictions may apply depending on the annuitant's age or the source of the funds.

² Spouse refers to a legally married spouse or a common-law partner.

³ The current value, or discounted value, refers to the value at the time of death of any annuity payments that would have been made in the future.

Key facts about life annuities

1 GUARANTEED INCOME FOR LIFE

Life annuities guarantee a stable income until you die, no matter when that happens. Your monthly payment amount is determined when you buy your annuity. It will not vary based on market fluctuations or falling interest rates.

2 COVERAGE FOR BASIC NEEDS IN CASE OF LONGEVITY

3 SAFE FROM MARKET FLUCTUATIONS

4 HELPS SUPPORT FINANCIAL EMPOWERMENT FOR A LIFETIME⁴

5 FLEXIBILITY

You can surrender the annuity at the discounted value (registered or non-prescribed).

6 PROTECTION IN THE EVENT OF DEATH:

If the annuitant dies before the guarantee period ends, the designated beneficiary will receive any remaining payments:

- If the beneficiary is the annuitant's spouse,⁵ they'll be able to:
 - Continue to receive the same payments until the guarantee period ends
 - or
 - Receive the current value of any remaining guaranteed payments in the form of a lump-sum payment⁶
- If the beneficiary is someone other than the annuitant's spouse:⁵
 - They'll receive the current value of any remaining guaranteed payments in the form of a lump-sum payment⁶
 - In the case of a non-registered annuity, the beneficiary may also continue to receive the same payments until the guarantee period ends.

Annuity payments stop when the annuitant dies, unless another option applies (see next page).

⁴ Depending on the annuity amount.

⁵ Spouse refers to a legally married spouse or a common-law partner.

⁶ The current value, or discounted value, refers to the value at the time of death of any annuity payments that would have been made in the future.

Key facts about life annuities *(continued)*

Options available

- **Annuity payment guarantee period:** The guarantee period can cover a set period (for example, 10 years) or continue until you reach a specified age.⁷ At the end of this period,⁸ you'll continue to receive **annuity payments for as long as you're alive.**
- **Joint and last survivor:** After you die, your spouse will continue to receive annuity payments for life.
- **Indexation:** With indexed annuities, the amount of the annuity payment increases gradually, for example, by 2% per year, to help you cover the increase in the cost of living.
- **Cash refund:** This option allows your beneficiary to receive, upon your death, the difference between the single premium you paid to purchase the annuity and the total payments made to you.



⁷ Restrictions may apply depending on the annuitant's age or the source of the funds.

⁸ If the guarantee period has ended, the beneficiary will no longer receive payments.

Key facts about advanced life deferred annuities (ALDA)

Offered
exclusively
by Desjardins
Insurance

1 **GUARANTEED INCOME FOR LIFE, AFTER THE DEFERRAL PERIOD⁹**

An **advanced life deferred annuity** will guarantee you a higher income than the regular annuity no matter how long you live. The amount of your payment is determined when you purchase your annuity.

2 **TAX EFFICIENT SOLUTION**

The ALDA is a tax-efficient product that allows you to defer the taxation of your registered savings as late as possible, when you need it the most. You can postpone the disbursement of your income after 71 years old, distribute the payments over time and thereby reducing the risk of income shortfalls later in life.

3 **SAFE FROM MARKET FLUCTUATIONS**

This type of annuity is a simple disbursement tool for your retirement plan. It offers a stable fixed income that's protected against stock market and interest rate risks.

4 **PROTECTION IN THE EVENT OF DEATH**

- This contract comes with a cash refund guarantee. Your beneficiary will therefore receive the difference between the single premium you paid to purchase the annuity and the total payments made to you.

5 **PERSONALIZED TO YOUR NEEDS**

Options available:

- Deferral period: between 5 and 30 years⁹
- Reversibility – 100%: Lifetime payments to the spouse¹⁰

