



| For your future™

## Income protection



GIF Select  
**IncomePlus**®

THE MANUFACTURERS LIFE INSURANCE COMPANY

# Do you want an investment that can offer predictable, sustainable and potentially increasing retirement income for life?

Whether you're just beginning to think about retirement or you're in the retirement phase of your life, there's a lot to consider:

- What if you experience poor market returns early in retirement?
- Will you outlive your retirement income?
- Will your retirement income keep pace with inflation?

Manulife has an investment solution to help you address these questions.

## **INCOMEPLUS CAN HELP PROVIDE:**

- Predictable income guaranteed not to decrease no matter how investments perform
- Sustainable income that will last for your life and the life of your spouse
- Guaranteed lifetime income available as early as age 55 with higher payout percentages at older ages if income is deferred

- Potentially increasing guaranteed income to help keep pace with inflation
- The flexibility to change your investment<sup>1</sup> or access your savings at any time<sup>2</sup>
- Tax-efficient income when held in a non-registered contract
- Benefits that help ensure the smooth transition of your estate
- Potential creditor protection

The features and benefits work together to allow you to invest for continued growth while being assured that your savings can provide a predictable stream of guaranteed retirement income for life.

This information applies to GIF Select contracts sold on or after October 5, 2009.

Exceeding the withdrawal thresholds and/or withdrawals taken prior to the Election of LWA (Lifetime Withdrawal Amount) may have a negative impact on future income payments. The LWA becomes available on January 1st of the year the annuitant or the younger of the annuitant and the Joint Life (if applicable) turns age 55. The Joint Life must be the spouse or common-law partner (as defined by the *Income Tax Act (Canada)*) of the annuitant. Once named, the Joint Life may not be changed. Other conditions may apply.

<sup>1</sup>Any fund switch or withdrawal may result in tax consequences.

<sup>2</sup>Fees may apply.

## GIF Select – IncomePlus

IncomePlus, an option within the GIF Select segregated fund contract, is an ideal financial planning solution if you are in either the pre-retirement or early retirement years of your life. Analysis shows that the years just before and just after retirement are a critical phase for an investor's retirement nest egg. This window of time is the Retirement Risk Zone. A downturn in the markets during this time could reduce savings to a level that will not provide sufficient retirement income, and there may not be enough time for investors to recover their losses.

IncomePlus can help you navigate through the Retirement Risk Zone and help to ensure that your retirement income lasts for life.

**The time period just before and just after retirement is called the Retirement Risk Zone**



## Predictable and sustainable income

**IncomePlus can guarantee income for life – but before you can understand how it can help protect your retirement income, here are some key terms.**

### GUARANTEED WITHDRAWAL BENEFIT (GWB) BENEFIT BASE

The GWB Benefit Base is one of the factors used to determine how much guaranteed income you can withdraw each year. It is based on your initial deposit amount but can be increased through subsequent deposits, income bonuses and resets.<sup>1</sup>

### LIFETIME WITHDRAWAL AMOUNT (LWA) AND PAYOUT PERCENTAGES

The LWA is the guaranteed income you are able to withdraw each year. Depending on your age at the time you elect to start withdrawing your retirement income, the payout percentage will vary.<sup>2</sup> The LWA is determined using your chosen payout option (Single Life or Joint Life), the applicable LWA payout percentage and the GWB Benefit Base.

#### LWA Payout Percentages

Age*	Single Life Payout Option	Joint Life Payout Option
Age 55-64	4%	3.5%
Age 65-74	5%	4.5%
Age 75 and older	6%	5.5%

## Benefits of the Joint Life Payout Option

**The Joint Life Payout Option can assure uninterrupted income for life for the surviving spouse.**

The Joint Life Payout Option is available for two lives: you and your spouse. This option is ideal for couples looking to plan ahead and it can help ensure that, in the event one spouse dies, the surviving spouse has the ability to continue receiving income, uninterrupted for the balance of their life.

<sup>1</sup> Exceeding the withdrawal thresholds and/or withdrawals taken prior to Election of LWA may have a negative impact on future income payments.

