

Your Payout Annuity policy

In this document, “you” and “your” means the owner of this **policy**, or the **policyholder**. “We”, “our”, “us” and the “Company” means Sun Life Assurance Company of Canada.

When you read a word in singular, such as policyholder or **beneficiary**, it can also mean more than one if it applies to your policy.

We agree to pay the **annuity income payments** and, if applicable, any death benefit according to this policy.

All of the following documents make up the entire **contract** between you and us:

- This policy
- The application
- Any applicable addendum
- Any amendments

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Part A - About your policy

For the meanings of many of the terms that follow, see Part C – Understanding your policy.

Policy number:

Purchase date: 4 Sept 2015

Policyholder:

Annuitant:

Annuitant date of birth: 8 Oct 1947

Joint annuitant:

Joint annuitant date of birth: 4 Nov 1944

Payment start date: 15 Sept 2015

Policy income payment at payment start date: \$1,259.16

Payment frequency: Monthly

Beneficiary

A

Entitlement*

100%

*If some of your premium was from a locked-in pension, a part or all of the death benefit may be payable to a spouse instead of a beneficiary. For details of each annuity see Part B.

Premium amount	Date received	Source
\$248,071.95	4 Sept 2015	External transfer

Part B – About your annuity

Details of this annuity

Annuity type:	Joint life annuity reducing to 67% after the guaranteed period when the annuitant dies
Source type:	Registered Pension Plan (Manitoba)
Payment start date:	15 Sept 2015
Annuity income payment:	\$1,259.16
Guaranteed period:	5 years, 0 months
Last guaranteed payment date:	15 Aug 2020
Taxable amount per payment frequency:	Same as annuity income payment

Provisions that apply to this annuity

Annuity income payments

We will make **annuity income payments** to the **payee** at regular intervals. Annuity income payments begin at the **payment start date** and continue as long as the **annuitant or joint annuitant** is alive.

If the annuitant dies before the joint annuitant, the annuity income payments will continue at the full amount until we have made all annuity income payments for the **guaranteed period**. After the last of these payments, the annuity income payments will be reduced as specified for this **annuity** in the "**annuity type**" section of Part B.

Surrendering this annuity

This **annuity** cannot be partially or fully surrendered and has no cash surrender value.

Death before payment start date

If both the **annuitant** and **joint annuitant** die before the **payment start date**, we will pay one lump sum to the **beneficiary**. This sum will be the **premium amount** used to purchase the **annuity**.

If required by **applicable legislation**, the above amount will be payable if the annuitant dies before the payment start date, whether or not the joint annuitant is alive at that time.

If required by applicable legislation, the above amount will be payable to a **spouse**, as defined by that legislation, instead of the beneficiary.

Death benefit on or after payment start date

If both the **annuitant** and **joint annuitant** die on or after the **payment start date**, but before we have made all **annuity income payments** for the **guaranteed period**, we will pay one lump sum to the **beneficiary**. This sum will be the **present value** of the annuity income payments for the remaining guaranteed period.

If your **spouse** is the sole beneficiary, he or she can choose to continue payments at the **payment frequency** for the remaining guaranteed period.

If both the annuitant and joint annuitant die after we have made all annuity income payments for the guaranteed period, the annuity income payments will stop and we will pay no death benefit.

If required by **applicable legislation**, the above amount will be payable to a spouse, as defined by that legislation, instead of the beneficiary.

Assignment of the annuity income payments

No **annuity income payment** can be transferred or assigned either in whole or in part.

Proof of survival

After the **last guaranteed payment date**, the **payee** is only entitled to **annuity income payments** as long as the **annuitant or joint annuitant** is alive. From time to time, during the life of the **contract**, we will request proof that the annuitant or joint annuitant is still living.

Part C – Understanding your policy

The following definitions describe terms that may be used in your **policy**. To make them easier for you to find we have put the term in **bold text** the first time they appear in a section. For example, the first time the term “policy” appears in this paragraph it has been “bolded”.

Annuitant means the person on whose life the annuity income payments are calculated.

Annuity is the annuity identified in Part B.

Annuity income payment is the amount the payee is entitled to receive. The details that apply to these amounts appear in Part B.

Annuity type is the type of annuity you have selected which appears in Part B.

- **Life annuity** is an annuity type that provides annuity income payments to the payee for as long as the annuitant is alive.
- **Temporary life annuity** is an annuity type that provides annuity income payments to the payee up to and including the final payment date for as long as the annuitant is alive.
- **Joint life annuity** is an annuity type that provides annuity income payments to the payee for as long as either the annuitant or the joint annuitant is alive unless a death benefit becomes payable before the payment start date, based on applicable legislation.
- **Temporary joint life annuity** is an annuity type that provides annuity income payments to the payee up to and including the final payment date for as long as either the annuitant or the joint annuitant is alive unless a death benefit becomes payable before the payment start date, based on applicable legislation.
- **Term certain annuity** is an annuity type that provides annuity income payments for a specified period of time to the payee as long as an annuitant is alive. For a term certain annuity the guaranteed period is up to the final payment date. There are no further payments after this date.

