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The Importance of Your Beneficiary Designation

As a member of a retirement savings plan administered by an insurance company, it is important to understand the effects of the beneficiary you designate for your group retirement savings.

One advantage of your group retirement plan is that by designating an individual as beneficiary, your will and any provincial probate fees can be bypassed in the event of your death. If you have not designated a beneficiary however, your plan assets will be included in your estate and could be subject to probate fees.

Are you required to name your spouse as beneficiary?

If you have locked-in money in your Registered Pension or Retirement Savings Plan and you have a spouse on the date of your death, the law may require that any death benefit be paid to that spouse, regardless of any other beneficiaries you may have named.

Some additional points to consider:

- If you pass away while your beneficiary is still a minor, the trustee you name will act on the child's behalf until they reach the age of majority. Your retirement plan assets would be paid in trust for the child to the trustee.
- A beneficiary designation is considered revocable which means that you may change it without the existing beneficiary's consent. If you choose to make a beneficiary designation irrevocable, no changes can be made to it without the beneficiary's consent.

The bullets above apply to all provinces except Quebec. In Quebec only, the designation of a spouse as beneficiary is deemed to be irrevocable unless you designate otherwise. This means that any change to the designation would require the spouse's consent. Further, a trustee is not required to be appointed where there is a minor beneficiary as the plan proceeds would automatically be paid at death to the remaining parent or legal guardian.

If you would like to discuss your beneficiary designation further, please contact Reuter Benefits at 1-800-666-0142 or via email at retire@reuterbenefits.com.