<sup>2</sup> Once the LWA Payout Percentage is elected, it cannot be changed

\* Age of annuitant, or younger of annuitant and Joint Life (if applicable) as of December 31st of the year election takes place. The Joint Life must be the spouse or common-law partner (as defined by the *Income Tax Act (Canada)*) of the annuitant.

# The potential to increase income – with income bonuses

**IncomePlus offers income bonuses which are added to your guaranteed income.**

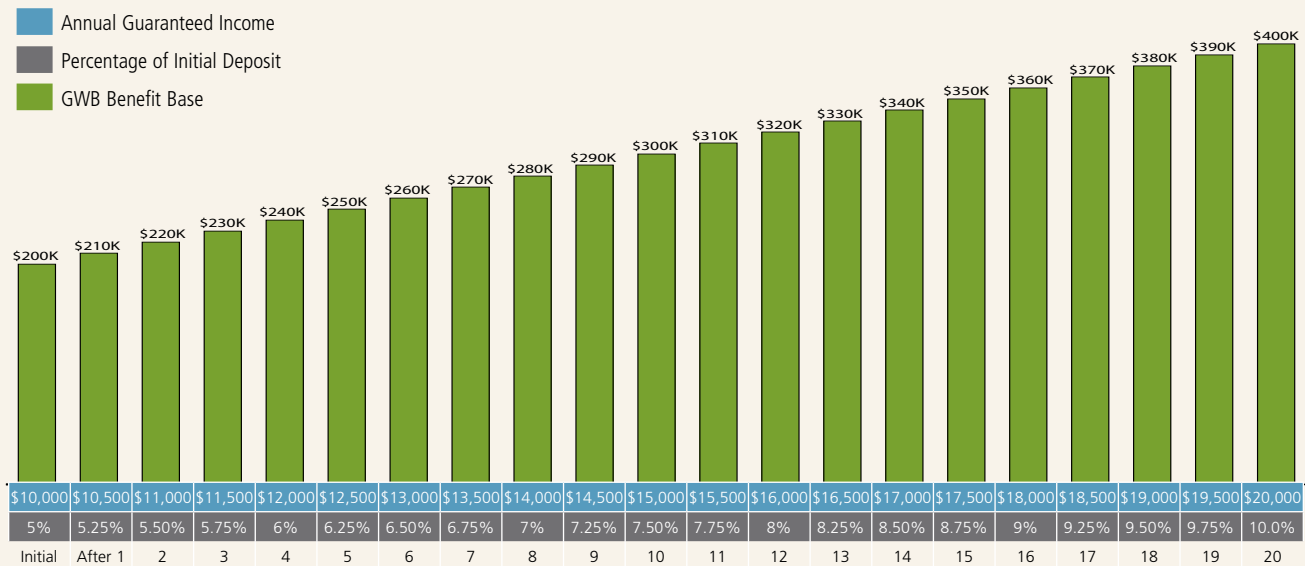
Bonuses are a powerful way to increase the amount of your guaranteed payments.

## INCOME BONUSES

A five per cent income bonus can be added in years no withdrawals are taken. In the example below, after 20 years of income bonuses, the GWB Benefit Base will be double the initial deposit. At age 65, annual guaranteed income of \$20,000 (five per cent of the GWB Benefit Base) may be taken for life.

### BONUSES ON YOUR GUARANTEED INCOME

IT PAYS TO WAIT: AN EXTRA FIVE PER CENT CAN REALLY ADD UP



Assumes a deposit of \$200,000, based on Single Life Payout Option where the annuitant is age 45 at issue. LWA is not available until age 55.

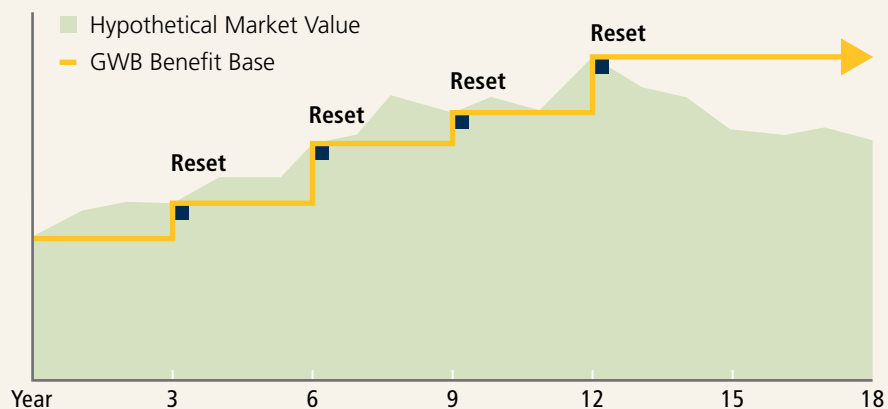
## The potential to increase income – with resets