Applicable legislation is any federal or provincial legislation that applies to the contract, including the following examples:

- The *Income Tax Act* (Canada)
- Provincial income tax legislation
- Pension legislation
- Insurance legislation
- Succession legislation

Any changes to legislation that exists now or new legislation created in future may also affect the rights of the owner of this contract and how we pay the benefits under this contract.

Beneficiary is the person or entity you named to receive the death benefit. Only you can change the beneficiary.

Final payment date is the date on which the last annuity income payment is made. No further annuity income payments are made after this date.

Guaranteed period is the length of time you have chosen, commencing on the payment start date, during which we will pay a death benefit if the last surviving annuitant dies within this period.

Joint annuitant is the person on whose life, together with the life of the annuitant, the annuity income payments are calculated.

Last guaranteed payment date is the date we make the last annuity income payment for the guaranteed period. After this date, annuity income payments continue:

- For a life annuity – for the annuitant’s lifetime
- For a joint life annuity – for the lifetime of the last to die of the annuitant and joint annuitant
- For a temporary life annuity - up to and including the final payment date as long as the annuitant is alive
- For a temporary joint life annuity - up to and including the final payment date as long as either the annuitant or the joint annuitant is alive

Payee is the person or entity entitled to receive the annuity income payments.

Payment frequency is the length of time between each payment. You select the payment frequency and it cannot be changed once we have issued your policy.

Payment start date is the date we make the first annuity income payment. You select the payment start date and you cannot change this date once we have issued your policy.

Policy is this document, which is part of your contract with us.

Policyholder is the owner of the contract.

Policy income payment means the total amount of all annuity income payments the payee is entitled to receive per payment frequency.

Premium amount is the amount of money paid to purchase the contract.

Present value is the value on a specified date of a future payment or series of future payments.

Purchase date is the date our head office receives your completed application and the entire premium amount. The terms of this contract go into effect on this date.

Source type is the registration status of the monies used to purchase the annuity under the terms of the *Income Tax Act* (Canada) and, if the funds are locked-in pension monies, the applicable pension jurisdiction.

Spouse is a person who is a spouse or common-law spouse, as defined in applicable legislation.

Taxable amount is the amount you report as taxable income for a specific tax year.

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Part D – Policy provisions

Annuity income payments from the policy

1. We will pay the **payee** the **annuity income payments** according to the:

- **Payment frequency**
- **Annuity type**

These payments are subject to **applicable legislation**.

2. Annuity income payments are determined when the **policy** is issued and do not change unless, in the case of a **joint life annuity** or **temporary joint life annuity**, the **policyholder** has selected the annuity income payments to decrease on a specified annuitant's death.

Death benefit

A death benefit may be payable when the **annuitant** dies. In the case of a **joint annuity**, a death benefit may be payable when all annuitants have died, unless a death benefit becomes payable before the **payment start date**, based on **applicable legislation**.

We will calculate the death benefit when we receive notice of the annuitant's, or last surviving annuitant's death. Before we will pay the death benefit, we must receive notice of the death and any required documents.

We will base any death benefit we pay on whether **annuity income payments** had started. To learn how we determine the death benefit, see Part B.

Other fees

We may charge administrative fees, as appropriate, for certain requests by the **policyholder**.

General provisions

1. We will make all payments under this **contract** in Canadian currency.
2. This is a non-participating contract. This means we will not pay dividends under this contract.
3. No loans can be taken from this contract.
4. You are responsible for carefully reviewing and verifying that all written notices and/or statements you receive from us are correct.
 - a) If you find any information that is incorrect, missing or inaccurate, you must let us know in writing within 45 days of receiving the notice and/or statement.
 - b) If we do not receive this written notice from you within the 45 days, we will assume that you have accepted the information on the statement and/or notice to be correct.
 - c) You will then bear any future loss resulting from the information in the statement and/or notice.
5. You understand that any payment made after the later of the expiration of the **guaranteed period** and the death of the last surviving **annuitant** must be paid back to the Company.

Transfer of ownership and assignment of the contract

You cannot transfer ownership of this **contract** and the contract cannot be assigned as collateral security.

Rights and interest

The **policyholder** has all of the rights and interest associated with the **contract**. If you have an irrevocable **beneficiary**, you may require the consent of this beneficiary to exercise some of your rights.

Amendments

We may amend your **contract** in writing if both you and we agree to it and authorized officials of the Company have signed it. If **applicable legislation** requires any amendment, we reserve the right to amend your contract without your consent.

Time limit for recovery of insurance money

Every action or proceeding against an insurer for the recovery of insurance money payable under the **contract** is absolutely barred unless commenced within the time set out in the Insurance Act or the provincial or territorial legislation that applies to this **policy**.

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