



# FlexiRetire Annuity Plan

**Sun Life Hong Kong Limited**  
(Incorporated in Bermuda with limited liability)



Wouldn't it be great if

## you could choose when to start your retirement and enjoy a promising monthly income

Saving for retirement is not optional if you want to retire in comfort and security. An annuity plan can give you a future guaranteed income even after you retire, helping you to cover living costs and medical expenses. Even with increasing life span and inflation, if you plan and find a plan that can tailor specifically for your retirement needs, you can simply stay in comfort and enjoy an income that can grow with you.

This is where Sun Life steps in – your trusted partner for life's journey and achieving life's dreams. **FlexiRetire Annuity Plan** helps you to take control of your future and achieve your retirement goals. It simplifies what is often a complex process, giving you building blocks to create your dream retirement.

## How can FlexiRetire Annuity Plan help you?

The key to achieving your future dreams lies in generating a sustainable income while managing risk. You can start accumulate your retirement funds while you are still working. You can convert the accumulated savings into annuity income when you start your retirement, so it can guarantee you monthly income thereafter. To help you accomplish your retirement bucket list, **FlexiRetire Annuity Plan** is a flexible participating insurance plan that provides not just a promising Monthly Income<sup>1</sup> but also a life protection, with simplified underwriting procedures<sup>2</sup>.

You can build your own retirement plan you want by choosing the Premium Payment Term, Accumulation Period, Income Period, and the Guaranteed Monthly Income that best suits your financial horizons. Multiple plans can even be “stacked” in different parts of your life journey to help you realize numerous savings goals, such as traveling around the world or paying for your grandchild’s education.

### Key Features

-  1. Take control of your future with Monthly Income up to age 100
-  2. Accumulative Reversionary Bonus to boost your wealth
-  3. Simplified underwriting
-  4. Optional benefits to widen your safety net with add-on rider benefits
-  5. Emergency relief anytime, anywhere with our free Worldwide Emergency Assistance Benefit

Remarks:

1. Monthly Income means the sum of Guaranteed Monthly Income and Non-guaranteed Monthly Income (if any).
2. Full underwriting may be required if the insured applies for rider benefit(s) or the total premium paid per insured's life is more than HKD10,000,000 or USD1,250,000.



# 1. Take control of your future with Monthly Income up to age 100

**FlexiRetire Annuity Plan** pays you a steady stream of income up to age 100 to support your goals throughout your golden years. You can take control of how long you want to save for, when to retire and begin receiving your income, how long you want to receive the Monthly Income, and how long you want to pay for to best accommodate your other financial plans.

Once your Income Period begins, you will receive the Monthly Income, your chosen Guaranteed Monthly Income as well as a Non-guaranteed Monthly Income<sup>3</sup> (if any), to help you reach your retirement goals. The Guaranteed Monthly Income is secure to remain unchanged throughout your Income Period even with market fluctuation.

With the high flexibility in creating your own retirement plan, your golden years will be filled with extra comfort.

Remark:

3. The Non-guaranteed Monthly Income is not guaranteed and can be changed from time to time due to the change in future Reversionary Bonus. On the 1<sup>st</sup> day of each policy month measured from the policy date during the Income Period, the Non-guaranteed Monthly Income is determined and payable based on the accumulated Reversionary Bonus at the beginning of each policy anniversary. Upon payment of such Non-guaranteed Monthly Income, the cash value of the accumulated Reversionary Bonus will be reduced by such amount and the face value of the accumulated Reversionary Bonus will be reduced by 105% of such amount.



The above diagram is for illustrative purpose only. The actual total income received may be higher or lower than the above figures as it may vary based on the performance of a number of experience factors, with the investment return normally being the main determinant. Other factors include, but not limited to claim experience, policy expenses, taxes, and policy owner termination experience.

Remark:

4. Please contact your Advisor for premium discount details.



## 2. Accumulative Reversionary Bonus to boost your wealth

During the Income Period, in addition to your chosen Guaranteed Monthly Income, you will also receive a Non-guaranteed Monthly Income (if any), which is funded by accumulated Reversionary Bonus.