If the markets rise, the reset feature will raise the GWB Benefit Base, which will increase the amount of your guaranteed payments.

### INCOMEPLUS RESETS

Resets of the GWB Benefit Base occur automatically every three years on the IncomePlus Anniversary Date, if the market value is higher than the current guarantee value.

#### THE RESETS IN ACTION



This example shows how the original GWB Benefit Base is increased every three years when the market value is greater than the existing GWB Benefit Base. A higher GWB Benefit Base results in more money guaranteed to be available to you. Reset opportunities are available until contract maturity.

# IncomePlus offers additional features and benefits

## ESTATE BENEFITS

IncomePlus offers legacy protection with a minimum 100% Death Benefit Guarantee (reduced proportionally for withdrawals) that can protect the savings you want to pass on to family and loved ones. Resets to the Death Benefit Guarantee provide the potential to grow the amount of legacy that you leave. Resets are automatic and occur every three years on the IncomePlus Anniversary Date (to age 80) to the market value if higher.

In the event of your death the proceeds of your contract can pass privately<sup>1</sup> and directly to your designated beneficiaries, without the time delay and expense of probate.<sup>2</sup>

## FUND SELECTION

You can choose between a broad selection of award-winning investment funds from top Canadian fund managers, covering a wide variety of asset classes. You also have the ability to switch between funds and fund managers should your needs or preferences change.<sup>3</sup>

## FLEXIBILITY AND LIQUIDITY

You can access your savings in IncomePlus at any time.<sup>4</sup> Multiple sales charge options are available: Front-end (FE), Low-load (LL), Back-end (BE) and F-class.

## CREDITOR PROTECTION

IncomePlus has the potential to protect your assets from creditors. This feature is ideal for professionals and small business owners looking to help protect their personal assets from professional liability.

## ADVANTAGES OF UNBUNDLED FEES

To make it easy for you to understand the cost of guaranteeing your retirement income, an annual fee for IncomePlus is charged separately from the fund MER (Management Expense Ratio).

<sup>1</sup>In Saskatchewan, jointly held property and insurance policies with a named beneficiary are included on the application for probate but they do not flow through the estate and are not subject to probate fees.

<sup>2</sup>Probate does not apply in Quebec.

<sup>3</sup>Any fund switch or withdrawal may result in tax consequences.

<sup>4</sup>Fees may apply.

## Income now and income later case studies

To help you understand how the features and benefits of IncomePlus work together to provide a highly effective retirement income planning solution, we have provided case studies of the two most common scenarios – taking income now and taking income later – that will illustrate how these features provide security when investing for income.



