

SIMPLIFY YOUR LEGACY PLAN

Sun Life Insurance GIC Legacy Settlement Option

A complex family dynamic can make legacy planning difficult

What makes a family unique can also make it difficult to find estate planning solutions that fit. Maybe you care for a financially dependent heir, have a blended family with stepchildren, or wish to leave your estate to those other than immediate family. Maybe you're worried about how your estate decisions could affect loved ones.

Often, people use wills to leave a legacy within a complex family dynamic. However, wills can be complicated, expensive, and difficult to create or change. Wills may also become a matter of public record.

An alternative is the Legacy Settlement Option available with the Sun Life Insurance GIC¹. It can be a convenient, less expensive, faster, and more private way to control what happens to your money upon your death.

How the Legacy Settlement Option works

The Legacy Settlement Option allows you to customize the distribution of the death benefit from your Insurance GIC. You can provide a lump sum payment, a steady stream of lifetime income, income for a specified time, or any combination of these options² to beneficiaries. This is useful if you want to provide your beneficiaries with an income rather than a lump sum. The Legacy Settlement Option is fast and private. It makes sense in a number of situations where both traditional and complex family dynamics exist:



Blended families with step children,



Minors and financially dependent heirs, and



Heirs with poor spending habits,



When wealth skips a generation.



Dependants with varying degrees of capability,

Let's look at an example

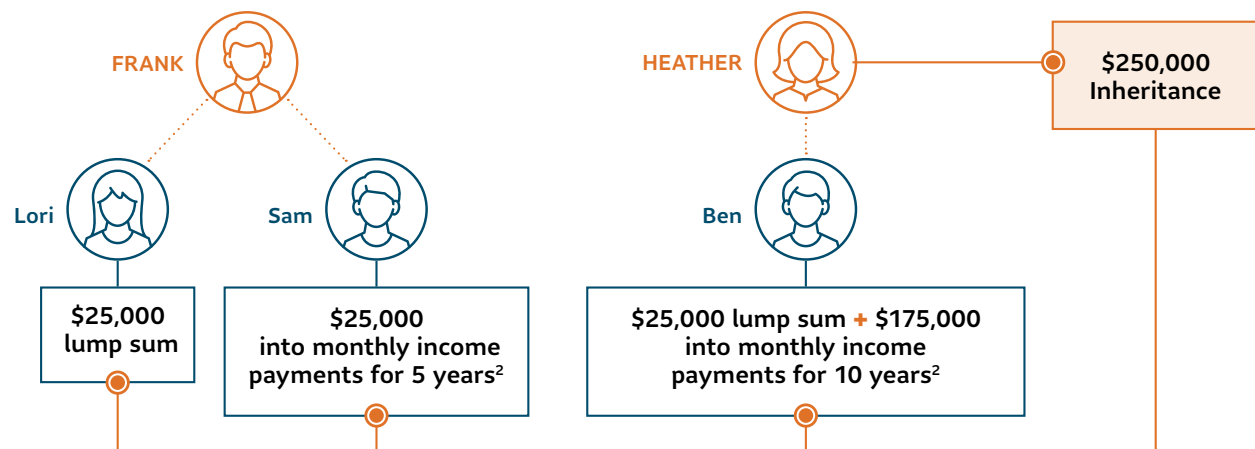
Meet Frank and Heather. Frank has two children, Lori and Sam, from a previous marriage. Heather also has a son named Ben. Prior to the marriage, Heather received a \$250,000 inheritance from her mother, which she invested in a non-registered Sun Life Insurance GIC. With the Legacy Settlement Option, Heather can decide exactly how she wants to leave the inheritance to her family.

Heather will leave Ben \$200,000, with \$25,000 up front and then monthly income payments for the remaining \$175,000 over the next 10 years. Lori will receive a \$25,000 lump-sum payment. To address Sam's spending problems, he will receive \$25,000 over five years. Heather decides that any investment growth will be payable to her estate.

Note: For illustrative purposes only; Legacy Settlement Option disbursements must be established as percentages.

Why Insurance GICs?

- Unlike other GICs, Insurance GICs allow named beneficiaries on registered and non-registered assets (including Quebec)
- Insurance GICs are eligible for the pension tax credit (those 65 and older can apply)
- Premium/deposit protection is provided by Assuris³
- Potential creditor protection – registered and non-registered investments could be exempt from creditors
- Redeemable – With a Market Value Adjustment (MVA)⁴



For Heather, the Legacy Settlement Option is a convenient, less expensive, faster, and more private way to fulfill her legacy wishes.

Simplify legacy planning

A complex family dynamic doesn't have to mean that legacy planning is difficult. It's possible to leave the legacy you want – efficiently and privately. Passing your legacy on should be straightforward and hassle-free.

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 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's potential harm in making this information public. Beneficiaries and vulnerable persons could become targets for financial abuse.

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

Talk with your advisor today to see if the **Legacy Settlement Option** available with a Sun Life Insurance GIC is right for you.



For more information, speak to your advisor or:

Visit sunlife.ca | Call **1-877-786-5433**

¹An Insurance GIC is an Accumulation Annuity issued by Sun Life Assurance Company of Canada.

²Lifetime income or income for a specified time is made possible by an annuity. The annuity must be allowed under the Income Tax Act (Canada). For locked-in funds, the death benefit is paid according to applicable pension law.

³Assuris protects policyholders in the event their life insurance company becomes insolvent. For more information on coverage provided by Assuris, visit assuris.ca or call 1-866-878-1225.

⁴An MVA could decrease the value of an investment to less than the original investment amount. Limits on withdrawals may apply for locked-in funds.

The case studies and examples presented are hypothetical in nature and are provided for illustrative purposes only. Case studies and examples include certain material factors or apply certain assumptions to draw conclusions believed to be appropriate in the circumstances but are not intended to represent an advisor's or investor's personal scenario. Prior to making any decisions or taking any action, an advisor should conduct a thorough examination of their client's circumstances before implementing any of the strategies discussed herein as there could be additional complexities outside the scope of materials discussed in this presentation.

Sun Life Assurance Company of Canada is the issuer of accumulation annuities (insurance GICs), payout annuities and individual variable annuity contracts (segregated fund contracts). 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 Financial Trust Inc. is the issuer of guaranteed investment certificates.

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