

# CASE IN POINT

Sales Tax Estate Planning Underwriting & Product Newsletter

## RRIFs and Changing Beneficiaries to Annuitants



Bill and Rosalind are friends of Sam and Christine, whom you met in Case in Point 2015 #2. They live in Halifax. Bill died of a stroke just before his 70th birthday. He had named his common law partner, Rosalind, as beneficiary of his Registered Retirement Income Fund (RRIF) via his will, which he had set up earlier in the year. Bill had chosen mutual funds as the underlying RRIF investment. Rosalind had wanted an arrangement similar to the one recommended to Sam and Christine. She simply wanted to continue the income stream that had just started a few months earlier. Now, she has to deal with the financial institution selling all of the investments and rolling the value of Bill's RRIF at death to a RRIF in her name. She also has to pay tax on the minimum payments that have yet to be paid out and on any growth in the plan since Bill died. Does she have an alternative?

Rosalind, as the sole beneficiary, can be named as "Successor Annuitant" under the original plan contract, provided that the legal representative for the deceased annuitant, Bill consents to the election. Rosalind, as the legally recognized common law partner can get together with Bill's legal representative and jointly file Form T1090, Death of a RRIF Annuitant – Designated Benefit for Year 20\_\_\_\_, to designate all or part of the amounts paid to the estate as a designated benefit received by the spouse or common law partner as a qualified beneficiary. By the way, the surviving spouse or common law partner may be the executor or estate administrator.



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Peter works with independent advisors and other professionals raising awareness on issues and concerns faced by affluent individuals, professionals and business owners. He supports efforts in researching and developing optimal solutions for clients aimed at improving their financial well-being and supporting their personal wishes and lifestyles. He annually provides 100's of workshops, seminars and technical support throughout the country on tax, retirement income and estate planning issues, concepts and strategies to both advisors and consumers. As an accredited Registered Financial Gerontologist, a good deal of his time is spent on building awareness and educating people of all professions who work with or specialize in the needs, expectations and issues of elders. Comprehensive lifestyle planning is an important element of these processes.

The Sales, Tax, Estate Planning, Underwriting & Product (STEPUP) team provides internal and broker support, including seminars, education, advanced concept illustrations & Client case technical consultations.

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# RRIFs and Changing Beneficiaries to Annuitants

Rosalind can now take over the RRIF through a name change executed with the financial institution and continue to receive the payments as Bill had originally structured. It is not unusual to find that estate lawyers, executors, financial advisors and financial institutions miss this winning alternative for spouses and common law partners named as beneficiaries of a RRIF. A trained retirement income planning advisor can help navigate clients through these life changing events, preserving values and structures where it makes sense.

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## Related Articles

[RRIFS and Successor Annuitant Benefits](#)  
[Make sure your beneficiary designations are current](#)

Remember to click on highlighted text for links to related articles

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