

What you need to know about Power of Attorney and Trusted Contact Person

Many Canadians are concerned about how to manage their money, property, and finances as they age or as their life changes. They may worry about what will happen if they become unable to deal with their own finances. It's a good idea to plan ahead for a time when you may need help managing your affairs.

Two documents that can help protect you in the future are a Power of Attorney (POA) and a Trusted Contact Person (TCP).



Power Of Attorney (POA)

A POA (called a Protection Mandate in Quebec) is a legal document in which you give someone you trust (called your "attorney") the right to make decisions for you if something happens and you are no longer able to look after matters on your own. The names and requirements for the different types of POA will vary depending on the province or territory where you live. Generally, there are two main types of POA in Canada:

Power of attorney for personal care

The person you name (called an attorney or substitute decision maker) can make decisions about your health care, housing and other aspects of your personal life (such as meals and clothing), if you become mentally incapable of making these decisions.

Power of attorney for property (enduring or continuing)

The person you name can make decisions about your financial affairs (including paying your bills, collecting money owed to you, maintaining or selling your house, or managing your investments).

Roles & responsibility

How it works:¹

- You grant one or more persons authority to make decisions about your financial affairs or personal care.
- An enduring or continuing POA for property lets your attorney continue acting for you if you become incapable of managing your finances and property. A general POA which is not enduring will end upon the incapacity of the grantor.

Roles and responsibility, continued:

- Your attorney(s) has authority to provide your advisor with instructions.
- In general, your attorney can't make a will for you, change your existing will, change a beneficiary on a life insurance plan, or give a new POA to someone else on your behalf.
- POA typically ends when you die or make a new POA. You can also make a limited POA which ends at a specific time or event.
- Each province and territory has its own laws relating to powers of attorney. Be sure that you fully understand any document before you sign it.

Trusted Contact Person (TCP)

A trusted contact is someone you appoint, whom your advisor can get in touch with in the event they're concerned about your health, well-being or welfare. This is an informal document, intended to be a resource to help protect you and your assets.

Roles & responsibility

How it works:²

- You identify and consent to the release of information to a TCP whom the advisor can contact if there are concerns about your behavior or transactions in your account. This includes concerns about loss of mental capacity, fraud or financial abuse.
- TCP has no access to your account and can't make financial decisions on your behalf.
- TCP is a complement to and not a substitute for a POA.

¹ <https://www.canada.ca/en/employment-social-development/corporate/seniors/forum/power-attorney-financial.html>

² https://www.securities-administrators.ca/wp-content/uploads/2022/01/CSA_TCP101_What_is_a_Trusted_Contact_Person.pdf

"This article is intended to provide general information only. Sun Life Assurance Company of Canada does not provide legal, accounting or taxation advice. Before acting on any of the information presented, make sure you seek advice from a qualified professional, including a thorough examination of your specific legal, accounting and tax situation.

Advisors and their corporations conduct insurance business through Sun Life Financial Distributors (Canada) Inc. Mutual fund business is done with your advisor through Sun Life Financial Investment Services (Canada) Inc.

Sun Life Assurance Company of Canada is the insurer and is a member of the Sun Life group of companies. © Sun Life Assurance Company of Canada, 2024. 810-4966-06-2024



Life's brighter under the sun