



FOR YOUR FAMILY

THE  
**Great-West Life**  
ASSURANCE  COMPANY





*Your partner or loved ones will  
face many decisions upon your death.*

We hope this brochure makes it easier for them to make those decisions then – and easier for you to talk with them about it now.

This brochure will help family members after your death, and for that reason we refer to “the deceased.” We’ve included practical advice on whom to contact and information on the options available to your family regarding their life insurance benefits.

*Please note:* In Quebec, executors are known as “liquidators.” Accordingly, references to “executors” include liquidators in Quebec. Also in Quebec, some estate planning duties may be performed by either lawyers or notaries, with some more typically performed by notaries.

## *Whom to contact*

Here's a list of the people and organizations to contact when a family member dies.

### EXECUTOR

If the executor (or liquidator in Quebec) is not an immediate family member, notify him or her immediately to begin settling the estate.

### BANKS, CREDIT UNIONS AND TRUST COMPANIES

Contact each financial institution with which the deceased held an account and confirm the amount on deposit.

Check for any creditor life insurance that automatically pays an outstanding loan balance at death. A mortgage, personal loan or vehicle loan may carry this type of insurance. Don't pay off any debt until you know whether creditor insurance covers that debt.

Don't automatically pay off a long-standing debt, for example a mortgage, if it carries an interest rate significantly lower than current rates. It may be to your advantage to keep making payments on the lower-interest loan and invest the life insurance benefits where you can earn a higher rate of return.

Benefits you receive from your spouse's registered retirement savings plans, pension plans and deferred profit sharing plans are taxable income. You can defer taxes on this money by transferring it directly into your own registered plan.

### EMPLOYER

Contact the employer about unpaid salary, commissions or bonuses, accrued vacation or sick pay, group life insurance or pension plan benefits owed to the deceased.

If the deceased was retired, check with the organization that provided the pension payments. Ask about any amount owed to people named in the policy to receive death benefits.

### ADDITIONAL CONSIDERATIONS FOR BUSINESS OWNERS

#### *Lawyers*

Contact corporate and personal lawyers for the most current buy-sell agreement. This tells you the value of the deceased's shares, or how to determine their value, as well as what was agreed upon for the succession of the business.

#### *Business partners*

Contact surviving business partners to determine what to do as a result of the buy-sell agreement. For the viability of the company, surviving partners should contact suppliers, creditors and employees. Obtain the appropriate forms to claim any group life insurance or pension plan benefits owed to the deceased's beneficiaries.





### CANADA/QUEBEC PENSION PLAN

Beneficiaries may be entitled to a lump-sum death benefit, a survivor's pension or children's benefits. A disability benefit may be payable if the deceased was disabled for four months before death.

If the deceased was receiving Canada/Quebec Pension Plan benefits, the cheques may be cashed up to and including the month of death. Cheques issued after that must be returned.

Contact the Canada or Quebec Pension Plan Office nearest you for the appropriate claim forms. You need the deceased's birth certificate, death certificate and social insurance number.

To claim a survivor's pension, you need your birth and marriage certificates. To claim children's benefits, you need their birth certificates.

### EMPLOYMENT INSURANCE

If the deceased was receiving employment insurance benefits at the time of death, the estate is eligible to receive benefits for two weeks following death. Contact your local employment insurance office, listed under Human Resources Development Canada in the telephone directory.

### VETERANS AFFAIRS CANADA

Veterans may be eligible for additional benefits. Contact the Veterans Affairs office nearest you.

### UNION OR BUSINESS ASSOCIATIONS

If the deceased was a member of a union, club, business or fraternal association, find out whether he or she had group life insurance or other benefits.

### LIFE INSURANCE COMPANIES

Contact insurance companies that issued life insurance policies on the deceased. They need proof of death, such as a death certificate or a coroner or medical examiner's report. In some provinces, a funeral director's statement may suffice.

You need to complete a claim form with basic information about the deceased, such as date and place of birth, social insurance number and information about beneficiaries.

Once the insurance company has the information it needs, it reviews the claim and, once approved, pays the proceeds according to the terms of the contract.





## *Life insurance benefits*

The benefits from the life insurance policy can be significant, but this money may need to last a lifetime.

There are several ways to receive the death benefit proceeds: in a lump sum or as a series of regular payments over your lifetime or for a period you select.

As a beneficiary, you want to be sure you have enough money to support yourself and your family now and for the future, including increases in the cost of living. Take time to think carefully about your needs. Your financial security advisor can help you make choices about the life insurance benefits that will ensure your financial security over the long term.

Once you've thought about your goals, you'll be better prepared to decide how to receive the life insurance benefits.

Here are some things you should know about life insurance benefits:

- The policy amount, according to the terms of the insurance policy, is paid to named beneficiaries tax-free. If the named beneficiary is a corporation, the death benefit is paid to the corporation. The buy-sell agreement dictates the flow of money from the corporation to the deceased's beneficiaries.
- The claim amount earns interest from the date of death until it is paid to beneficiaries. This interest is taxable.





## PROVIDING AN INCOME

Whether your family depends on two incomes or one, you'll probably need an income to meet ongoing expenses. Most life insurance companies offer beneficiaries a range of options for the money they receive from a life insurance policy.

### 1. *Take the policy proceeds in cash or transfer them directly to an investment account*

You can take your insurance proceeds in cash to invest as you wish. You can invest this money in long – or short-term guaranteed investments or an investment fund. Your financial security advisor can help you decide on the best portfolio mix for your investments.

### 2. *Receive an income for life*

If you choose a life income annuity, you receive regular payments for your lifetime, with a guarantee to pay for a specified number of years, e.g., five, 10, 15 or 20 years. If you die before the end of this period, payments continue to your beneficiaries.

### 3. *Guarantee income for a specified period*

With a term certain annuity, you receive regular payments for a period of time you choose, from one to 50 years. People often use this kind of annuity to provide an income bridge to retirement. A term certain annuity gives you the greatest income for the fixed period. It fully pays out all proceeds at the end of the period you choose. This option is attractive if, for example, you need a larger income while children are young or until your pension begins.

Once you set your goals, you will be in a better position to make these decisions. Your financial security advisor can help.





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Information is provided by the Great-West Life Assurance Company and is current as of December 2005.

