

June 3, 2019

**ALL PENSION PLAN MEMBERS SHOULD COMPLETE THE DESIGNATION OF BENEFICIARY FORM AVAILABLE AT [www.tppcnl.ca](http://www.tppcnl.ca)**

Dear Plan Member,

As previously communicated in our letter dated April 23, 2019, the Teachers' Pension Plan (the "Plan") has been amended to allow members to designate beneficiaries to receive death benefits in certain circumstances. This is considered a positive improvement, in particular, for pension plan members without a Principal Beneficiary (meaning a spouse or cohabiting partner). The purpose of this letter is to provide more details with respect to designating beneficiaries.

**What benefits are available upon the death of a member?**

In accordance with the Plan, upon the death of a member, a survivor benefit is payable to your Principal Beneficiary (which means your spouse or cohabiting partner). Where there is no Principal Beneficiary, a survivor benefit may be payable to Dependent Children or designated Other Dependents for an eligible period.

In addition to the survivor benefit, there may be a residual death benefit payable after all eligible survivor benefits have been paid in accordance with the Plan. A member's Designated Beneficiaries are entitled to these residual death benefits. Please note that a survivor benefit and a residual death benefit are different concepts and it should not be assumed that entitlement for a survivor benefit will result in eligibility for a residual death benefit.

**What has changed?**

Under the former act, a member could only name a beneficiary if the named beneficiary was dependent upon the member for financial support. Residual death benefits were payable only to the member's estate as members had no ability to name a non-dependent beneficiary. This provided limited estate planning flexibility which resulted in the potential for negative financial implications, such as increased estate taxes.

Now, Section 7 of the Plan provides that members may designate beneficiaries to receive residual death benefits. Residual death benefits are paid directly to Designated Beneficiaries instead of indirectly through the member's estate, allowing for improved estate planning opportunities. Residual death benefits may be allocated amongst multiple Designated Beneficiaries in percentages determined by the member.

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### **Who can be named as my Designated Beneficiary?**

Any person is eligible for designation as your Designated Beneficiary, including Dependent Children, Other Dependents, other children, other family members, friends, corporations, registered charities and trusts. Survivor benefits for Dependent Children and Other Dependents are only payable during the eligible survivor benefit period and this may not result in the full amount being paid to them. If your desire is for your Dependent Children or Other Dependents to also receive any residual death benefit after completion of any applicable survivor benefits, those individuals must also be named as a Designated Beneficiary.

Principal Beneficiaries and Dependent Children do not have to be designated as your Designated Beneficiary to receive survivor benefits. Other Dependents are only entitled to survivor benefits if they are designated as a Designated Beneficiary.

Definitions of Principal Beneficiary, Dependent Children, Other Dependents and their entitlements can be found in the Plan text (available on our website: [www.tppcnl.ca](http://www.tppcnl.ca)).

### **What do I need to do?**

You may designate your Designated Beneficiaries by completing the Designation of Beneficiary Form, having it witnessed and submitting it to the Teachers' Pension Plan Corporation (the "TPPC"). The Designation of Beneficiary Form is available on our website or you can request a copy from the TPPC. You may alter or revoke this designation at any time. If you do not designate a beneficiary, any residual death benefits will be paid to your estate.

It is important for members to keep their Principal Beneficiary, Dependent Children, Other Dependents and Designated Beneficiaries information up to date. We recommend that a new Designation of Beneficiary Form be completed as life circumstances change.

We request that all members complete the Designation of Beneficiary Form so the TPPC can maintain accurate records of your Principal Beneficiary, Dependent Children, Other Dependents and Designated Beneficiaries, as applicable.

Further information on this issue, including the detailed Plan text, is available on our website at [www.tppcnl.ca](http://www.tppcnl.ca). If you have any questions, please do not hesitate to contact the TPPC by telephone: 709-793-8772 [toll free at 1-833-345-8772] or via e-mail: [memberservices@tppcnl.ca](mailto:memberservices@tppcnl.ca).

We would be pleased to assist you.

Yours sincerely,



Paula McDonald,  
Chief Executive Officer