Beginning from the 3<sup>rd</sup> policy anniversary, we will declare a Reversionary Bonus (if any) at least once a year. Once it is declared, it becomes guaranteed and accumulates in your policy. Upon reaching Income Period, Non-guaranteed Monthly Income will be paid depends on the amount of Reversionary Bonus you have accumulated. In other words, the more Reversionary Bonus you have accumulated, the more will be your Non-guaranteed Monthly Income.

To meet your unique financial needs at each life stage, you can choose to receive Monthly Income during the Income Period by auto-pay or by cheque<sup>5</sup>. Before the Monthly Income is paid out, we will use the Monthly Income to settle any outstanding loans against the policy and any applicable interest.

## 3. Simplified underwriting

Applying for **FlexiRetire Annuity Plan** is simple and convenient, with simplified underwriting procedures<sup>2</sup>.

Remark:

5. The pay-out method is subject to the then current administrative rules.

## 4. Optional benefits to widen your safety net with add-on rider benefits

As life expectancy rises, retirees are experiencing a greater need for extended medical protection during their golden years. Make sure you are well-prepared by enhancing your plan with medical, accident, critical illness, and disability protection through a range of optional rider benefits, for just the right cover to enhance your worry-free retirement. Please contact your Advisor to find out more.

## 5. Emergency relief anytime, anywhere with our free Worldwide Emergency Assistance Benefit

With our free 24-hour Worldwide Emergency Assistance Benefit<sup>6</sup>, you can enjoy the assurance of emergency medical assistance wherever you travel, including medical evacuation and repatriation, pre-paid hospital admission deposit, transportation of essential medication and medical equipment, and more.

Remark:

6. The Worldwide Emergency Assistance Benefit is provided by a third party company, Inter Partner Assistance Hong Kong Limited. The benefit is not guaranteed to be renewable. Please refer to a sample endorsement, which will be provided upon request, for details including definitions, full terms and conditions, and exclusions.

