



# Advisor Guide

Daily/Guaranteed  
Interest Account  
Savings and Retirement







## About Equitable

As an independent Canadian mutual life insurance company, Equitable® is not driven by short-term results or demands from shareholders. Instead, we focus on longer term strategies that foster ongoing stability and growth for our clients and business partners.

### We value our advisors

Equitable is committed to earning your business. We value advisor relationships, and work to provide you with the tools needed to help you succeed. Whether you are a new advisor or a veteran in the industry, we are dedicated to helping you grow your business.

### Strong capital position

The Life Insurance Capital Adequacy Test (LICAT) ratio is a recognized measure of strength and stability for the insurance industry. Equitable's LICAT ratio is well above the minimum prescribed by the Office of the Superintendent of Financial Institutions Canada (OSFI) and is among the highest across the industry.

### About this guide

This guide provides a detailed overview of Equitable's Daily Interest Account and Guaranteed Interest Account investment options, including product features and benefits. The Daily/Guaranteed Interest Account contract provides full product details and will govern in all cases.

Questions? Equitable is committed to providing you with the service you need to support your business. If you have questions or require additional information, please contact your Director, Investment Sales, or our Advisor Services team. You can reach the Advisor Services team at 1.866.884.7427, or by email at [savingsretirement@equitable.ca](mailto:savingsretirement@equitable.ca).

# Table of Contents

Overview .....	1
Equitable DIA/GIA Benefits.....	1
Registration Options.....	2
Investment Options.....	2
Daily Interest Account	
Guaranteed Interest Account	
Automated Options.....	3
Automatic Transfer from DIA to GIA	
GIA Reinvestment Instructions at Maturity	
GIA Ladder Option	
Terms and Deposit Minimums.....	4
Minimum and Maximum Issue Ages .....	4
Maximum Deposit Ages.....	4
Interest Rates .....	5/6
Posted Interest Rates	
Interest Rate Bands	
Rate Guarantees	
Custom Quotes	
Interest Rate Enhancement by Commission Reduction	
Withdrawals .....	7
Ad-hoc Withdrawals	
Scheduled Withdrawals	
Market Value Adjustments and Fees.....	8
Market Value Adjustments	
Fees	
Advisor Rate Discretion Option	



## Overview

The Daily Interest Account (DIA) and the Guaranteed Interest Account (GIA) investment options are ideal for clients who are looking for safety and stability in their investments. These low-risk investments provide competitive interest rates and protection from market volatility. Discover the benefits that guaranteed investments can provide.

## Equitable DIA/GIA Benefits

- **Highly competitive interest rates** – Equitable offers competitive interest rates, available from the first dollar invested. Additionally, clients who are depositing large dollar amounts have access to further enhanced interest rates.
- **EZcomplete® electronic application** – Our EZcomplete electronic application makes filling out an application quick and simple. It facilitates online signatures and can be used in person or remotely. The online tool helps to ensure that all the requirements are collected when the application is completed.
- **Flexible rate guarantees** – Upon request, Equitable offers rate guarantees that lock in the current interest rate for up to 45 days. A rate guarantee ensures you won't miss the best rates for clients.
- **Cashable at any time** – Clients can withdraw money from a DIA or GIA at any time. Withdrawals from the GIA prior to maturity are subject to market value adjustments.
- **Creditor protection** – Investments held within the DIA or GIA may provide creditor protection for the owner in the event of bankruptcy or lawsuit.
- **Estate planning** – At death, the proceeds from the DIA or GIA are quickly paid to the named beneficiary, bypassing probate, legal and executor fees. This benefit is particularly advantageous for clients with non-registered investments since non-registered investments held outside of an insurance company do not allow a beneficiary to be named.
- **No early redemption fees at death** – When the annuitant dies, Equitable pays out the market value of the contract to the beneficiary and does not charge any market value adjustments for early redemption.
- **Pension Income Tax Credit** – The interest income from a DIA and GIA qualifies for the Pension Income Tax Credit. This means that a client who is 65 or older may claim the first \$2,000 of interest on a non-registered account as eligible pension income.
- **Safe and secure** – Equitable is a member of Assuris. Assuris is the not-for-profit organization that protects Canadian contractholders in the event their insurance company fails. In the event the life insurance company became insolvent, Assuris guarantees that the contract owner would retain up to \$100,000 or 90% of the market value, whichever is higher. Details about Assuris' protection are available at [www.assuris.ca](http://www.assuris.ca) or by calling the Assuris Information Centre at 1.866.878.1225.





