

SUN LIFE **GUARANTEED INVESTMENT FUNDS (GIFS)**

Simplifying family dynamics with
the legacy settlement option

ADVISOR USE ONLY



Sun Life GIFs

Simplifying family dynamics with the legacy settlement option

Looking for an easier, yet thorough, way to help Clients plan for their family's estate needs?

Navigating family dynamics

What makes a family unique can also make it difficult to find estate planning solutions that fit. Maybe you have Clients with families, who care for financially dependent heirs, have a blended family with step children, or they want to leave their estate to people other than immediate family. They're worried about how their estate distribution wishes may affect their loved ones. Often wills have been used to leave a legacy within a complicated family dynamic. But wills can be complex, expensive, difficult and time consuming to alter, and eventually, they may become a matter of public record.

For those looking for an alternative, the **legacy settlement option** available with **Sun Life Guaranteed Investment Funds (GIFs)** may be a less expensive and more convenient means to address legacy wishes.¹ By distributing assets through an insurance beneficiary designation, the legacy settlement option gives Clients a faster and private way to control what happens to their money.

Why Sun Life GIFs?

Sun Life GIFs is an industry-leading suite of segregated fund products offering the benefits of:

- protection,
- investment growth,
- flexibility and control for Clients' assets, and
- private and efficient estate settlement.

Greater legacy control for Clients, better business retention for you

With the legacy settlement option in Sun Life GIFs, Clients can choose how the death benefit will be paid to beneficiaries. It can take the form of a lump-sum payment or a steady stream of income that lasts for life or some specified time period.

Helping Clients identify where the legacy settlement option makes sense for them is a great opportunity for you to build relationships with family members. During estate settlements it can be common for family members to leave an advisor, but in situations where you've helped Clients set up a legacy settlement option ahead of time, the death benefit proceeds will move directly to an annuity and this can help support your long-term business goals. Going forward, you can work with the Client's family by suggesting other wealth products they might need in addition to the annuity.

DID YOU KNOW?

In Canada, stepfamilies account for 12.2% of the nearly 5.8 million couple families with children.²

¹The annuity must be one that is allowed under the Income Tax Act (Canada). For locked-in funds, the death benefit will be paid in accordance with applicable pension law.

²Statistics Canada, 2016 Census. Couple family refers to a family that contains a married or common-law couple (either with or without children).

How the legacy settlement works

When a Client dies, the legacy settlement option will fulfill their wishes by purchasing an annuity using the death benefit. It can be a term certain annuity, a life annuity or a deferred annuity for the Clients' beneficiaries.

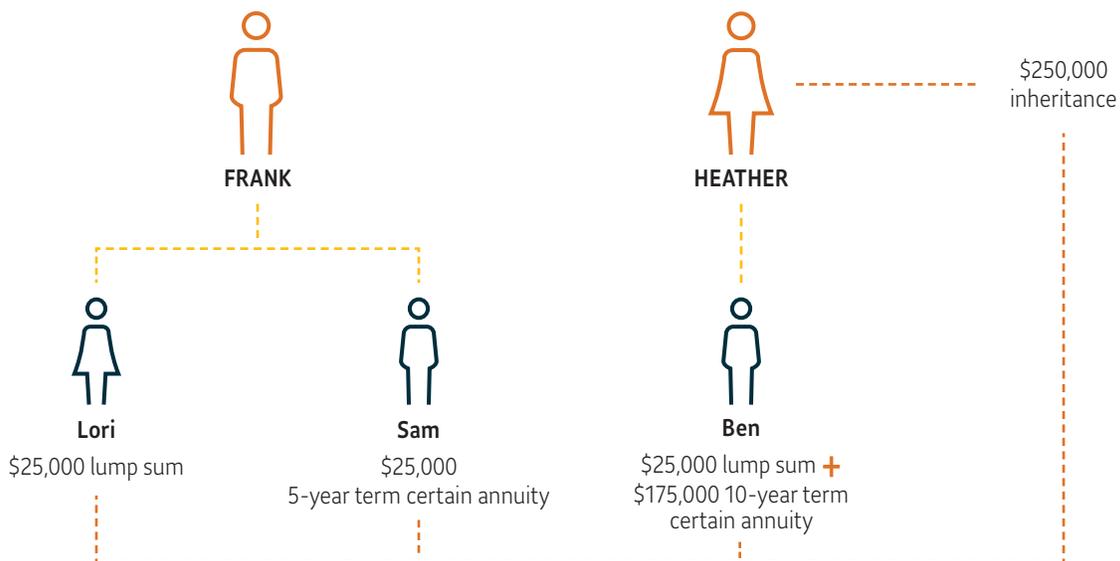
Let's say you have a Client who has specific preferences about where their money goes and how it's paid out. You could help the Client set up the legacy settlement option to direct their assets exactly as they wish. The legacy settlement option makes it easier to disperse some of the assets in an estate if they want to leave specific percentages to different beneficiaries. This can be useful if Clients have previously loaned money to an heir or want to account for the value of other monetary gifts. The legacy settlement option provides an inexpensive, swift and private distribution of assets. It makes sense in any number of situations where both traditional and complex dynamics exist, including:

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

Let's look at an example:

Meet Heather and Frank. Frank has two children, Lori and Sam, from a previous marriage. Heather also has a son named Ben. Heather came into the relationship with a \$250,000 inheritance from her mother, which she invested in a Sun GIF Solutions Estate Series non-registered contract. With the legacy settlement option available through Sun Life GIFs, Heather can dictate exactly how she wants to leave this inheritance to her family. Heather decides to leave Ben \$200,000, with \$25,000 as an initial lump-sum payment and then a gradual inheritance, with yearly payments to disperse the remaining \$175,000 over the next 10 years. Lori would receive \$25,000 as a lump-sum payment and to address Sam's spending problems, the legacy settlement option would pay him \$25,000 over five years. Heather decides that any additional growth will be payable to her estate. For Heather, the legacy settlement option is an ideal solution because it's convenient, private and an inexpensive way for her to make sure her personal legacy wishes are fulfilled.

To set up the legacy settlement option, Heather can complete a [simple form](#)³ when she first opens the Sun Life GIFs contract or at some later date.



³Legacy settlement option - Sun Life Guaranteed Investment Funds form 4633. Visit www.sunlifegifs.ca to download the form.

To collect the death benefit from a Sun Life GIFs contract, the beneficiary needs to sign a “Beneficiary Claim Statement for Sun Life Guaranteed Investment Funds”. Visit sunlifegifs.ca to download the [form \(4596⁴\)](#).

Simplify family dynamics

Knowing that it’s possible for Clients to leave the legacy they want can help simplify complex family dynamics. It’s their legacy. Passing it on should be straightforward and hassle-free.

⁴Legacy settlement option - Sun Life Guaranteed Investment Funds form 4596



For more information, contact your Wealth Sales Team or:

Visit sunlifegifs.ca | Call **1-844-753-4437 (1-844-SLF-GIFS)**

Email supportwealth@sunlife.com

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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.

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