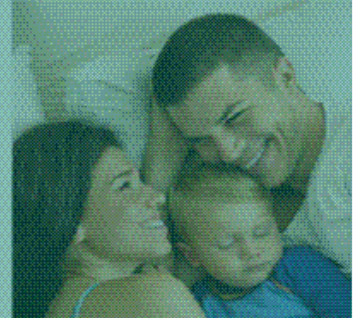


# Capital Pension Plan FAQs on Survivor Benefits



## Who can be my beneficiary?

If you **have a spouse**, legislation dictates that your spouse is automatically your beneficiary. Some members designate their children, other individuals or their estate as beneficiaries in the event their spouse predeceases them.

If you **do not have a spouse**, you may designate anyone you wish, including your estate, as your beneficiary. You may designate several beneficiaries, each to receive a portion of survivor benefits.

In general, provincial legislation does not allow payment of survivor benefits directly to a minor (i.e. someone under 18 years of age). If you designate minor children as beneficiaries, you should make arrangements (such as contacting a lawyer to appoint a trustee) to ensure that survivor benefits will be distributed according to your wishes.

## How can I change my beneficiary?

You can change your beneficiary with the Plan by completing the "Change in Member Data" form. However, if you have a spouse, legislation dictates that your spouse remains your beneficiary regardless of whom you have designated, unless your spouse completes a waiver.

## What happens if I die before I retire?

In the event of your death before retirement, the Plan provides survivor benefits equal to your entire Capital Pension Plan account. If you have a spouse, your funds will be transferred to your surviving spouse. Your spouse may choose to:

- remain with the Capital Pension Plan; or
- access income from the funds by converting to a retirement income option (regardless of the spouse's age); or
- receive a fully taxable lump sum payment of the entire amount in the account; or
- transfer the funds to a LIRA with a financial institution.

If you do not have a spouse, the funds in your account will be paid as a lump sum (fully taxable) payment to your beneficiary(ies). If no beneficiaries are named with the Plan, your funds will be paid in a lump sum (fully taxable) payment to your estate.



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### What happens if I die after I retire?

In the event of your death after you retire, the survivor benefits payable (if any) depend on which retirement income option you chose when you retired.

#### **Variable Benefit**

If you choose to receive retirement income from a Variable Benefit, in the event of your death, the survivor benefit is equal to the remaining funds in Variable Benefit account. If you have a spouse, the account will roll over to your spouse on a tax-deferred basis. Your spouse can then begin receiving regular income from the account. If you do not have a spouse (or if he/she waived the right as specified beneficiary), you are required to name one or more beneficiaries for your Variable Benefit. In the event of your death, the remaining funds will be paid to your beneficiaries as lump sum payments that are fully taxable.

#### **Life Annuity**

If you choose to receive retirement income through a Life Annuity from the Capital Pension Plan, the survivor benefits payable in the event of your death depend on:

- the type of life annuity you choose (i.e. a Single Life Annuity or a Joint Life Annuity);
- the minimum payment period you choose; and
- for a Joint and Last Survivor Life Annuity, the survivor benefit percentage you choose.

#### Single Life Annuity

In the event of the member's death before the minimum payment period has lapsed, the present value of the remaining payments to the end of the minimum payment period will be calculated and paid in a fully taxable lump sum to the member's beneficiary(ies) or estate.

In the event of the member's death after the minimum payment period has lapsed, no survivor benefits are payable.

#### Joint and Last Survivor Life Annuity

A Joint & Last Survivor provides guaranteed lifetime survivor benefits to a member's joint annuitant as per the annuity contract. In the event of the member's death within the minimum payment period specified in the contract, the joint annuitant continues to receive the full annuity payment until the end of the specified minimum payment period. Once the minimum payment period has lapsed, the joint annuitant would then receive a lifetime survivor benefit based on the survivor benefit percentage chosen in the contract (i.e. 100%, 75%, 66 2/3% or 60%).