

Member Overview

Your Option Plus Group Retirement Savings Plan



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Agenda

- Saving for retirement - The Big Picture
- The keys to financial success
- How Group RSPs benefit you
- Group RSPs Vs. Individual RSPs
- Empire Life Option Plus Group RSP



The Keys to Financial Success

- 1) Pay yourself first
- 2) Systematic savings approach
- 3) Make time work for you
- 4) Diversify your investments
- 5) Defer taxation



Diversify Your Investments

Diversification

- “Don’t put all of your eggs in one basket”

You Can Diversify Your Investments by

- Asset Class (GIOs, Bonds and Equities, etc.)
- Geographic Region (Domestic, Foreign, etc.)
- Investment Fund Type
 - Mutual Funds
 - Segregated Funds



Diversify Your Investments

Segregated Funds

Similarities to Mutual Funds

- Professional Money Management
- Diversification

Beyond Mutual Funds

- Maturity and Death Guarantees
- Potential Creditor Protection
- Estate Planning Benefits
- Consumer Protection (Assuris)



Pay Yourself First

Save Wisely

- Pay yourself first

Develop a Retirement Plan

- Yourself, or
- With a Financial Advisor

Systematic Savings

Monthly Vs. Lump Sum Contributions

Contributions	Return	Value of RSP in 25 Years
\$250 Monthly	6%	\$173,248
\$3,000 Yearly	6%	\$164,594
Advantage of Monthly Systematic Saving		\$ 8,655



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Systematic Savings

Dollar Cost Averaging

- Invest an equal amount each month:
- If prices are...
 - Low ... you purchase more units
 - High ... you purchase fewer units

You are automatically stocking up when prices are low.



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Make Time Work For You

Start Early

Savings Period	Annual Deposit	Total Deposits	Total Savings
Age 31-60	\$3,000	\$90,000	\$251,405
Age 46-60	\$6,000	\$90,000	\$148,035
Difference		\$ 0	\$103,370

Note: Based on 6% growth



Defer Taxation

	Non-RSP	Group RSP
Annual Contribution	\$3,000	\$3,000
Minus Taxes	\$1,302*	N/A
After Tax Contribution	\$1,698	\$3,000
Rate of Return	6.0%	6.0%
Minus Taxes	2.6%	N/A
After-tax Rate	3.4%	6.0%
Value after 15 Years	\$33,610	\$74,018
The Group RSP advantage: \$40,408		

**assumes a tax rate of 43.4%*

*Individual RSPs
Vs
Group RSPs*



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The GRSP Advantage



	Individual RSP	Group RSP
Monthly Salary	\$2,500	\$2,500
Group RSP Contribution	\$0	\$300
Taxable Income	\$2,500	\$2,200
Tax Deducted at Source*	\$443	\$369
Take-Home Pay	\$2,057	\$1,831
Individual RSP Contribution	\$226	\$0
Available Income	\$1,831	\$1,831

*Assumed at-source deduction rate is:
 17.72% on taxable monthly income of \$2,500
 16.77% on taxable monthly income of \$2,200



Instant Tax Savings

Assumptions

- For the same reduction in Take-home Pay
 - \$226 Individual RSP Vs. \$300 Group RSP
- Assumptions:
 - Growth Rate 7.5%
 - Individual RSP tax refund NOT reinvested

Year	Group RSP Advantage
5	\$ 5,365
10	\$13,068
20	\$39,999
30	\$95,508



Benefits of a Group RSP

Key Member Benefits

Convenient Payroll Deduction

- Pay Yourself First
- Systematic Savings

Potential Reduction In Income Tax Withheld At Source

- Make Time Work For You

Deferred Taxation

- Your investment grows on a tax sheltered basis

Financial Advisor

- Diversified Investment Portfolio
- A Disciplined Approach



Option Plus Key Features

- Flexible, 'Low-cost' Plan
 - No Set-up or Annual Fees
 - No-Load Funds
- Variety of Investment Options
- Top Performing Investments
- Financially Strong Provider
 - A.M. Best Company Rating '**A**' (*Excellent*) *

* June 2007



Option Plus Key Features

- Solid Guarantees at Death & Maturity:
 - Death Guarantee: The greater of
 - Market value
 - 100% of net contributions made before age 65, and 75% of net contributions thereafter
 - Guaranteed reset value
 - Maturity Guarantee: The greater of
 - Market value
 - 75% of net contributions
 - Guaranteed reset value
- Two Resets / Policy Year
- Potential Creditor Protection



Option Plus Key Features

Deposit Minimums:

- \$30 / member / month in segregated funds
- \$500 / GIO

Note: Members may transfer RSP deposits they currently have invested at other institutions into their Option Plus Group RSP



Option Plus Investment Options

Treasury Interest Option (TIO)

- Daily Interest (Security of capital)

Guaranteed Interest Option (GIO)

- 1- 6 & 10 Yr Terms (Security of capital)
- Cashable, (MVA)
- Enhanced Rates
- Interest Rate Banding (over \$50,000¹)

Segregated Funds

- 21 Funds available

¹Certificate Based (Segregated Funds Included)



Option Plus Investment Options

Growth Funds

- Elite Equity
- Canadian Equity
- Dividend Growth
- Small Cap Equity
- Global Dividend Growth
- Global Smaller Companies
- Global Equity
- International Equity
- American Value
- US Equity Index
- Balanced
- Global Balanced
- Asset Allocation

Income Funds

- Bond
- Income
- Money Market

Portfolio Funds

- Conservative Portfolio
- Balanced Portfolio
- Moderate Portfolio
- Growth Portfolio
- Aggressive Portfolio



Option Plus Communication

Communication

- Regular Investment Commentaries
- Semi-Annual Statements
- *www.empire.ca* for monthly performance



Option Plus Enrolment

The Application Process

- Member sign-up meeting
- Member Enrollment Kit (Plan Booklet, etc.)
- Automatic investment allocation
- Employer remits contributions
 - Payroll Deduction
- Administrative changes (Employer or Advisor)
 - Investment option, withdrawals, etc.



Option Plus = Financial Success

Option Plus: The Keys to Financial Success

- Pay Yourself First + Systematic Savings
 - Convenient payroll deduction
- Make Time Work for You
 - Begin Saving Today
- Diversify Your Investments
 - Variety of investment options
 - Strong long-term performance
- Defer Taxation
 - Reduced income tax may be withheld at source
- The Services of a Financial Services Professional



**Make Option Plus
Group RSP
Part of *Your*
Retirement
Savings Plan!**

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