## Registration Options

At Equitable, we offer a wide range of registration options for clients. Within the DIA/GIA contract the following registration options are available:

- Non-registered
- Tax-Free Savings Account (TFSA)
- First Home Savings Account (FHSA)
- Retirement Savings Plan (RSP) – individual or spousal
- Locked-in Retirement Account (LIRA, RLSP or LRSP depending on pension jurisdiction)
- Retirement Income Fund (RIF) – individual or spousal
- Life Income Fund (LIF, PRIF, LRIF or RLIF depending on pension jurisdiction)

## Investment Options

### Daily Interest Account

The DIA offers a competitive fluctuating daily interest rate. The DIA may be ideal for clients seeking a secure and stable investment for short-term savings. It is also a great option for emergency savings or for those who have not yet defined their financial goals. This option is available on all registration types.

### Guaranteed Interest Account

With a GIA, clients receive a competitive interest rate that is guaranteed for the length of the investment term of their choosing. It's ideal for clients who have a low-risk tolerance or are looking to diversify their portfolio to include guaranteed holdings. The interest options available include:

- Compound interest: Interest is compounded daily, increasing the value of the GIA. This option is available on all registration types.
- Simple interest (paid monthly or annually): The interest is paid out to the client on either a monthly or annual basis. This option is available on non-registered, TFSA, RIF and LIF contracts.

# Automated Options

## Automatic Transfer from DIA to GIA

A client can elect to set up automatic transfers from the DIA to a compound interest GIA once the DIA has reached a minimum value of \$500. This is ideal for clients who wish to invest in the GIA but are making scheduled or ad-hoc deposits below the \$500 GIA deposit minimum.

## GIA Reinvestment Instructions at Maturity

On the application the client can provide instructions on how to invest the money when the GIA maturity date is reached. Clients have the option to:

- 1) reinvestment in a GIA term of the same length and same interest option;
- 2) reinvest in a new GIA for a set number of years; or
- 3) transfer the amount to a DIA.

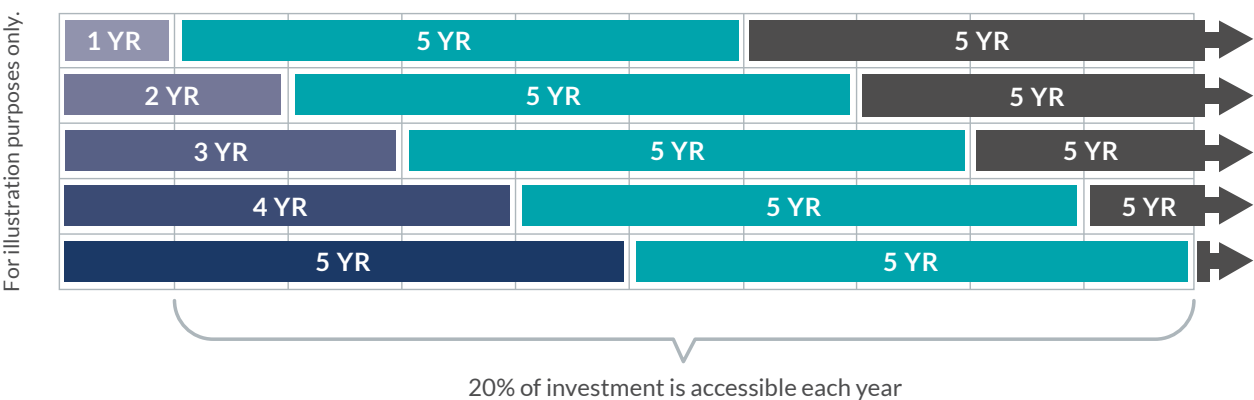
Prior to the GIA maturity date, the client and advisor are notified of the upcoming maturity, and the investment instructions that Equitable has on file. If no action is taken, the GIA will be reinvested using the instructions the client provided. Alternatively, the client can provide Equitable with new instructions for the upcoming GIA maturity.

## GIA Ladder Option

The GIA ladder option spreads out the deposit over multiple GIA terms. This allows the client to take advantage of the higher interest rates typically offered for longer terms, while still having access to a portion of their cash each year. It also helps to mitigate the affect of interest rate fluctuations. Clients choose either a 5- or 10-year laddering term.

- GIA Ladder (5 years): The lump sum deposit divides equally between 1-to-5-year terms. At each maturity Equitable will automatically reinvest the money for another five years, or the client can choose to withdraw it.
- GIA Ladder (10 years): The lump sum deposit divides equally between 1-to-10-year terms. At each maturity Equitable will automatically reinvest the money for another 10 years, or the client can choose to withdraw it.

