

Payout annuity

Product at a glance

Residency requirements	The policyholder and the annuitant must be Canadian residents at the time of issue. Exception: If the policyholder has an existing Sun Life Financial policy with a contractual right to purchase a payout annuity.			
Issue ages	<ul style="list-style-type: none"> Registered (including locked-in funds) – Ages 18-100¹ Non-registered – Ages 0-100¹ 			
Premiums	Minimum – \$5,000 (combined total from all sources) <ul style="list-style-type: none"> Premiums \$2 million and over – Special pricing may apply. Illustrations must be run by Payout Annuity Customer Service Team. Life annuities over \$5 million require underwriting. 			
Annuity types	<ul style="list-style-type: none"> Life annuity Temporary life annuity 	<ul style="list-style-type: none"> Joint life annuity Temporary joint life annuity 	<ul style="list-style-type: none"> Term certain annuity Joint term certain annuity 	
Currency	Canadian			
Premium sources and annuity types allowed	<ul style="list-style-type: none"> Registered retirement savings plan (RRSP) Registered retirement income fund (RRIF) Locked-in retirement account (LIRA) Restricted locked-in savings plan (RLSP)² Deferred profit sharing plan (DPSP) Life income fund (LIF) Restricted life income fund (RLIF)² Locked-in retirement income fund (LRIF) Registered pension plan (RPP) funds³ Non-registered funds 			
	Source of premium	Life	Term certain	Term certain to age 90
	RRSP, RRIF	Yes	No ⁴	Yes
	Locked-in RRSP/LIRA/RLSP ² , LRIF/LIF/RLIF ² , RPP	Yes	No	No
	DPSP, Non-registered	Yes	Yes	No
	Note: While a Client can purchase a payout annuity with funds from a TFSA, the annuity must be a non-registered prescribed annuity or a non-prescribed (accrual) annuity and the annuity income will be taxable.			
Deferral periods	Maximum 10 years, subject to restrictions based on the source of premium. For annuities with non-registered accrual taxation, deferral periods of greater than 10 years and less than 15 years can be requested.			
Guaranteed periods	0-40 years. Subject to restrictions based on the source of premium.			
Payment frequency	<ul style="list-style-type: none"> Monthly, quarterly or semi-annually by direct deposit to a Canadian financial institution only. Annually by direct deposit to a Canadian financial institution or by cheque. 			

¹Subject to legislative restrictions.

²When using the Payout Annuity Illustration system, select the LIRA premium source for RLSP and the LIF premium source for RLIF.

³For RPP funds, important information can be found in the "Transfers from a registered pension plan to a Sun Life Payout Annuity advisor guide" (810-4343-Digital). Please reference this guide when submitting business with this source of funds.

⁴For RRSP and RRIF premium sources, a term certain to age 18 is allowed.

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Payment options	<ul style="list-style-type: none"> • Level payments: payment amount remains the same throughout the payment period. • Indexed payments: <ul style="list-style-type: none"> • Income increases yearly by a fixed percentage. The Client selects an increase from 1-4% at purchase. • Not available for prescribed annuities. • Reducing payment (joint life annuities): Income reduces by a certain percentage selected at issue when one of the annuitants dies. • Integrated payment: Annuity income is set to decrease when CPP, QPP or OAS payments begin. <ul style="list-style-type: none"> • Not available for prescribed annuities. • Registered funds are subject to legislative restrictions. 												
Taxation	<ul style="list-style-type: none"> • Registered annuity – Income from an annuity purchased with registered funds is fully taxable to the policyholder in the year it's received. • Non-registered annuity – Income from an annuity purchased with non-registered funds can have prescribed, non-prescribed (accrual) or level tax treatment. • Withholding tax – Canadian withholding tax is mandatory for annuities purchased with RPP, LIF/RLIF, or DPSP premiums. If the Client is a non-resident, the applicable rate of withholding tax will be deducted for any annuity that has been purchased. 												
Death benefit	<ul style="list-style-type: none"> • Death benefits depend on whether income has started, the source of premium and the guaranteed period chosen. 												
Surrender	<ul style="list-style-type: none"> • A payout annuity can't be partially or fully surrendered and has no cash surrender value. • Exception: A term certain annuity that's other than prescribed may be surrendered on request. A request will require our review and approval. There may be charges and market value adjustments. 												
Essential Care Annuity	<p>For an annuitant with a life-shortening condition, we'll consider issuing an impaired annuity. This can result in a lower premium or higher income than for someone of the same age and gender without a health impairment. Only life annuities can be impaired annuities. Term certain annuities don't qualify.</p> <table border="1"> <thead> <tr> <th colspan="2">Limits/minimums/maximums</th> </tr> </thead> <tbody> <tr> <td>Maximum issue age (before age rating)</td> <td>Age 75</td> </tr> <tr> <td>Premiums</td> <td>Minimum: \$10,000 Maximum: \$5 million</td> </tr> <tr> <td>Guaranteed periods</td> <td>Minimum: 5 years Maximum: Subject to restriction based on the source of premium.</td> </tr> <tr> <td>Number of impaired annuitants (joint life annuities)</td> <td>One or both annuitants can be impaired</td> </tr> <tr> <td>Age rating</td> <td>Minimum: 4 years Maximum: 20 years</td> </tr> </tbody> </table> <p>Illustrations for an Essential Care Annuity must be requested from the Payout Annuity Customer Service Team.</p>	Limits/minimums/maximums		Maximum issue age (before age rating)	Age 75	Premiums	Minimum: \$10,000 Maximum: \$5 million	Guaranteed periods	Minimum: 5 years Maximum: Subject to restriction based on the source of premium.	Number of impaired annuitants (joint life annuities)	One or both annuitants can be impaired	Age rating	Minimum: 4 years Maximum: 20 years
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How to produce an illustration	<ul style="list-style-type: none"> • Create an illustration using the online illustration tool (available on the Sun Life website you usually use). • Illustrations that can't be run on the online illustration tool can be requested from Payout Annuity Customer Service Team. 												
Purchase date	This is the date that head office receives all premiums and the application form. It's also the date that the contract takes effect.												

Sun Life Global Investments is a trade name of SLGI Asset Management Inc., Sun Life Assurance Company of Canada and Sun Life Financial Trust Inc. Sun Life Assurance Company of Canada is the issuer of guaranteed insurance contracts, including Accumulation Annuities (Insurance GICs), Payout Annuities, and Individual Variable Insurance Contracts (Sun Life GIFs).

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