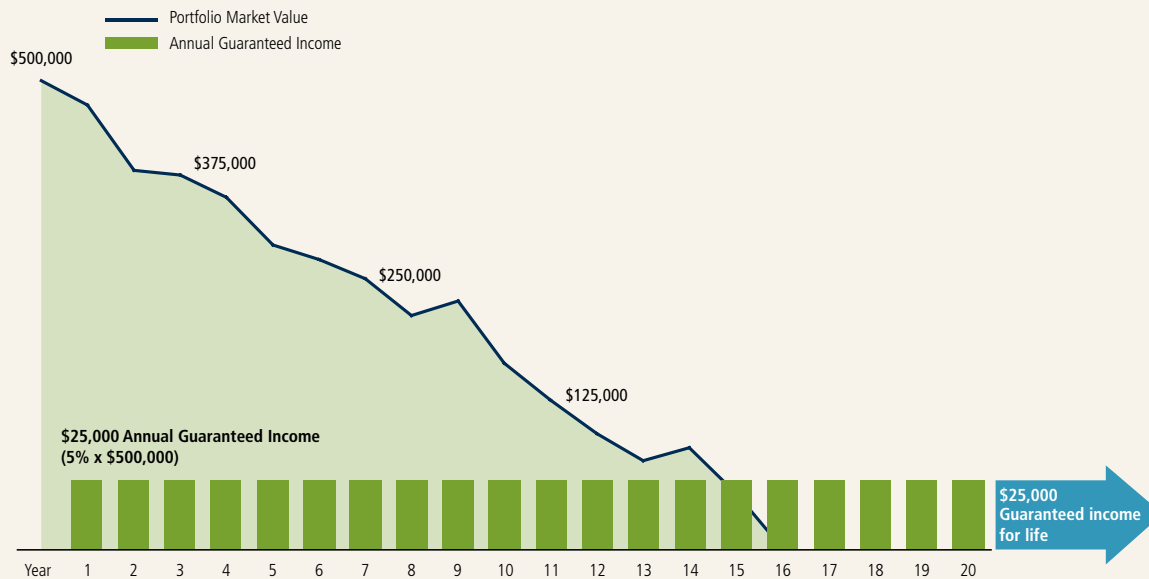


## TAKING INCOME NOW IN A DOWN MARKET SCENARIO – WITH INCOMEPLUS AND THE SINGLE LIFE PAYOUT OPTION

**Bob, age 65, has \$500,000 in retirement savings and needs to take income immediately. He invests \$500,000 in IncomePlus and with his first withdrawal elects the LWA at a five per cent payout percentage.**

In this example, Bob's initial deposit establishes a GWB Benefit Base of \$500,000 and an annual guaranteed income of \$25,000 because he elected the LWA Payout Percentage at five per cent. Within 16 years, his portfolio market value declines to zero. However, with IncomePlus he can continue to receive a guaranteed annual income of \$25,000 for the rest of his life.

### INCOME NOW – DOWN MARKET SCENARIO



For illustration purposes only. Portfolio market value is hypothetical, and not indicative of future performance. Based on the Single Life Payout Option.

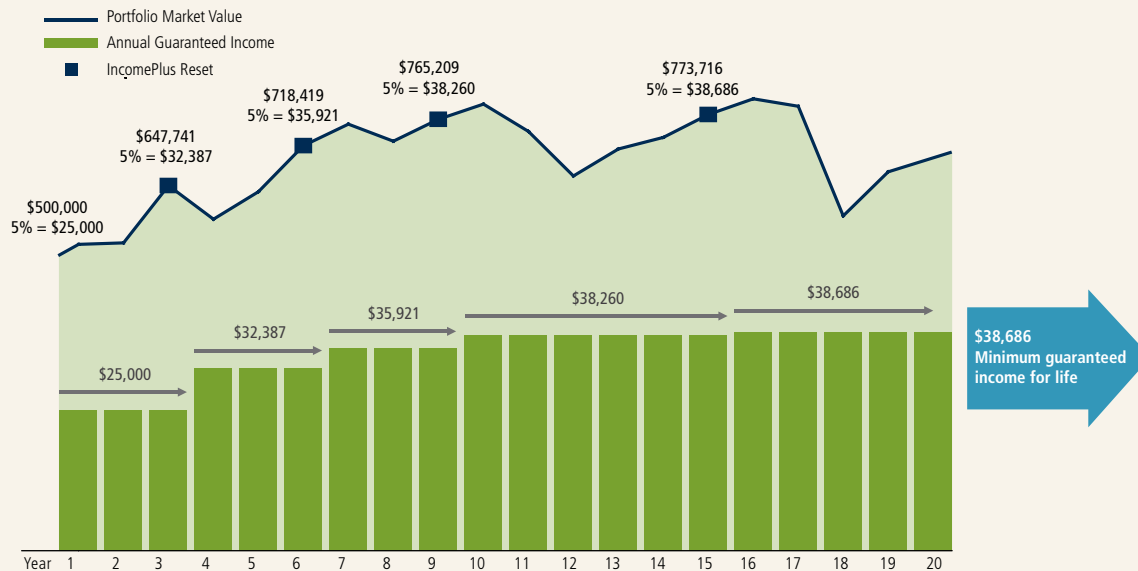
## TAKING INCOME NOW IN AN UP MARKET SCENARIO – WITH INCOMEPLUS AND THE SINGLE LIFE PAYOUT OPTION

