



FIRST HOME SAVINGS ACCOUNT SPECIAL PROMOTION FREQUENTLY ASKED QUESTIONS

What is the 5% Special Rate Promotion?

This promotion allows clients who intend on setting up a First Home Savings Account (FHSA) with Equitable Life® an opportunity to deposit money to a non-registered Guaranteed Interest Account (GIA) now and enjoy the 5% Special Rate Promotion.

How long is the 5% Special Rate Promotion available?

This special promotion is available until the launch date of Equitable Life's FHSA unless the promotion is ended on an earlier date at Equitable Life's discretion.

Who is eligible to participate in the 5% Special Rate Promotion?

Clients must meet the FHSA eligibility criteria at the time they sign the non-registered GIA application in order to participate in this promotion.

How can a new Equitable Life client take advantage of the 5% Special Rate Promotion?

New clients will need to complete an application for a non-registered GIA.

- On the application select "Daily Interest Account" as the investment instructions and write the amount to be deposited (minimum \$500, maximum \$8,000).
- In the Special Instructions section of the application, write "FHSA".

The GIA application form (799) can be found [here](#).

How can an existing Equitable Life client take advantage of the 5% Special Rate Promotion?

To take advantage of the 5% Special Rate Promotion, existing clients must have a non-registered GIA (Compound Interest Only) policy. This policy must be individually owned in the name of the intended FHSA holder.

With an in-force non-registered GIA (Compound Interest Only) policy, the client will need to:

- Submit a letter of direction or complete the Investment Direction form requesting to deposit funds to the DIA for the 5% Special Rate Promotion (minimum \$500, maximum \$8,000)
- Complete sections 1, 3, 4, 12 and 13 of the Investment Direction form,
- In the Special Instructions, write “FHSA”.

The Investment Direction form (693ANN) can be found [here](#).

How is the interest rate calculated?

The 5% Special Rate Promotion per year compounds daily and takes effect from the date Equitable Life receives the deposit and will end on the date the FHSA Pivotal Select™ segregated fund product is launched later this year (December 28, 2023, at the latest).

Can the GIA be set up as joint ownership?

No. The account can only be in the intended FHSA holder’s name. However, a client can choose to add a successor owner and/or a successor annuitant to the GIA.

Can the client set up a monthly pre-authorized deposit (PAD) for the 5% Special Rate Promotion deposit?

Equitable Life can accept a one-time PAD request for at least the minimum deposit amount however the 5% Special Rate Promotion is not eligible for monthly PAD deposits.

Can the client transfer existing funds from a GIA to the 5% Special Rate Promotion?

No. Only new lump sum deposits are eligible for the special rate of 5.00%.

Does the Tax-Free Savings Account (TFSA) qualify for the 5% Special Rate Promotion?

No. To participate in the 5% Special Rate Promotion, a new deposit must be made to a non-registered GIA.

What are the deposit restrictions related to the 5% Special Rate Promotion?

To participate in the 5% Special Rate Promotion, clients must deposit a minimum of \$500 and a maximum of \$8,000 in the GDA.

Is the interest earned from this promotion taxable?

Yes. All interest earned on 5% Special Rate Promotion deposits is taxable. A T5 will be issued to the owner for any amounts above \$50.00.

How will funds in the 5% Special Rate Promotion appear on EquiNet® and Equitable Client Access®?

Although DIA is selected on the application form, the funds will be deposited to and displayed on EquiNet and Equitable Client Access as a special 1-year GDA.

What happens if the client decides not to transfer the funds to the FHSA once it becomes available?

Clients who do not transfer the 5% Special Rate Promotion funds to the FHSA on or before December 28, 2023, will not receive the promotional rate. The funds will be transferred from the special GDA to the DIA account effective as of the date of deposit. As a result, the interest received by the client from the date of deposit to December 28, 2023, or to the date Equitable Life is notified the client will not proceed with an FHSA application will be the DIA rate rather than the promotional rate.

If the client chooses not to proceed with the FHSA, can the client move contributions to another Equitable Life policy?

Clients who choose not to proceed with the FHSA on or before December 28, 2023, will not receive the promotional rate. Their funds will be transferred from the special GDA to the DIA account effective as of the date of deposit. At this point the client can choose to leave the funds in the DIA, reinvest into a new GDA or transfer the funds to another Equitable Life policy (TFSA, RRSP or non-registered). Any redirection of funds will require a Letter of Direction. Note: To reinvest the funds into a TFSA or RRSP, the client must have contribution room available at the time of deposit.

What happens once Equitable Life's FHSA becomes available?

Once Equitable Life's FHSA is launched, clients will need to:

- Submit a Pivotal Select FHSA application, and request to transfer the funds from the GDA to the Pivotal Select policy. No Market Value Adjustment fee will be charged.
- In the Special Instructions section, indicate the source of funds to be "FHSA promotion funds" and provide instructions on where to direct any excess funds in the GIA if applicable.
- Any excess funds over \$8,000 will be returned to the client as a direct deposit, a cheque, or the client can keep the GIA open.

Can the 5% Special Rate Promotion be applied to a FHSA GIA instead of a segregated fund?

No. Funds from the 5% Special Rate Promotion must be applied to an Equitable Life's Pivotal Select FHSA segregated fund.

What happens to the excess proceeds if the client's GIA is greater than \$8,000?

Any excess funds over \$8,000 will be returned to the client. This may be through a direct deposit, a cheque, a deposit to an existing Equitable Life policy (TFSA, RRSP or non-registered), or it can remain in the GIA at which time the value will be transferred from a GDA into a DIA. Any redirection of funds will require a Letter of Direction. Note: To reinvest the funds into a TFSA or RRSP, the client must have contribution room available at the time of deposit.

Will the client incur a Market Value Adjustment when the proceeds are transferred to the Pivotal Select FHSA?

No, the Market Value Adjustment fees will be waived.

How will commissions be paid?

Commission of 0.20% paid upfront for money received and deposited to the policy by September 29, 2023. 0.05% paid upfront for money received and deposited after September 29, 2023, and the earlier of the promotion termination date or December 28, 2023. Commissions are paid through an adjustment to Equitable Life current 40 bps commission on Equitable Life one-year GDA by way of a chargeback reducing the commission to the rate stated in this note.

When will the FHSA become available at Equitable Life?

Equitable Life's FHSA Pivotal Select segregated funds will be available for purchase before December 28, 2023.

Where can I find more information about the FHSA?

For more information, please contact your [Regional Investment Sales Manager](#). Additional details about the FHSA can be found on the Government of Canada's [website](#).