Equitable™

Estate Planning

with Segregated Funds

The Equitable Investment Advantage

When you invest with Equitable®, you are entitled to features that protect your investment throughout your life, and assist in the efficient transfer of assets when you pass away. Many of these features are unique to insurance investments, and may not be available in a traditional mutual fund. These features include:

- Maturity and death benefit guarantee options to protect your investment
- Bypass probate and associated fees by naming a beneficiary
- No early redemption fees at death
- Quick payment to beneficiaries after you pass away
- Private and confidential beneficiary designations
- Creditor protection may be available in the event of bankruptcy or lawsuit

Mutual Funds versus Segregated Funds

While mutual funds and segregated funds share many similarities, segregated funds have unique estate planning advantages because they allow a beneficiary to be named on a non-registered investment. Unlike mutual funds, the investment proceeds are paid directly to the named beneficiary(ies), bypassing the administrative costs associated with the estate settlement process.

	Mutual funds	Segregated funds
Surrender fees	Up to 6%	N/A
Probate fees	Up to 1.5%	N/A
Legal fees	May be up to 5%	N/A
Accounting fees	May be up to 5%	N/A
Death benefit guarantee	No	Yes
Potential for creditor protection	No	Yes
Payment made to beneficiary	No – paid to the estate which can take months or years to be distributed to the beneficiary	Yes – within a few days of the requirements being received

Estate Planning with Segregated Funds

Case Study

Jim and Joan are two individuals, both in retirement, each with $250,000 of non-registered savings. Jim decides to invest in mutual funds. Joan decides to invest with Equitable, and selects segregated funds with a 100% death benefit guarantee*. Jim and Joan both pass away unexpectedly after their funds experienced a 10% decline in market performance.

Jim's investment was paid to his estate since his investment was not eligible to have a beneficiary designation. As a result his estate incurred a number of fees, and took nearly a year to settle.

Joan's investment was privately paid to her beneficiaries within a couple of weeks of her passing away. Her beneficiaries received more than the market value because of the death benefit guarantee, and avoided the costs and delays of the payout going through the estate.

Joan's death benefit was over $60,000 more than Jim's because she invested in segregated funds.

	Jim's mutual funds	Joan's segregated funds
Amount deposited	$250,000	$250,000
Market value at death	$225,000	$225,000
Death benefit top up	N/A	$25,000
Surrender fees (5%)**	$12,500	N/A
Probate fees**	$2,875	N/A
Legal fees**	$10,000	N/A
Accounting fees**	$10,000	N/A
Paid to beneficiaries	$189,625	$250,000

Your advisor can assist you with your beneficiary designation and determining if Pivotal Select® segregated funds are right for you!

*The Pivotal Select Estate Class (75/100) and Pivotal Select Protection Class (100/100) contracts provide a 100% death benefit guarantee.
**Actual fees will vary. The case study is for illustration purposes only.
This information is provided with the understanding that it does not render legal, tax or other professional advice. Please refer to the Pivotal Select Contract and Information Folder for a complete description of the product features and guarantees. Readers are advised to seek professional counsel from an advisor.

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