### Bob can really benefit when he invests \$500,000 and the markets perform well.

IncomePlus resets can capture market growth and reset Bob's income to a higher value every three years. In this example resets have increased Bob's guaranteed annual

income throughout the period. With the reset in year 15, Bob's GWB Benefit Base becomes \$773,716 and his annual guaranteed income starting in year 16 is \$38,686 (five per cent of \$773,716). He will be able to withdraw at least this amount for the rest of his life. If markets continue to perform well, this amount could increase.

### INCOME NOW – UP MARKET SCENARIO



For illustration purposes only. Based on the Single Life Payout Option and LWA Payout Percentage of 5 per cent. Hypothetical portfolio consists of 60% Globe Canadian Equity Peer Index and 40% Globe Canadian Bond Peer Index. Calendar year returns from 1991 to 2010. Returns have been adjusted for an annual IncomePlus fee of 0.85%. Performance histories are not indicative of future performance.

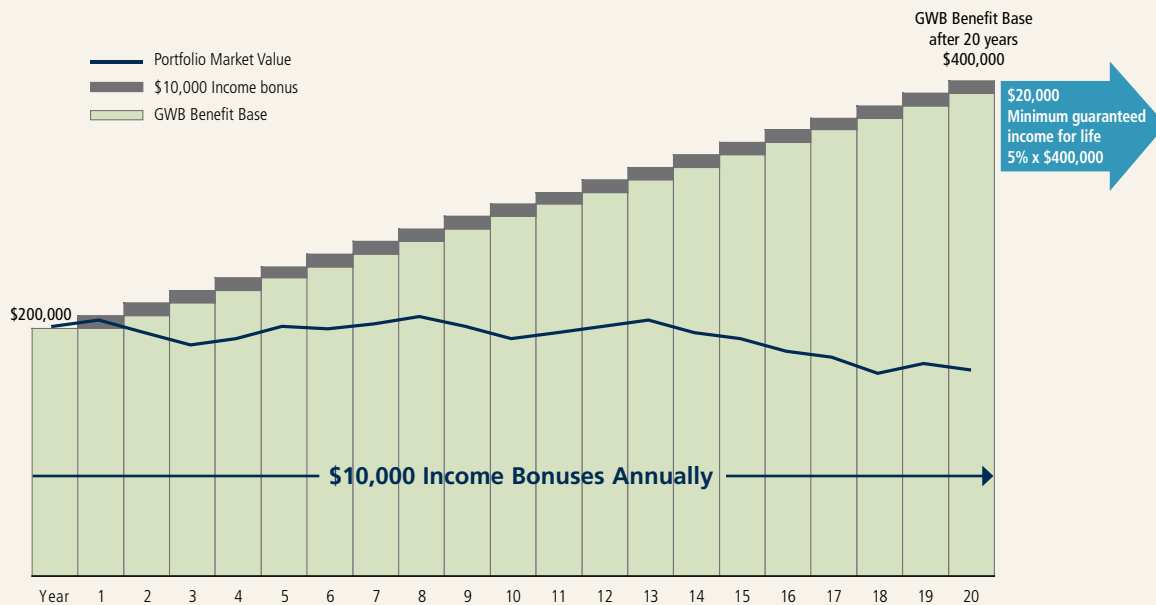
## TAKING INCOME LATER IN A DOWN MARKET SCENARIO – WITH INCOMEPLUS AND THE SINGLE LIFE PAYOUT OPTION

**Carol, age 50, is 20 years away from retirement and has \$200,000 to invest. Carol invests her \$200,000 in IncomePlus and waits to take income.**

In this example, Carol's initial deposit establishes a GWB Benefit Base of \$200,000. For every year that she does not take a withdrawal, she will benefit from a five per cent income bonus. That means even in a down market, her

GWB Benefit Base will grow to \$400,000 through annual income bonuses of \$10,000 accumulated over the 20 year period. When Carol retires at age 70 and begins to take income, she elects the LWA at a payout percentage of five per cent, which locks-in an annual guaranteed income of \$20,000 (five per cent of \$400,000). This amount will be available for the rest of her life.

