

Your 2023 Beneficiary Review

Now is the time to review your beneficiary designation on your group retirement plan. The information provided to you on your most recent member statement includes your beneficiary designation: is it up-to-date? Having an up-to-date beneficiary on file can save unnecessary delays, costs and stress for those left behind.



Here are the answers to some frequently-asked questions to help you with your beneficiary review:

<i>Do I need to designate a beneficiary?</i>	<ul style="list-style-type: none"> • Yes. If you do not designate a beneficiary then your assets will be paid to your estate. Delays and probate fees may apply.
<i>Where do I find my beneficiary information?</i>	<ul style="list-style-type: none"> • Your beneficiary information can be found online under your account information and on your member statement.
<i>Can I have more than one beneficiary?</i>	<ul style="list-style-type: none"> • Yes, you may have more than one beneficiary. • Alternatively, you may designate a primary as well as a secondary ('contingent') beneficiary.
<i>Do I have to appoint a spouse/common-law partner as a beneficiary?</i>	<ul style="list-style-type: none"> • No. You can choose to appoint any individual. However, for pension plans, your spouse will be entitled to your assets upon your death. If you do designate a spouse as beneficiary, your retirement savings pass tax-sheltered to your spouse's registered plan.
<i>Can I designate a child/ children as beneficiary?</i>	<ul style="list-style-type: none"> • Yes, but for children under the age of 18 you must also appoint a trustee to handle the assets for them. Assets that pass to a child will be taxable to your estate in the year of death and there will be taxes owing on the amount paid. It is important that your children/executor understand that the estate or the child will need to ensure there are funds available to pay the taxes to Canada Revenue Agency, and they may wish to consult an accountant at that time.
<i>What is the difference between a beneficiary designation in my Group Retirement Plan and my Will?</i>	<ul style="list-style-type: none"> • If you designate your spouse, child, grandchild or parent as beneficiary, your Group Plan assets may be protected from creditors. • When you have a named beneficiary (a person versus 'estate'), assets are paid directly to that beneficiary and do not go through your Will.
<i>Does my beneficiary designation in my Will govern my Group Retirement Plan?</i>	<ul style="list-style-type: none"> • No. Your Will is a separate contract and governs assets outside of your Group Plan only, for example, a house, car, real estate, etc.
<i>If I have a beneficiary under my Group Plan, do I also need a Will?</i>	<ul style="list-style-type: none"> • Yes! If you do not have a Will at the time of your death, this means you would die 'intestate'. The court would then appoint an administrator to handle your affairs, approve whoever applies to be the guardian of your minor children, and, distribute your assets according to the applicable provincial Succession Act, none of which may necessarily be done in accordance with your wishes.

We recommend you seek professional legal counsel to discuss your overall estate planning needs and ensure your lawyer is aware of your Group Retirement Savings Plan and your beneficiary designation for those assets. To review your group plan beneficiary designation, please contact Reuter Benefits at 1-800-666-0142 or email retire@reuterbenefits.com.