Here is an example of how a 5-year ladder option would work.



## Terms and Deposit Minimums

Investment Options	Terms <sup>1</sup>	Minimum Deposit <sup>2</sup>
DIA	Not applicable	No minimum
GIA (compound interest)	1 – 15 years	\$500
GIA (simple interest)	1 – 15 years	\$10,000

<sup>1</sup> GIA terms greater than 1 year cannot exceed past the annuitant's 90th birthday. GIA renewals for annuitants who are 90 or older are limited to 1-year terms.

<sup>2</sup> The initial minimum deposit for a new contract is \$500 (\$10,000 for RIF/LIF or simple interest GIA) or \$50 ongoing pre-authorized debit allocated to DIA.

## Minimum and Maximum Issue Ages

Registration	Owner		Annuitant	
	Minimum	Maximum	Minimum	Maximum*
Non-registered	16	Not applicable	0	95
TFSA	18		18	95
FHSA	18		18	71
RRSP – individual and spousal	16		16	71
LIRA, RLSP, LRSP	16		16	71
RIF – individual and spousal	50		50	95
LIF, PRIF, LRIF, RLIF	50		50	95 (or as required by pension legislation)

\*Maximum ages are up to and including the day before the annuitant's next birthday (excluding RRSP/FHSA/LIRA/RLSP/LRSP contracts which have a maximum age of December 31st of the year the annuitant reaches age 71).

## Maximum Deposit Ages

Registration	Maximum*
Non-registered	95
TFSA	95
FHSA	71
RRSP – individual and spousal	71
LIRA, RLSP, LRSP	71
RIF – individual and spousal	95
LIF, PRIF, LRIF, RLIF	95

\*Maximum ages are up to and including the day before the annuitant's next birthday (excluding RRSP/FHSA/LIRA/RLSP/LRSP contracts which have a maximum age of December 31st of the year the annuitant reaches age 71).



## Interest Rates

### Posted Interest Rates

Equitable's current interest rates for DIA and GIA deposits and rollovers are posted at [equitable.ca/rates](https://equitable.ca/rates). Clients receive the interest rate for the product and term selected. If "GIA - monthly simple interest" is selected, the client will receive the posted interest rate less 0.25%.

### Interest Rate Bands

Equitable offers competitive interest rates from the first dollar invested. Clients depositing large dollar amounts have access to further enhanced rates. Interest rate bands are set by deposit size as follows:

- Band 1: Less than \$200,000
- Band 2: \$200,000 to \$499,999
- Band 3: \$500,000 to \$999,999
- Deposits  $\geq$  \$1,000,000 must submit the [Custom Quote -DIA/GIA](#) form to obtain approval and a custom interest rate before submitting the deposit.



## Rate Guarantees

Interest rates can fluctuate at any time. A rate guarantee protects against a potential decline in interest rates between the time that the advisor meets with the client and the time that Equitable receives the client's deposit.

Equitable offers two types of rate guarantees:

- 1) A "Better of" interest rate guarantee (valid for three business days):
  - For direct deposits from the client (personal cheques, one-time pre-authorized debit and online banking deposits).
  - Guarantees the higher of:
    - a) the interest rate in effect on the day the deposit is received, and
    - b) the interest rate in effect on the day all signatures were completed on the application/form.
  - If the deposit is not received within three business days from the signature date, the client will receive the interest rate in effect the day the deposit is received.
- 2) A "Set Rate" Interest Rate Guarantee (valid for 45 days):
  - For transfers from another financial institution or an Equitable contract with an upcoming maturity.
  - Guarantees the interest rate on the day the application/form was signed.
  - If the deposit is received after 45 days from the signature date, the client will receive the lesser of:
    - a) the interest rate in effect on the day the deposit is received, and
    - b) the interest rate in effect on the day all signatures were completed on the application/form.

To be eligible for a rate guarantee, the advisor must request a rate guarantee in the application or on the [Investment Direction Form \(693ANN\)](#) and complete the following steps:

- 1) Complete the application/form in full, with required signatures.
- 2) Submit the signed documents to Equitable by no later than 11:59 p.m. (ET) the day after the documents are signed via EZcomplete, EZupload, or fax to 519.883.7428.
- 3) Ensure the deposit is received at Equitable within:
  - Three business days from the signed date of the application/form for client cheques, one-time pre-authorized debits, and online banking deposits.
  - The 45 days from the signed date of the application/form for transfers from another financial institution or an Equitable contract with an upcoming maturity.

