

GIAs versus GICs



Guaranteed investing is a safe and secure way of growing your savings. This low-risk option provides a guaranteed interest rate and protection from market uncertainty.

Most banks offer a Guaranteed Investment Certificate (GIC). At Equitable®, we offer a Guaranteed Interest Account (GIA). The difference between the two is the additional features and protections that come with a GIA.

See how the two guaranteed investments compare:

Features	Equitable GIA	Bank GIC
Guaranteed interest rate	Yes	Yes
Cashable	Yes	Not always
No fees at death	Yes	Not always
Estate planning	Yes	No
Pension income tax credit	Yes	No
Potential creditor protection	Yes	No
Safe and secure	Yes	Limited to \$100,000 ¹

Guaranteed interest rate: A set rate that will not change for the length of time the money remains in the investment.

Cashable: Money can be taken out of the investment at any time. Cashing early is subject to a market value adjustment.

No fees at death: Equitable will waive any market value adjustment fees in the event of the annuitant's death. This means paying the GIA value including interest to the beneficiary. At a bank, a market value adjustment fee may be charged at the time of death before paying the proceeds of the GIC to the beneficiary or estate.

Estate planning

At death, proceeds from a GIA go directly to the named beneficiaries. This means bypassing the estate. This allows the proceeds to avoid possible probate, legal and executor fees. A non-registered bank GIC does not allow a beneficiary to be named, and at the death of the owner, the payment must be made to the estate.

Pension Income Tax Credit

The interest income from a GIA qualifies for the Pension Income Tax Credit. This means a client 65 years or older may claim the first \$2,000 of interest on a non-registered account as eligible pension income.

Potential creditor protection

Creditor protection may be available and goes to the contract owner in the event of a bankruptcy or lawsuit. Creditor protection is not guaranteed and is dependent on several factors including, the designation of the annuitant's spouse, child, parent, or grandchild as beneficiary.²

Safe and secure

Equitable is a member of Assuris. Assuris is the not-for-profit organization that protect Canadian contractholders in the event their insurance company fails. Assuris guarantees clients will retain up to \$100,000 or 90% of your accumulated value, whichever is higher. Details about Assuris' protection are available at www.assuris.ca or by calling the Assuris Information Centre at 1-866-878-1225.

Speak with your advisor about the benefits of adding an Equitable GIA.

¹ For details visit www.cdic.ca/about-us/

² In Quebec, clients may receive protection from creditors if a family member who is an ascendant or descendant of the contractholder is named as the beneficiary. This information does not constitute legal, tax or other professional advice. Clients are advised to speak with their advisor before making any investment decisions.

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