Beneficiary designation

MAKING THE RIGHT CHOICE

Who can you designate as a beneficiary?

You can designate:

- Your common-law spouse
- Your married or civil-union spouse
- Your child
- A friend
- A relative
- A charity
- Any other individual

You can also designate an unborn child as your beneficiary, subject to verification when the benefit is payable.

Other types of designation

You can choose to have the benefit paid to your estate, your rightful claimants, your heirs, the executors of your estate or any other legal representatives.

No designated beneficiary or estate designated as beneficiary

The benefit will be paid to your estate and distributed according to the provisions of your will. If you don't have a will, the benefit will be distributed according to applicable legal provisions.

Contingent beneficiary

You can designate a contingent beneficiary who will receive the benefit if the primary beneficiaries are deceased at the time of payment. Otherwise, the benefit will be paid to your estate.

Designating a trustee

In all provinces except Quebec, you can appoint a trustee when you designate a minor beneficiary.

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What does the designation status mean?

Revocable

Can be changed without the beneficiary's consent.

Irrevocable

Cannot be changed without the beneficiary's consent, unless the beneficiary is deceased.

If you designate a minor as an irrevocable beneficiary, the designation cannot be changed until the person reaches the age of majority (as defined by their province of residence).

In Quebec

- The designation of a legally married or civil-union spouse is **irrevocable** unless otherwise stipulated.
- In the event of death or divorce, the designation is **automatically revoked**.
- The designation of any other person is **revocable** unless otherwise stipulated.

In all other provinces

- The designation of all beneficiaries is **revocable** unless otherwise stipulated.
- In the event of death, the designation is **revoked automatically**; in the event of divorce, it is not.

Should you update your beneficiary designation?

Yes, it's important to keep your beneficiary designation up to date. Otherwise, if it's not clear who the beneficiary is, the benefit could be paid to the wrong person, which could lead to a legal dispute. Remember, insurance policies can involve large amounts of money. Make sure you clearly designate your beneficiaries to avoid causing problems for your loved ones.

To find out how to change the beneficiaries in your group insurance plan, contact your employee benefits representative.

Can the benefit amount be seized?

Yes, it can. The rules vary depending on the type of creditor or trustee.

Plan member's creditors or trustee

If there is a designated beneficiary, the plan member's creditors or trustee cannot seize the death benefit. This rule applies whether the beneficiary's status is revocable or irrevocable.

However, they can seize the death benefit in the following cases:

- If there is no designated beneficiary
- If the designated beneficiary is not a specific person (e.g., 'the estate', 'rightful claimants', 'heirs', 'executors of the estate' or 'legal representative')
- If the plan member goes bankrupt

Beneficiary's creditors

The beneficiary's creditors can seize the benefit amount upon payment.

This document provides general information only. For specific information about your beneficiary designation, contact your employee benefits representative or a legal advisor.

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08137E (2024-02)
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