Case Studies

Case 1: Adding security to your retirement income



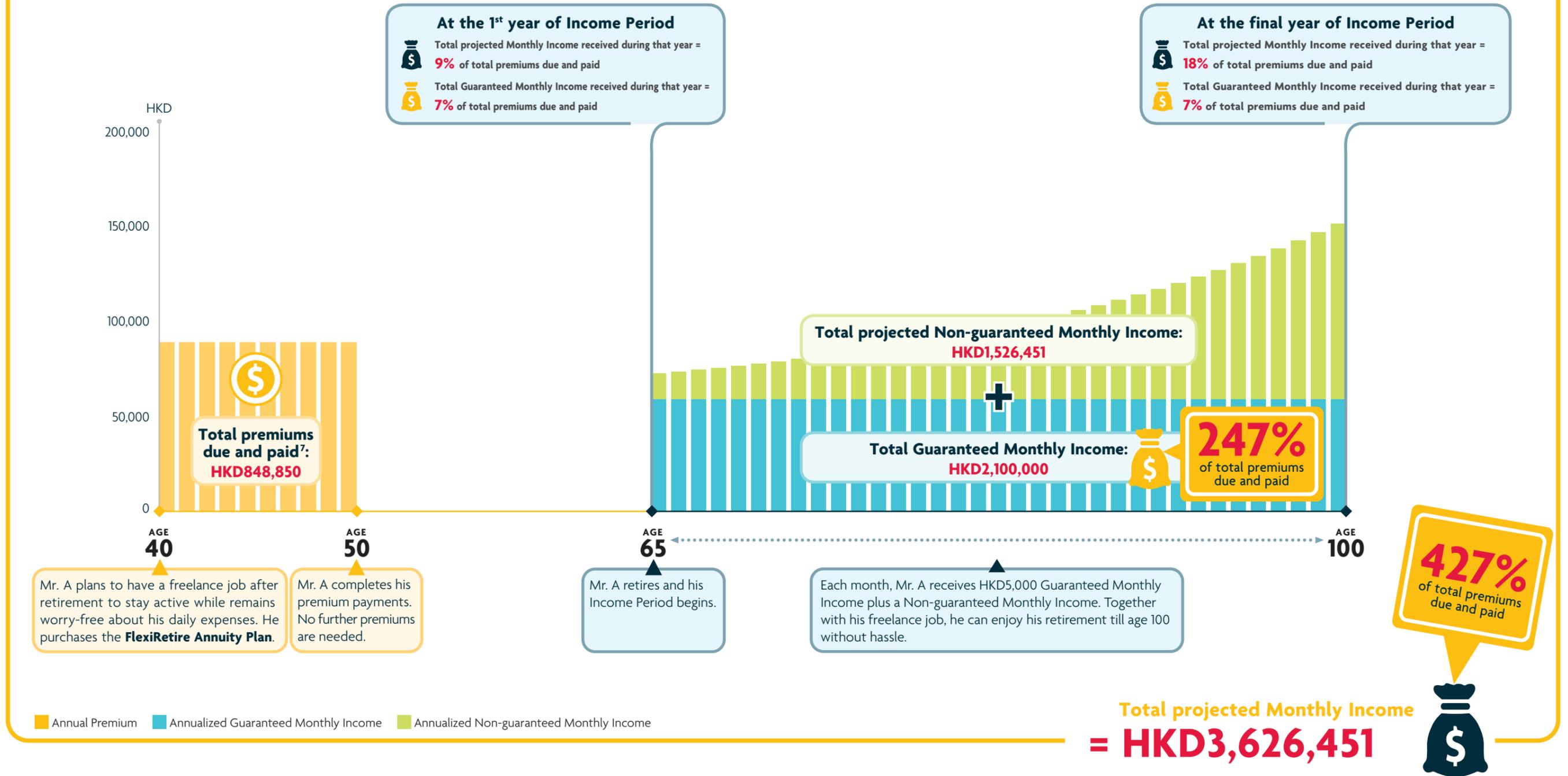
Mr. A  
Age: 40

Premium Payment Term: 10 years  
Accumulation Period: 25 years  
Income Period: To age 100  
Guaranteed Monthly Income: HKD5,000



**Tips:**  
You can purchase 2 or more policies to create stacking effect when in need and build additional funding for your dreams.

FlexiRetire Annuity Plan



Remark:

7. The total premiums due and paid excludes all extra premiums and premiums paid for optional rider benefits.

The above diagram is for illustrative purpose only. The example assumes all Monthly Income is paid to you. The actual total income received may be higher or lower than the above figures as it may vary based on the performance of a number of experience factors, with the investment return normally being the main determinant. Other factors include, but not limited to claim experience, policy expenses, taxes, and policy owner termination experience.

**Case 2: Achieving retirement goals without worries**



Ms. B  
Age: 38

Premium Payment Term: 5 years  
Accumulation Period: 17 years  
Income Period: 20 years  
Guaranteed Monthly Income: HKD5,000



**Tips:**  
You can purchase 2 or more policies to create stacking effect when in need and build additional funding for your dreams.

**FlexiRetire Annuity Plan**

HKD

140,000  
120,000  
100,000  
80,000  
60,000  
40,000  
20,000  
0

AGE 38

AGE 43

AGE 55

AGE 75

**Total premiums due and paid<sup>7</sup>:**  
**HKD705,148**

**At the 1<sup>st</sup> year of Income Period**  
 Total projected Monthly Income received during that year = **10%** of total premiums due and paid  
 Total Guaranteed Monthly Income received during that year = **9%** of total premiums due and paid

**At the final year of Income Period**  
 Total projected Monthly Income received during that year = **13%** of total premiums due and paid  
 Total Guaranteed Monthly Income received during that year = **9%** of total premiums due and paid

**Total projected Non-guaranteed Monthly Income:**  
**HKD338,972**

**Total Guaranteed Monthly Income:**  
**HKD1,200,000**

**170%**  
of total premiums due and paid

Ms. B dreams of retiring early at age 55 and travels around the world. Ms. B purchases the **FlexiRetire Annuity Plan**.

Ms. B completes her premium payments. No further premiums are needed.

Ms. B retires and her Income Period begins. She sets off on her dream journey.

Each month, Ms. B receives HKD5,000 Guaranteed Monthly Income plus a Non-guaranteed Monthly Income. This allows her to travel without threatening her secured retirement.

