

Individual Retirement Strategy

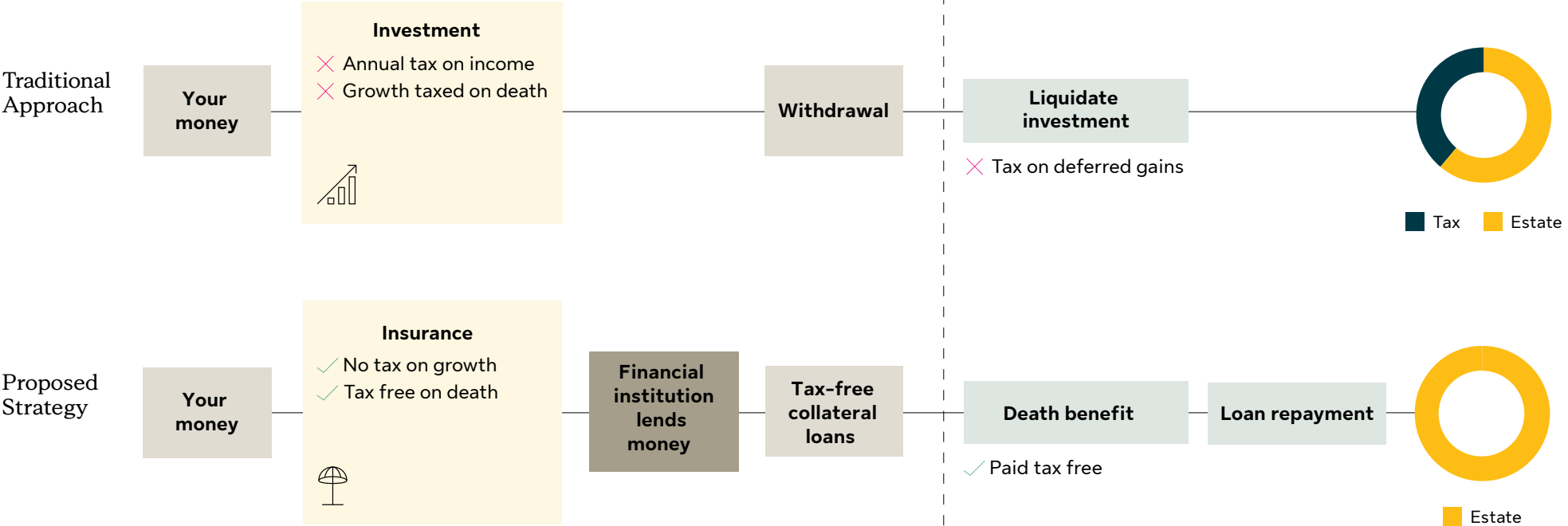
A tax-exempt life insurance strategy

You're a high-income earner who has maximized retirement contributions and has significant assets in taxable investments, resulting in a large tax liability at death. You may need access to your non-registered investments to supplement your retirement income, but still want to grow and protect the estate value available to your family or other beneficiaries after your death.

The Individual Retirement Strategy provides you with the opportunity to maximize your retirement income, while protecting the value of your estate for your beneficiaries in a tax-efficient manner.

During your lifetime

On death



How it works

You buy a permanent life insurance policy to provide the protection needed to secure your estate value for your beneficiaries. The premiums are paid from your cash flow, or by transferring funds from existing investments. In addition to protection, the policy also offers you a number of benefits.

- Tax-preferred cash value accumulation. This helps reduce the taxes you would have been paying on your investment income.
- When additional retirement income is needed, you may be able to pledge the policy as collateral in exchange for a series of tax-free loans from a lending institution.
- On your death, the tax-free death benefit first pays off the outstanding loan, plus any accumulated interest. The remainder of the death benefit goes directly to your named beneficiaries, bypassing your estate and the associated estate settlement costs. This helps to protect and significantly increase the estate value available for your legacy.

When to use it

Consider this strategy if you:

- Have a high net worth with strong and stable income, and a secure financial future.
- Have maximized your individual RRSP and TFSA contributions.
- Have excess cash flow or investable assets not needed for your current lifestyle needs.
- Want access to your assets to supplement future income, if needed.
- Are interested in reducing tax on investment income.

Notes

There are additional considerations and risks associated with the Individual Retirement Strategy beyond those discussed here. Policy loans and withdrawals may have tax implications. Before implementing any strategy, consult with your tax and legal advisors.

We help. You grow.