### INCOME LATER – DOWN MARKET SCENARIO



For illustration purposes only. Portfolio market value is hypothetical, and not indicative of future performance. Based on the Single Life Payout Option.

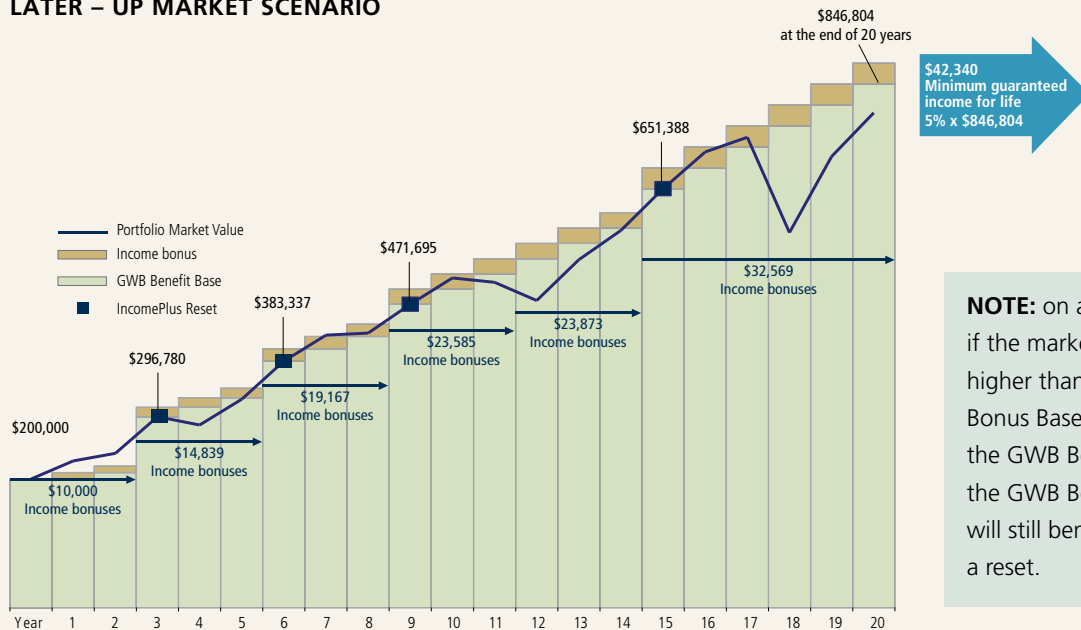
## TAKING INCOME LATER IN AN UP MARKET SCENARIO – WITH INCOMEPLUS AND THE SINGLE LIFE PAYOUT OPTION

**Carol really benefits from resets and income bonuses when she invests \$200,000 and the markets perform well.**

In this example, Carol benefits from IncomePlus resets (as often as every three years), which capture market growth and increase her GWB Benefit Base. IncomePlus resets also increase the value of Carol's income bonuses

for future years. After 20 years, when Carol is ready to retire, her GWB Benefit Base has grown to a total of \$846,804 (reset in year 15 to \$651,388, plus six income bonuses of \$32,569). Starting in year 21, Carol elects the LWA at a five per cent payout percentage. She will receive an annual guaranteed income of at least \$42,340 (five per cent of \$846,804) for the rest of her life. If markets continue to perform well, this amount could increase.

### INCOME LATER – UP MARKET SCENARIO



**NOTE:** on a reset date if the market value is higher than the GWB Bonus Base but not the GWB Benefit Base, the GWB Bonus Base will still benefit from a reset.

For illustration purposes only. Based on an initial deposit made on January 1 and the Single Life Payout Option and LWA Payout Percentage of five percent. Hypothetical portfolio consists of 60% Globe Canadian Equity Peer Index and 40% Globe Canadian Bond Peer Index. Calendar year returns from 1991 to 2010. Returns have been adjusted for an annual IncomePlus fee of 0.85%. Performance histories are not indicative of future performance.