**218%**  
of total premiums due and paid

■ Annual Premium ■ Annualized Guaranteed Monthly Income ■ Annualized Non-guaranteed Monthly Income

**Total projected Monthly Income = HKD1,538,972**



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## Key Product Information

Plan	FlexiRetire Annuity Plan			
Minimum Guaranteed Monthly Income	HKD1,000/USD125			
Premium Payment Term	5 years	10 years	15 years	20 years
Issue Age	Age 30-60	Age 30-55	Age 30-50	Age 30-45
Accumulation Period	You can choose an Accumulation Period of 10 to 35 years, as long as it is equal to or greater than your Premium Payment Term, and ends before your chosen retirement age, which must be between ages 50 and 80.			
Income Period	10 years/15 years/20 years/to age 100			
Benefit Term	The policy starts from Accumulation Period and terminates at the end of Income Period			
Surrender Value	<u>During Accumulation Period</u> Guaranteed Cash Value + cash value of any accumulated Reversionary Bonus + any other amounts left with Sun Life Hong Kong Limited ("Sun Life") - the amount of any loans with interest		<u>During Income Period</u> Guaranteed Cash Value + cash value of any accumulated Reversionary Bonus + any accumulated Monthly Income + any other amounts left with Sun Life - the amount of any loans with interest	
Death Benefit	The higher of: 105% of the amount of total premiums due and paid <sup>7</sup> - total amount of any Guaranteed Monthly Income distributed or 105% of the amount of Guaranteed Cash Value + any face value of the accumulated Reversionary Bonus + any other amounts left with Sun Life - the amount of any loans with interest			
Premium Payment Mode	Annually/Semi-annually/Monthly			
Currency	HKD/USD			
Premium Structure	Premium is level and guaranteed, calculated based on the Guaranteed Monthly Income			

**Important Information:****Bonus Philosophy**

Life insurance involves the transfer of risk from an individual to a life insurer, and the pooling of risks across large groups of policies. With participating insurance, a portion of these risks is borne by the policyholders or shared between the policyholders and the insurer. In return, policyholders may receive policyholder bonuses in the form of reversionary/terminal/special bonuses. These bonuses are not guaranteed and can vary from year to year.

In general, bonuses on these policies reflect the experience, over time, of the group to which they belong. Bonuses will typically vary based on the performance of a number of factors, with the investment return\*, including the impact of asset defaults and investment expenses, normally being the main determinant of bonus performance. Other factors^ include, but are not limited to, claims experience, taxes, expenses and policyholder persistency experience.

Favourable and unfavourable experiences may be smoothed out over time to provide more stable bonuses to policyholders. For products with a terminal/special bonus feature, adjustments to terminal/special bonus scales pass through experience normally with less smoothing applied.

The bonus allocation process seeks to achieve reasonable equity among groups of policies and among policies issued at different times, to the extent practicable. Upon declaration of reversionary bonus or pay-out of terminal/special bonus to policyholders, shareholders will also be entitled to a share of the distribution.

At least annually, the Board of Directors of Sun Life Hong Kong Limited determines the amount of bonus to be declared or paid to participating policyholders. This determination is based on the advice of Sun Life Hong Kong Limited's appointed actuary, who applies accepted actuarial principles and practices. Management of participating business is also governed by Sun Life Hong Kong Limited's internal policies, as well as advice by the internal Par Governance Committee.

\* *Investment return includes investment income and changes in asset value of the backing portfolio. Performance of the investment return is affected by interest earnings and other market risk factors including, but not limited to, interest rate or credit spread movements, credit events, price fluctuations in non-fixed income assets, and foreign exchange fluctuations. Please see the Investment Philosophy for more details on the investment policies, objectives and strategy in relation to the investments of the backing portfolio.*

^ *Claims experience represents the experience of mortality and morbidity. Persistency experience includes policy lapse/maturity and partial surrender experience; and the corresponding impact on investments. The expense factor includes maintenance expenses only, where it is charged to the participating fund at the level Sun Life Hong Kong Limited expects to be required over the foreseeable future. Policyholders will share the impact of any changes, over time, to the expected level of expenses required for the then foreseeable future. Any deviations on a year to year basis of the expenses actually incurred from the then expected level required, will be absorbed by the shareholders.*

Please refer to Sun Life Hong Kong Limited's website ([www.sunlife.com.hk/dividendhistory\\_eng](http://www.sunlife.com.hk/dividendhistory_eng)) for bonuses fulfillment ratios details.

