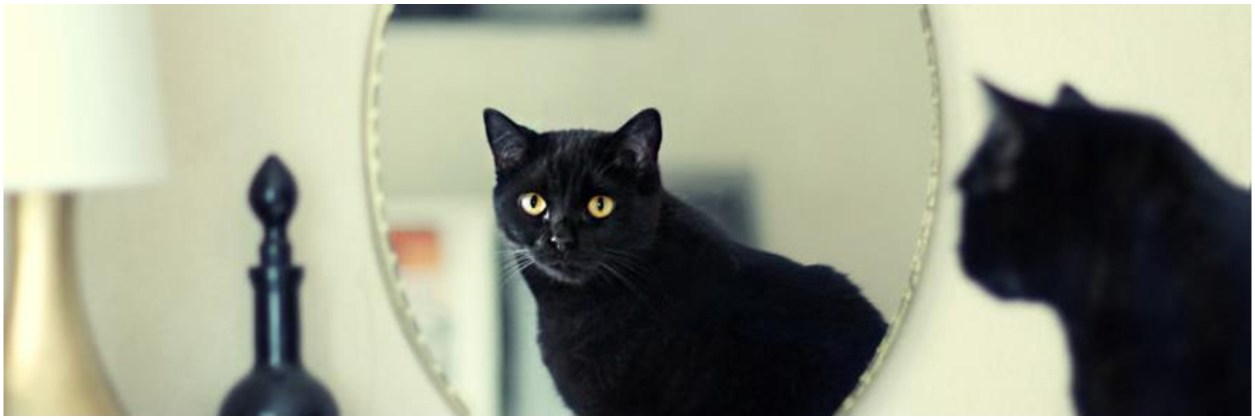

What is a Copy Cat Annuity?

A copycat annuity mirrors your employer's pension plan, matching your company pension dollar for dollar. When you 'purchase' a copycat annuity from a Canadian insurance company, it has to be identical to what your employers pension plan offers you. In fact, Revenue Canada only allows this option if it is an identical mirror, it must match or "copy" the provisions of the member's pension entitlement.

We used to think that there were only three options for the client:

1. Leave the money in the plan
2. Transfer the money to a LIRA and potentially pay tax on any money exceeding the maximum transferrable amount
3. Transfer the money into another employer pension plan

But, there's a fourth option, Employers fail to mention - Copycat Annuity.

Things To Know About Copycat Annuities:

- Just like your employer's pension, a copycat annuity is a lifetime income that is *guaranteed* to be paid even after you pass away. If you die before receiving all of your income, a copycat annuity will continue to pay out the rest of your income to your spouse or another beneficiary.
- Copycat annuities are open to all members of a RPP (defined-benefit pension plan), including public sector workers, teachers, auto workers, and just about anyone else who has a defined-benefit pension through their employer.
- Copycat annuities put *you* in control. You can choose your own annuity provider. There are no restrictions on which provider you can choose. At Maduri Financial Group Inc. we are an independent firm, not tied to a specific company. This means you'll get completely honest, unbiased recommendations and a truly customized solution tailored to you. We work with all

the major providers including Canada Life, Sun Life, and Desjardin Financial with a focus on exceptional customer service.

- All the Canadian insurance companies that we work with at Maduri Financial Group Inc. are financially solid and 100% Canadian. These are Canadian institutions that aren't going anywhere any time soon. They are not "amalgamating" back to a foreign head office in a different country, moving overseas, or going bankrupt like many companies are doing during these uncertain economic times (example: Sears Canada cut their pensions by 30%!).
- For the Canadian insurers, pensions and life insurance is their *primary* line of business. It's what they do, and they do it really well. They don't make cars or trucks or refrigerators, they manage finances. They have a proven and successful track record in Canada. You can sleep well at night knowing that your money is with a company that is financially stable with a widely diversified investment portfolio and diversified global operations.
- In the unlikely case that a Canadian insurance company were ever to go bankrupt, there are protections in place (such as Assuris). Annuity payments from a life insurance company are insured against default by Assuris, which covers up to $2,000 a month or 85 per cent of the promised monthly income benefit, whichever is higher. Life insurance companies are also subject to a "capital adequacy test" to ensure they can meet and manage risks and fulfill their obligations to policyholders.
- The transfer of a pension usually occurs when an employee has left their employer. The employee will get a letter detailing the options they have with respect to keeping or moving out their pension money.