



Segregated fund products

Investments with certain insurance benefits to help you maximize your savings.

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What is a segregated fund contract?

Segregated fund contracts are a popular investment option, available only from life insurance companies. Similar to mutual funds, segregated funds are large pools of money invested in stocks, bonds or other securities. These contracts have higher fees than mutual funds because they also offer [guarantees](#) and some of the additional benefits of a life insurance contract.

Benefits of segregated fund contracts

- 1. Guarantees.** Protect the value of the premiums ⓘ you paid on the contract maturity date and on death. The guarantees are 75% to 100% of your premiums (reduced for any withdrawals). Some segregated fund contracts also offer income guarantees.
- 2. Beneficiaries.** You can name a beneficiary to receive a death benefit from your registered or non-registered accounts. Your beneficiary will receive the death benefit when you die. The death benefit is the contract value at death, or the guaranteed amount, whichever is higher. The death benefit ⓘ bypasses your estate and goes directly to them. You can also control how your beneficiary gets the benefit: as a lump sum or in the form of a payout annuity.
- 3. Potential creditor protection.** This means that creditors may not be able to take the funds you have in your segregated fund contract.
- 4. Guaranteed income options.** Some segregated fund contracts offer lifetime guaranteed income. This can help provide you with a guaranteed income for life.

Our segregated fund products

These are our segregated fund contracts, also known as Sun Life Guaranteed Investments Funds (Sun Life GIFs):

Sun GIF Solutions

Offers 3 different series to help meet your evolving financial needs: Investment, Income and Estate Series. You have the flexibility to move among the 3.

[More about Sun GIF Solutions](#) 

Sun Lifetime Advantage GIF

Offers a minimum guaranteed lifetime income that can increase every year before you start taking money out.

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A Sun Life advisor can help you figure out if segregated funds are right for you. They can also answer other questions you have.

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Frequently Asked Questions

Do segregated fund contracts pay dividends?

Similar to mutual funds, segregated funds and mutual funds can earn interest, dividends, capital gains (or losses), and foreign income. A mutual fund distributes these amounts to the investor in the fund. In almost all cases, these amounts are immediately reinvested back into the fund to buy more units. In contrast, with a segregated fund, these amounts remain in the fund. They increase the value of the investment without increasing the number of units the investor owns.

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Do segregated fund contracts offer creditor protection?

Segregated fund contracts are potentially protected from the claims of some creditors in the event of bankruptcy and legal proceedings. Creditor protection depends on court decisions and applicable legislation, which can change. It can also vary from province to province. Keep in mind, creditor protection can never be guaranteed. Talk to a lawyer to find out more about the potential for creditor protection.

When can I withdraw from a segregated fund contract?

You can request withdrawals from a segregated fund contract at any time depending on the registration type. Any withdrawals you take will reduce the [guarantees](#) on the contract. Some withdrawals may be subject to early withdrawal charges. Withholding tax may also apply in some cases, and some or all of the withdrawal may be taxable. See your contract for more details.

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What's the difference between a mutual fund and a segregated fund contract?

The main difference between a [mutual fund](#) and a segregated fund contract is that a segregated fund contract includes insurance benefits that can help protect your investment. Segregated fund contracts guarantee 75% to 100% of your premiums being returned (reduced for any withdrawals) when you die or when the contract matures. Mutual funds don't offer this benefit.

Do segregated fund contracts have higher fees than mutual funds?


In general, segregated funds have higher fees than mutual funds due to the [guarantees](#). However, fees will vary depending on the funds, and products you choose.

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Can a segregated fund contract be held in an RRSP?

Yes, segregated funds can be held in your [registered retirement savings plan \(RRSP\)](#).

Can a segregated fund contract be held in a TFSA?


Yes, segregated funds can be held in your [tax-free savings account \(TFSA\)](#) .

What happens to a segregated fund contract after death?

When the annuitant  on the segregated fund contract dies, the death benefit is paid to the beneficiary named on the contract. The proceeds can be paid in different ways, either through:

- lump-sum payments or
- our legacy settlement option, which lets you make customized decisions for your beneficiaries.

The legacy settlement option can help address complex family dynamics, allowing you to maintain some control over your assets after death. For example, perhaps there's a beneficiary or dependent who's not responsible with money. In this case, you can set up a monthly payment plan that lasts for their life or a specific time period.

Another benefit to segregated fund contracts is privacy. If you have a named beneficiary, the distribution of money to that beneficiary will be private. However, that may not be the case with your will. Your will won't govern how the money of a segregated fund is distributed, unless your estate is the beneficiary. Usually, if a will has been probated  anyone can see a copy of that will at the court office where it was probated.

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Life’s brighter under the sun

We acknowledge that Sun Life operates in many Territories and Treaties across Canada. Our Canadian headquarters in Waterloo are on the traditional territory of the Anishnaabeg, Haudenosaunee Confederacy and the Mississaugas of the Credit First Nations.

Today, Canada is still the home to many Indigenous, First Nations, Inuit, and Metis peoples from all across Turtle Island. We are grateful to have the opportunity to work in this territory. We offer this acknowledgment as a stepping stone towards honouring the original occupants, as a testimony to the oppression faced by Indigenous peoples, and our commitment to Indigenous communities and employees of Sun Life.

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