Just because Clients are older, doesn't mean they can't invest.

Your older Clients have worked hard all their lives to create a comfortable retirement.

However, as Clients age, the opportunity to purchase[1] certain investment products (Sun Life GIFs, Sun Life Insurance GICs or Sun Life Payout Annuities, for example) can be limited, mainly due to age restrictions.

Clients who are over the maximum age to purchase[1] these products and want to leave a legacy, or bypass probate, may do so through an interesting strategy.

"Borrowing an Age" Strategy

Depending on the product your Client(s) wish to purchase[1], your older Clients (usually over age 90) can name a younger individual as annuitant.

So, what does that look like. Let's have a look at an example.

> **Annuitant:** The person on whose life the contract and guarantees (where applicable) are based and whose death triggers payment of the death benefit. The owner(s) and annuitant can be different people, but only if the contract is non-registered.

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Clients: Susan (93) and Arnold (91)
Marital Status: Married
Children: Mark (60)
Asset: $1.5M home in North York
Income: Both have Defined Benefit (DB) and goverment pension income
Savings: $3M non-registered account

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Susan and Arnold are currently living comfortably well into retirement. Their home is paid off, and both benefit from having DB pension plans from their former employers, along with government pension income. Their son Mark is married, and still working, but his company does not offer a pension plan. He is hoping to retire at age 65.

Susan and Arnold would like to use $1M of non-registered savings to create a legacy for Mark. They still want growth opportunities for the money and don't want it to just sit in a savings account. They want to avoid probate fees and ensure this money will pass seamlessly to Mark when they pass away. They would also like to retain access and investment control over the funds until they both pass away.

Solution:

Susan and Arnold are considering a Sun Life GIFs contract or possibly a Sun Life Insurance GIC policy. However, for the products they are looking to purchase, **they exceed the maximum age** allowed to be the annuitant themselves **or to have the investment period they want.**

They can still invest the money they have allocated for Mark, have it continue to grow, all while maintaining control of the investment until they pass.

How would the ownership be structured in this type of scenario?

- **Annuitant:** Mark
- **Joint Owners:** Susan & Arnold
- **Beneficiary:** Susan & Arnold
- **Successor/Contingent Owner:** Mark (for both Susan & Arnold)

The contract would be structured by borrowing Mark's age and naming him the annuitant, while Susan and Arnold retain control of the assets as current owners. Upon the passing of Mark's parents, ownership rights will transition to Mark, allowing him to change the beneficiary designation, and any death benefit guarantee associated will continue to be based on Mark's life.

With this structure, Susan and Arnold have now secured a legacy for Mark, with the insurance benefits of having themselves as beneficiaries in case Mark passes first. Upon their passing Mark will obtain ownership of the contract with estate and probate costs avoided.

For more information, contact your Wealth Sales Team or:

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