**Annuity payments stop when the annuitant dies,
unless another option applies**

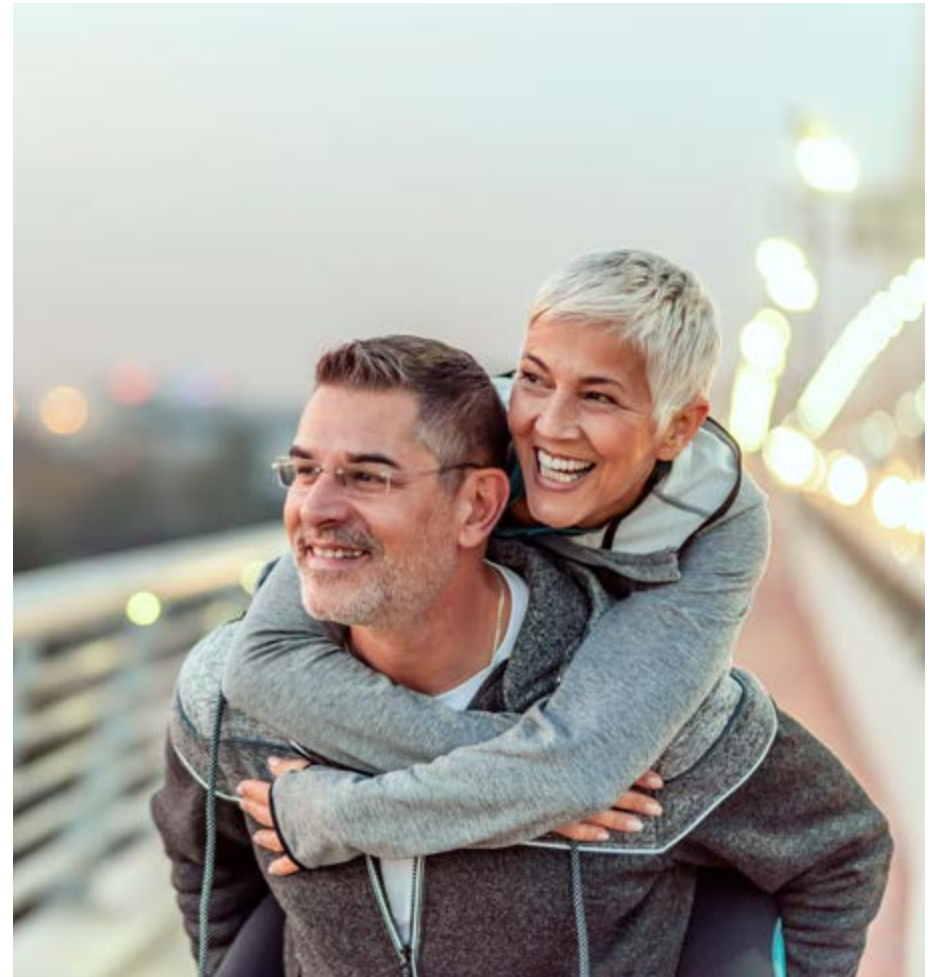
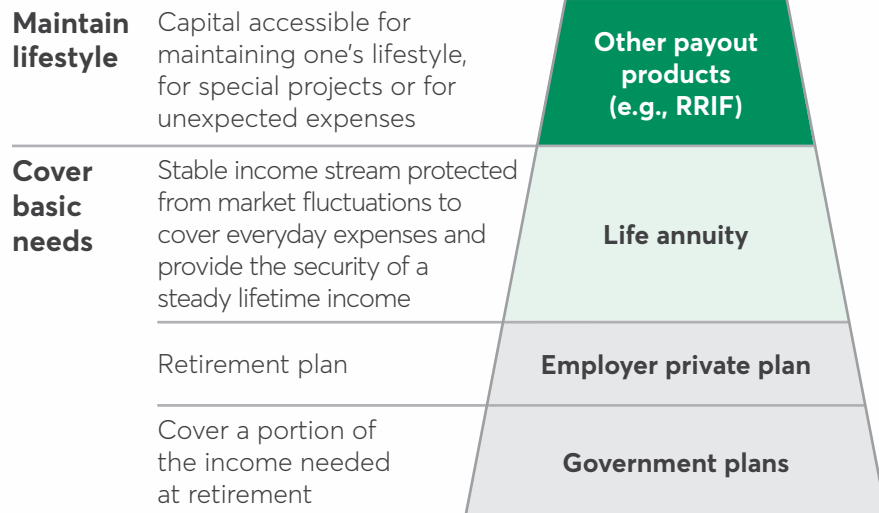
⁹ Payments must begin no later than the end of the year you turn 85.

¹⁰ Spouse refers to a legally married spouse or a common-law partner.

Incorporating a life annuity into your retirement income plan

Your retirement income will come from government benefits, your pension plan, if you have one, and your personal savings.

