

Beneficiary designation – Frequently asked questions

Q1. How do I designate a beneficiary?

Use proper names. Nicknames are not acceptable. When naming a married female as beneficiary, be certain the proper name is given, for example, Mary J. Jones, not Mrs. John R. Jones. Use specific names. The phrase “My children” or “My grandchildren” will not be accepted on your form. Each child must be individually listed using his or her proper name.

Q2. What if I don’t designate a beneficiary?

If no beneficiary designation is in effect at the time of your death, or the designation section is incomplete or blank, payment will be made to your estate.

Q3. What are the implications if the payment is made to my estate instead of to a named beneficiary?

1. There may be a significant delay before life insurance proceeds can be paid, especially if the will must be probated.
2. Probate costs vary from province to province and are based on the total value of the estate. These costs are not incurred if proceeds are payable to a named beneficiary.
3. Insurance proceeds may be subject to estate taxes.
4. Insurance proceeds payable to an estate are subject to claims from creditors, whereas proceeds payable to an individual beneficiary may be protected from creditors.

Q4. What happens if my beneficiary dies before I do?

This situation will be interpreted in accordance with the provisions of the governing law in your province. However, you should fill out a new Basic Life Insurance Plan Beneficiary Designation / Change of Beneficiary form.

Q5. All of my beneficiaries’ information will not fit on this application. What do I do?

If additional space is required, attach a second Basic Life Insurance Plan Beneficiary Designation / Change of Beneficiary form and complete all sections. At the bottom of the first form, write page 1 of 2 in ink and at the bottom of the second form, write page 2 of 2 in ink. Staple these forms together and submit both at the same time. Make sure to enter the percentage for each beneficiary.

Q6. How many times can I change my beneficiary designation?

You may change your beneficiary designation as often as you wish and at any time, provided that your existing beneficiary designation is revocable.

Q7. What is the difference between a revocable beneficiary designation and an irrevocable beneficiary designation?

Revocable beneficiary designation: You may change your beneficiary designation at any time by completing a new Basic Life Insurance Plan Beneficiary Designation / Change of Beneficiary form, provided your existing beneficiary designation is revocable.

Irrevocable beneficiary designation: If you wish to change an irrevocable beneficiary designation, you will need the written consent of the beneficiary designated as irrevocable, who must revoke their rights by signing the Consent by Irrevocable Beneficiary letter. Your new beneficiary designation will become effective when the new Basic Life Insurance Plan Beneficiary Designation / Change of Beneficiary form and the Consent by Irrevocable Beneficiary letter (if required) are received by AccessHR. Contact AccessHR to obtain these forms.

Minor child beneficiary designation: If you have named a minor child as the irrevocable designated beneficiary, the child cannot give a valid consent to the change until they reach the age of majority.

Q8. Does a divorce for Quebec residents affect an irrevocable beneficiary designation?

In Quebec, divorce automatically cancels the irrevocable spousal beneficiary designation. In this situation, you can make a change of beneficiary without the written consent from the previous irrevocable spousal beneficiary. The final decree of divorce must be submitted along with a new Basic Life Insurance Plan Beneficiary Designation / Change of Beneficiary form to your Human Resources office.

Q9. Under what circumstances should I change my beneficiary designation?

A new Basic Life Insurance Plan Beneficiary Designation / Change of Beneficiary form should be submitted whenever there is a significant life event such as a birth, marriage, divorce, or death of a named beneficiary.

Q10. Should I keep a copy of the form?

Yes. Make a copy of the form submitted and periodically review it to make sure all beneficiary information is correct. It is especially important to update this information due to a life event such as a birth, marriage, or death.
