

# THE EMOTIONAL AND FINANCIAL COST OF **SETTLING AN ESTATE**

**SUN LIFE GIFS**

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# Sun Life GIFs

## The emotional and financial cost of settling an estate



### THE CONCERN:

Settling an estate can be costly, both emotionally and financially.

When you die, your loved ones could face the following **emotional burdens**:

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<b>Impulsive decisions</b>	your loved ones could make poor decisions while grieving
<b>Disagreements</b>	when an estate is left unallocated, disputes over distribution of assets are possible
<b>Invasion of privacy</b>	if the estate is probated, anyone may obtain access to the court file to view the will
<b>Delays</b>	the process of settling an estate can take an average of 12-18 months <sup>1</sup>

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They could also face the following **financial burdens**:

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<b>Probate fees</b>	vary from province to province, from as low as \$106 to as high as \$28,648.10 to settle a million dollar estate
<b>Executor fees</b>	typically between 2.5% and 5.0% of the estate value
<b>Accounting fees</b>	the average Canadian hourly rate is estimated at \$250 per hour
<b>Legal fees</b>	can significantly reduce the estate value, averaging 3% to 6%, or an hourly charge of more than \$200
<b>Dealing with creditors</b>	creditors make the first claim on an estate's assets; only then are the remainder of your assets distributed

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### THE SOLUTION:

Benefit from an efficient settlement by investing in a Sun Life GIFs contract.

**Sun Life GIFs** can help alleviate some of the emotional and financial burdens on your loved ones that come with settling your estate. It can provide you and your family with peace of mind by quickly and efficiently paying the death benefit to your beneficiaries.

<sup>1</sup>Simple estates can be settled in less time; more complicated estates may take longer.

# Easily reduce the emotional and financial burden of **settling your estate**

As insurance contracts, **Sun Life GIFs** will protect you and your loved ones with the following benefits:

<div style="border: 1px solid #e67e22; padding: 10px; margin-bottom: 10px;"> <p style="text-align: center;"><b>1</b></p> <p><b>Named beneficiaries</b></p> <p>Sets up the estate settling process for success, removing the guesswork and ensuring your assets will be distributed efficiently and according to your wishes.</p> </div>	<div style="border: 1px solid #e67e22; padding: 10px; margin-bottom: 10px;"> <p style="text-align: center;"><b>2</b></p> <p><b>Bypass probate and other fees</b></p> <p>Ability to bypass the estate, so that proceeds can pass quickly and privately to your beneficiaries without legal, estate administration, and probate fees.</p> </div>
<div style="border: 1px solid #e67e22; padding: 10px;"> <p style="text-align: center;"><b>3</b></p> <p><b>Death benefit guarantee</b></p> <p>Protection for your assets, with your beneficiary receiving the guaranteed amount or the market value, whichever is greater.</p> </div>	<div style="border: 1px solid #e67e22; padding: 10px;"> <p style="text-align: center;"><b>4</b></p> <p><b>Potential creditor protection</b></p> <p>Assets may be protected from seizure by creditors.</p> </div>

**With Sun Life, there are no hidden fees or deferred sales charges payable upon death.**

**See the difference in cost** of handling an estate where some assets are invested in an insurance-based product with named beneficiaries, such as Sun Life GIFs.

	<b>\$500,000 estate – no insurance-based product</b>	<b>\$500,000 estate – 50% in an insurance-based product, e.g. a Sun Life GIFs contract</b>
<b>Probate fees</b>	\$106 (AB) - \$7,952.15 (NS) <sup>2</sup>	\$106 (AB) - \$3,629.90 (NS) <sup>2</sup>
<b>Executor fees</b>	\$12,500 (2.5%) - \$25,000 (5.0%)	\$6,250 (2.5%) - \$12,500 (5.0%)
<b>Legal &amp; Accounting fees</b>	\$15,000 (3.0%) - \$30,000 (6.0%)	\$7,500 (3.0%) - \$15,000 (6.0%)
<b>Total</b>	\$27,606 - \$62,952	\$13,856 - \$31,129

**Savings of settling a \$500,000 estate with a Sun Life GIFs contract: \$13,850 – \$31,948**

**Sun Life GIFs** allow you to easily reduce the emotional and financial burden on your loved ones at the time of your death.

<sup>2</sup>Probate fees: in Nova Scotia, \$973.45 on the first \$100,000 and \$16.45 per \$1,000 after that; in Alberta, \$400 on assets above \$250,000.

## The legacy settlement option

The legacy settlement option allows you to choose how the death benefit will be paid to your beneficiaries: a lump-sum payment, a payout annuity or a combination of both, and each can receive a different proportion of the benefit. It makes sense in a number of situations including:

- blended families with stepchildren,
- heirs with poor spending habits,
- dependants with varying degrees of capability,
- minors and financially dependent heirs, and
- when wealth skips a generation.

If you're in one of these situations, or you have specific preferences about where your money goes and how it's paid out, the legacy settlement option allows you to direct your assets exactly as you wish. It provides an inexpensive, swift and private distribution of assets

## Privacy is an important concern

We try to safeguard the privacy of our financial and personal matters. Yet, a probated will is a public document. An estate's value is included in court records that can be accessed by the general public. For example, in Ontario, for a fee, anyone can obtain a copy of a will and a probate application that has been filed with the court (except, rarely, when a judge has ordered the file sealed). There is potential harm in making this information public. Beneficiaries and vulnerable persons could become targets for financial abuse.

With Sun Life GIFs, the death benefit passes **privately** to beneficiaries. The amount and identity of heirs can't be accessed publicly.

Any amount that is allocated to a segregated fund is invested at the risk of the contract owner and may increase or decrease in value.

Sun Life Global Investments is a trade name of SLGI Asset Management Inc., Sun Life Assurance Company of Canada and Sun Life Financial Trust Inc. Sun Life Assurance Company of Canada is the issuer of guaranteed insurance contracts, including Accumulation Annuities (Insurance GIFs), Payout Annuities, and Individual Variable Insurance Contracts (Sun Life GIFs).

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### Your journey with Sun Life GIFs starts here

As your advisor, I'm here to guide you along the way. Let's talk more to see if this strategy is right for you.



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