## Custom Quotes

Upon request, deposits or rollovers equal to or greater than \$1,000,000 may be considered for a rate enhancement. To be considered, the advisor must complete and submit the [Custom Quote -DIA/GIA](#).

## Interest Rate Enhancement by Commission Reduction

Advisors can elect to reduce their commission in exchange for enhancing the GIA interest rate up to 20 basis points. See "[Advisor Rate Discretion Option](#)" for additional details.

## Withdrawals

### Ad-hoc Withdrawals

Clients can make a withdrawal from their contract at any time (subject to applicable legislation). The minimum lump sum withdrawal is \$500. At Equitable both the DIA and GIA are cashable. This means that the client can withdraw all or a portion of the money prior to the maturity date. When a withdrawal is made from the GIA prior to the maturity date, a market value adjustment will apply. If the full contract value is withdrawn the contract will terminate.

### Scheduled Withdrawals

Clients who would like to set up scheduled withdrawals to be deposited to their bank account can choose from a monthly, quarterly, semi-annual, or annual basis. Depending on the registration type, the withdrawal options are as follows:

Registration type	Payment options
Non-registered	Flat Dollar Amount
Retirement Income Fund (RIF)*	Flat Dollar Amount Required Minimum Payment
Life Income Fund (LIF)*	Flat Dollar Amount Required Minimum Payment LIF Maximum Payment

\* RIF and LIF contracts must be set up with a withdrawal schedule.

- **Flat Dollar Payment** – Clients have the option to elect a payment for a set dollar amount, gross payments only; net payments are not available. For RIF and LIF contracts, the payment must meet the required minimum payment as prescribed by the Canada Revenue Agency (CRA). For LIF contracts, the payment cannot exceed the maximum payment prescribed by the CRA. A market value adjustment will apply to the withdrawal, except on RIF/LIF contracts, in which case it will only be applied for withdrawal amounts above the Required Minimum Payment.
- **Required Minimum Payment** – CRA requires all RIF or LIF contracts to pay out a prescribed minimum amount each calendar year, with no payment required in the first year the contract is purchased. When selecting this option, no payment will be made in the initial year, and withholding tax is not deducted from the payments. Market value adjustments will not be applied on withdrawals up to the required minimum payment on a RIF or LIF contract.
- **LIF Maximum Payment** – Clients that want to maximize available pension income can elect to receive the LIF maximum payment. On LIF contracts the maximum is prescribed by provincial pension legislation. The amount is calculated using the client's age and account value. Withholding tax is deducted on the portion of the payment above the required minimum payment. A market value adjustment will apply for the amount above the Required Minimum Payment.

## Market Value Adjustments and Fees

### Market Value Adjustments

A Market Value Adjustment (MVA) is a charge that is applied to an early withdrawal from a GIA. The MVA is calculated taking into account:

- the guaranteed interest rate of the applicable GIA;
- the current interest rate for a similar investment;
- the time left to the end date; and
- the expenses for the early withdrawal.

When a client makes an early withdrawal, it's important to understand:

- MVAs will not be applied on withdrawals up to the required minimum payment on a RIF or LIF contract.
- The more time remaining until the maturity date, the greater the MVA.
- The more the current interest rate exceeds the credited interest rate, the greater the MVA.
- A withdrawal prior to the maturity date may result in the client receiving less than the original deposit amount.

### Fees

Other than market value adjustments, there are no additional fees associated with the first two unscheduled withdrawals, from any investment option, in any calendar year. A \$25 fee will be charged for each unscheduled withdrawal thereafter.

### Advisor Rate Discretion Option

Advisors can elect to enhance the clients interest rate by up to 20 basis points by reducing their commission. For each basis point of commission reduction requested, the GIA interest rate will be increased by the same basis points during the term of the GIA. For example, a five-basis point reduction in commission will increase the GIA interest rate by 0.05%.

The rate enhancement will not apply to future reinvestments of that GIA, or to future deposits made within the contract, unless requested at the time of the deposit or renewal. The Advisor Rate Discretion Option is limited to GIA terms of 10 years or less, and is not available for the DIA.



# About Equitable

At Equitable we believe in the power of working together. This guides how we work with each other. How we help our clients and partners. And how we support the communities where we live and work.

Together, with partners across Canada, we offer Individual Insurance, Group Insurance and Savings and Retirement solutions. To help our clients protect today and prepare tomorrow.

We believe the world is better when we work together to build an Equitable life for all.



\* or ™ denotes a trademark of The Equitable Life Insurance Company of Canada.

1308 (2024/04/26)