

Minimum Distribution Program Highlights for Beneficiary Accounts

- **Purpose:** The Minimum Distribution Program allows you to satisfy your annual RMD requirement automatically for your account at Sun Life Financial.
- **Enrollment:** You must complete the enrollment form entitled, "Required Minimum Distribution (RMD) Request Form for Beneficiaries," and return it to Sun Life Financial¹.
- **RMD Calculation:** Sun Life Financial calculates your RMD each year.

Effective January 2006, the IRS has instructed that RMDs be based on your entire interest under your annuity contract. The entire interest is referred to as the RMD Basis Value by Sun Life Financial and it is your year-end account value plus the value assigned to future benefits. Benefits are additional features that will be payable in the future. They may include death and living benefits. You will be affected only when your RMD Basis Value is higher than your year-end account value, because your RMD amount will be higher.

Sun Life Financial uses the following formula to calculate your annual RMDs:

RMD Basis Value = 12/31 account value + value of future benefits, if applicable

$$\text{Your RMD Amount} = \frac{\text{RMD Basis Value}}{\text{Life Expectancy Factor}}$$

The Life Expectancy Factor is based on your age from the IRS's Single Life Expectancy Table or, under limited circumstances, the age of the deceased or the age of the oldest beneficiary².

- **Special Features:**
 - **Automatic Distribution:** Your annual RMD will be calculated and distributed to you automatically each calendar year.
 - **Flexible Payments:**
 - Once you have enrolled in the program, you do not have to request the payment of your annual RMD for future years. The RMD amount is distributed to you based upon a payment frequency (monthly, quarterly, semi-annually or annually) elected by you. You may change the payment frequency of your RMD at any time by submitting a written request to do so.
 - RMD payments will be deducted from your account on the 25th day of the month or the next business day should the 25th day fall on a holiday or weekend.
 - Additional amounts of money may be withdrawn from your account(s) at any time. Please indicate the amount of the additional withdrawal on the RMD Request Form. The additional amount of money that you request will be added to your RMD amount and distributed to you in accordance with the payment frequency you choose (monthly, quarterly, semi-annually or annually). Any additional amount that you withdraw may be subject to surrender charges and a Market Value Adjustment as described in the contract and prospectus. Please note that withdrawals of additional money cannot be credited to your RMD for the next year.
- NOTE:** This feature is not available for spousal beneficiaries of 403(b) plan participants. Additional money may be withdrawn by submitting a separate withdrawal form for qualified annuities.
- **Direct Deposit:**
 - You may elect to have your RMD payments deposited directly into your bank account by Electronic Funds Transfer (EFT).

¹ Sun Life Assurance Company of Canada (U.S.) issues annuity contracts in all states except for New York. New York contracts are issued by Sun Life Insurance and Annuity Company of New York. Both companies are members of the Sun Life Financial group of companies.

² Please refer to IRS Publication 590, Individual Retirement Arrangements (IRAs), for additional information regarding RMDs and a copy of the Single Life Expectancy Table.