**Investment Philosophy (Policies, Objectives, and Strategy)**

The investment strategy supporting this product is intended to optimize long-term value to the policyholders with a suitable level of risk; and to achieve the main objective of delivering a fair chance of meeting the illustrated non-guaranteed benefits in addition to the guaranteed benefits.

The assets supporting the investment strategy span a diversified range of fixed income assets such as sovereign bonds, corporate bonds and corporate loans; as well as non-fixed income assets which are equity-like investments and may include public equities, private equities and so on. The credit portfolio largely invests in investment grade fixed income instruments. A small quantity of below investment grade assets may be present in the portfolio due to unexpected credit rating downgrades. However, exposure to below investment grade assets is controlled by the credit risk limits and investment policies.

The current long-term target mix for the assets supporting this product is shown below:

Asset Class	Target Asset Mix
Fixed Income Assets	70% - 90%
Non-Fixed Income Assets	10% - 30%

We invest globally to achieve geographical diversification benefits and intend to have a higher relative allocation in the US and Asia-Pacific. Diversifying between asset classes results in a more stable investment return over the long term. The actual asset mix percentages and geographical allocation may fluctuate depending on market conditions, diversification needs and economic outlook.

We may pool the investment returns with other long term insurance products with similar plan features (excluding investment linked assurance schemes and pension schemes) to optimize the investment performance and the return will subsequently be allocated with reference to the target asset mix of each products.

If the currency of the fixed income assets is not in the same currency as the underlying policies, appropriate hedging instruments (where available) is generally used to minimise impacts from fluctuating foreign exchange rates. For non-fixed income assets, there is greater investment flexibility to invest in those assets that are not denominated in the same currency as the underlying policies thereby providing diversification in risks and markets. Derivatives may be used to hedge against market risks but are not intended to bring the risk profile beyond established risk tolerances.

The investment strategy noted above may be subject to change, subject to a rigorous internal review and approval process. We will notify the policyholders upon any material changes.

**Key Product Risks:**

1. You need to pay the premium for this basic plan according to the selected premium payment term. If you do not pay a premium on or before the premium due date, a grace period of 31 days from its due date will be allowed for the payment, during which time this policy will continue in effect. Any unpaid premium by the date on which the grace period expires will be paid automatically by a loan from us. If the amount available for a loan under this policy is less than the unpaid premium, the policy will lapse automatically on the due date.
2. Please note that if you terminate this policy early or cease paying premiums early, you may receive an amount significantly less than the total premiums paid towards your policy.
3. We have the right to terminate the basic plan upon the earliest of the following:
  - a. accumulated policy loans and interest exceeds the sum of Guaranteed Cash Value and cash value of accumulated Reversionary Bonus (if any) and any other amounts left with Sun Life;
  - b. neither premium is paid nor loanable by us and the grace period expires;
  - c. the insured passes away; or
  - d. the basic plan reaches its maturity.
4. Any transaction involving conversion between policy currency and other currencies would be exposed to foreign exchange risks such as the fluctuation in exchange rate against policy currency.
5. The cost of living in the future is likely to be higher than it is today due to inflation, so the benefit may be insufficient to meet your needs even if we meet our contractual obligation. You should hence consider the impact of inflation when you plan the benefit.
6. This basic plan is an insurance policy issued by Sun Life and your benefits are subject to the paying ability of Sun Life. In the event that we become insolvent and unable to meet the contractual obligation under the policy, you may lose all or part of your premiums paid and benefits.

**Important Note:**

Effective from January 1, 2018, all policy owners are required to pay a levy on their insurance premium for all new and inforce policies collected by the Insurance Authority through insurance company. The applicable levy rate will be determined by reference to the policy date or policy anniversary date. For levy details, please visit our website at [www.sunlife.com.hk/levy\\_eng](http://www.sunlife.com.hk/levy_eng) or Insurance Authority's website at [www.ia.org.hk](http://www.ia.org.hk).

This brochure is for reference only. Please refer to a sample Policy Document for details including definitions of capitalized terms and full terms and conditions of coverage.