You might want to consider **taking out a life annuity**, which could provide you with financial security and stability until you die, and also setting up a RRIF so you'll have more flexibility.



Did you know that the payee can now be someone other than the annuitant?



IF YOU'RE LOOKING FOR A SOLUTION FOR YOUR RETIREMENT INCOME PLAN,
A **RESPONSIBLE ANNUITY** MAY BE RIGHT FOR YOU.

Frequently asked questions



HOW CAN I MAKE SURE I DON'T OUTLIVE MY SAVINGS?

Our life expectancy isn't the same as it was for previous generations. It's likely that you will exceed the average life expectancy. With an annuity, you get guaranteed income for life.



HOW CAN I MAINTAIN MY PURCHASING POWER OVER THE LONG TERM?

It's possible to index an annuity at an annual percentage rate. This will offset the impact of inflation. Other investments may not guarantee income for life. Annuities help **protect your purchasing power.**¹¹



INTEREST RATES AREN'T GREAT RIGHT NOW. WOULDN'T IT BE BETTER TO WAIT UNTIL THEY INCREASE?

Annuity interest rates are based on long-term rates of at least 15 years. As a rule, they don't fluctuate as much as short-term rates, like the Bank of Canada's key interest rate. Annuities offer **protection from a drop in interest rates.**



AREN'T THERE OTHER INVESTMENTS THAT WOULD GIVE ME A BETTER RETURN?

The return can be more attractive than it first appears. Annuity income is drawn from the invested capital, the interest on the annuity, and the pooling of amounts received by Desjardins Insurance, from other annuitants.

The longer an annuitant lives, the higher the return. In some cases, the returns could exceed the value of another type of investment.

Annuities are **designed to offer higher return potential over the long term.** In other words, the longer you live, the better the return.

¹¹ The indexation rate must be between 1% and 4%.

Frequently asked questions *(continued)*



WON'T I HAVE ENOUGH MONEY FROM GOVERNMENT PLANS?

The amounts paid by government plans may not be enough, depending on your lifestyle and your health. Depending on the amount of your annuity, it could **give you financial independence.**



DO I HAVE TO INVEST EVERYTHING AT ONCE?

An annuity doesn't have to be purchased all at once. You can purchase one annuity on a certain date and another a few years later. An annuity can help you enjoy a **worry-free retirement.**¹²



HOW CAN I ACCESS MY CAPITAL IF I HAVE UNEXPECTED EXPENSES?

Annuities provide regular long-term income and are designed to work in tandem with other investment products. Products like term deposits are good investment tools and there's nothing to prevent you from including them in your portfolio. That would give you some money that can be easily accessed if needed.



WHAT WILL HAPPEN TO MY RELATIVES WHEN I DIE?

With the guarantee period¹³ or the joint and survivor option under a life annuity, the funds remaining after the annuitant's death are paid to the beneficiary or spouse. The cash refund option is another good way to address this concern. Annuities provide **protection for your relatives in the event of your death.**

¹² Depending on the annuity amount.

¹³ If the guarantee period has ended, the beneficiary will no longer receive payments.

What is an annuity?

An annuity is a long-term savings contract designed to provide you with guaranteed income. The savings are entrusted to Desjardins Insurance to invest and then paid to the annuitant at regular intervals for a predetermined period of time or until the annuitant's death, depending on the type of annuity chosen. Payments are determined based on factors such as life expectancy and current interest rates.

What is a responsible annuity?

A responsible annuity means Desjardins Insurance has committed to growing the savings you entrust to it when you buy an annuity using a responsible investment policy¹⁴ that incorporates environmental, social and governance (ESG) factors into investment selection and management. And all for the same competitive rates as traditional annuities.

What is an annuitant?

An annuitant is the individual whose life is used as the measuring life and upon whose death the death benefit will be paid.

What is a beneficiary?

The beneficiary is the person named to receive the death benefit according to the provisions of your contract upon the death of the annuitant.

What is a payee?

The payee is the person who receives the annuity payments. In some cases, it may be someone other than the annuitant.

¹⁴ [Responsible Investment Policy – Responsible annuities](#)

Desjardins: A name you can count on!

Desjardins Group is the leading cooperative financial group in Canada and one of the country's best capitalized financial institutions. Desjardins Group enjoys credit ratings comparable to those of several major Canadian and international banks and is recognized as one of the most stable financial institutions in the world according to *The Banker* magazine.

To find out more about responsible annuities, talk to your advisor today.

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