# What you need to know

## INCOME BONUSES

- Annual income bonuses are not cash deposits made to the investment, but represent a five per cent increase added to the amount used to calculate the lifetime income
- The income bonus is available in any year no withdrawals are taken

## JOINT LIFE PAYOUT OPTION

- For the Joint Life Payout Option, in the event of one spouse's death, the surviving spouse has the ability to continue receiving income at the same level, uninterrupted for the balance of their life
- The Joint Life Payout Option must be elected at the time of adding IncomePlus to the GIF Select Contract and cannot be added or changed at a later time

## LIFETIME WITHDRAWAL AMOUNT

- For the Single Life Payout Option your guaranteed income is available as early as January 1st of the year you turn age 55
- For the Joint Life Payout Option, your guaranteed income is available as early as January 1st of the year the younger spouse turns age 55

## INCOMEPLUS FEES

- IncomePlus Fees are charged and paid out of your contract annually for the guarantees that you receive
- No IncomePlus Fee will be paid in the first calendar year and there is no additional fee if the Joint Life Payout Option is chosen
- These IncomePlus fees are separate from the cost paid for investing in a fund
- The amount of IncomePlus Fees can be found on your statement

## WITHDRAWALS

- Withdrawals proportionally reduce maturity and death benefit guarantees
- Exceeding the withdrawal thresholds and taking withdrawals prior to age 55 or prior to the Election of LWA may have a negative impact on future income payments

Because the opportunity for growth is also important, IncomePlus offers you a choice of investment funds from a select group of top fund managers.

### Fund managers available with GIF Select IncomePlus



What are you doing after work?



## YOU CAN TRUST IN MANULIFE'S FINANCIAL STRENGTH AND STABILITY

**Strong** – Funds under management by Manulife Financial and its subsidiaries are Cdn\$492 billion<sup>1</sup>.

**Reliable** – More than one in five Canadians are served by Manulife's leading businesses that provide individual life and health insurance, wealth management, banking, group benefits, group savings plans, plus services to alumni and professional associations across the country.

**Trustworthy** – Manulife has stood solidly behind our promises for over 120 years.

**Forward-thinking** – Manulife Financial is a market leader in both financial protection and wealth management businesses. We provide a full suite of products and services to meet the current and future needs of individual and group customers.

### Highly regarded

- Track record of growth, leading corporate governance practices and strong management teams
- Manulife has strong claims paying ability and financial strength ratings from all of its credit rating agencies
- Is the largest insurance company in Canada and one of the top five in the world
- Manulife was first incorporated in 1887 with Sir John A. Macdonald, Canada's first Prime Minister, as President

<sup>1</sup>As at September 30th, 2011



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**FOR MORE INFORMATION, PLEASE CONTACT YOUR ADVISOR OR VISIT [MANULIFEGIFSELECT.CA](http://MANULIFEGIFSELECT.CA)**

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Any amount that is allocated to a segregated fund is invested at the risk of the contractholder and may increase or decrease in value. Income bonuses are not cash deposits; they increase the basis for calculating guaranteed income. The income bonus is available each year following the initial deposit to the IncomePlus Series, provided no withdrawals are taken. Exceeding the withdrawal thresholds and/or withdrawals taken prior to the Election of LWA (Lifetime Withdrawal Amount) may have a negative impact on future income payments. The LWA becomes available for election on January 1st of the year the annuitant or the younger of the annuitant and the Joint Life (if applicable) turns age 55. The Joint Life must be the spouse or common-law partner (as defined by the *Income Tax Act (Canada)*) of the annuitant at the time of choosing the Joint Life Payout Option. Only one person can be named as the Joint Life and may not be changed. Withdrawals proportionally decrease Maturity and Death Benefit Guarantees. Withdrawals in excess of the LWA or prior to the Election of LWA will reduce the GWB Benefit Base proportionally. The Manufacturers Life Insurance Company is the issuer of the Manulife GIF Select insurance contract which offers the IncomePlus, EstatePlus and InvestmentPlus Series and the guarantor of any guarantee provisions therein. Manulife, Manulife Investments, the Manulife Investments For Your Future logo, the Block Design, Strong Reliable Trustworthy Forward-thinking, GIF Select IncomePlus, EstatePlus, and InvestmentPlus are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under license.

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 **Manulife Investments**

strong reliable trustworthy forward-thinking

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