**Cancellation Right:**

By giving us a written request, your policy will then be cancelled and any premium and levy paid will be refunded, provided that: (1) your written request for cancellation must be signed by you and received directly by our office (G/F, Cheung Kei Center Tower B, No. 18 Hung Luen Road, Hunghom, Kowloon) or through email ([hk\\_csd@sunlife.com](mailto:hk_csd@sunlife.com)) within 21 calendar days after the delivery of the policy or issue of a notice informing you/your representative about the availability of the policy and the expiry date of the cooling-off period, whichever is the earlier; and (2) no refund can be made if any payment from the Company under the policy has been made prior to your request for cancellation.

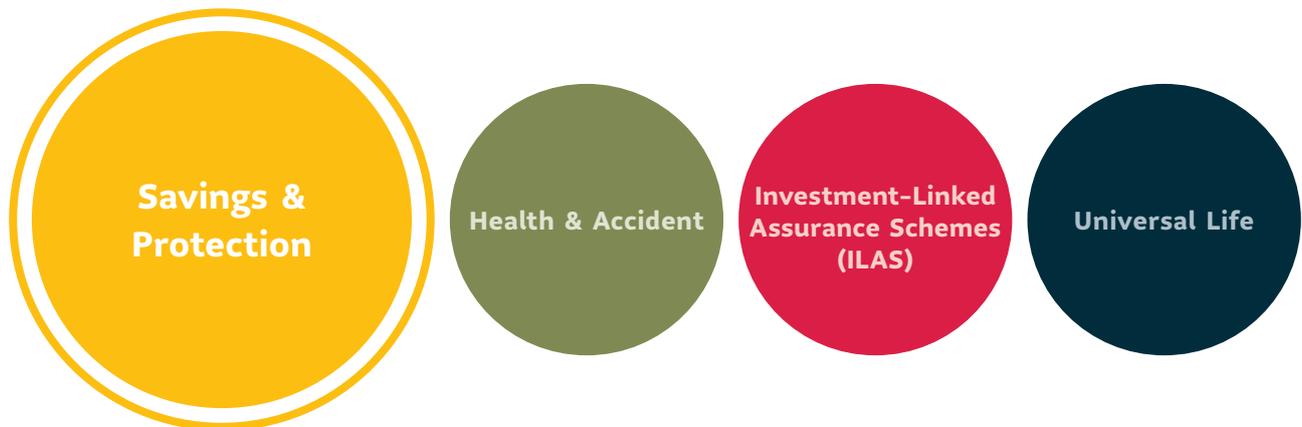
## Welcome to the World of Sun Life Hong Kong

Sun Life Hong Kong is a wholly owned subsidiary of Sun Life Assurance Company of Canada. Since February 22, 1892, Sun Life Hong Kong has been here to helping Hong Kong shine brighter over 125 years by providing excellent products and services.

Sun Life Hong Kong is a leading international financial services organization providing a diverse range of products and services to individuals and corporate clients through our professional and experienced distributors. We provide total solutions to address your life and health protection, wealth management, and retirement planning needs. Besides offering a wide range of products, we are also an experienced group benefit and third party administrator in the pension administration business.

We truly understand the needs of your various life stages, and offer a wide range of products including Savings & Protection, Health & Accident, Universal Life, and Investment-Linked Assurance Schemes. **FlexiRetire Annuity Plan** is part of Sun Life's Savings & Protection series, providing a retirement solution for you.

### Sun Life Product Portfolio



**What's next?**  
**You can find out more:**

- ▶ Website: [sunlife.com.hk](http://sunlife.com.hk)
- ▶ Client Service Hotline: **2103 8928**
- ▶ Please contact **your Advisor**

*This brochure is intended to be distributed in Hong Kong only and shall not be construed as an offer to sell or a solicitation to buy or provision of any products of Sun Life Hong Kong Limited outside Hong Kong. Please refer to a sample Policy Document, which will be provided upon request, for details including definitions and full terms and conditions. If there is any conflict between the Policy Document and this brochure, the Policy Document shall prevail.*

**Sun Life Hong Kong Limited**

(Incorporated in Bermuda with limited liability)

**Client Service Centre**

G/F, Cheung Kei Center Tower B,  
No. 18 Hung Luen Road, Hunghom, Kowloon

**Client Service Hotline:** 2103 8928

**Fax:** 2103 8938  
sunlife.com.hk

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