



Wealth Transfer Strategy ... A Client Profile

The Wealth Transfer Strategy is a financial planning strategy that lets your clients use permanent life insurance as a tax effective way to transfer wealth to their children or grandchildren, while maintaining control of this wealth until it is transferred.

WHO IS IT FOR?

- individual, Canadian-resident taxpayers
- affluent clients with more wealth than they'll need in their lifetime
- have children or grandchildren in good health
- strong desire to transfer wealth while they are still living

HOW DOES IT WORK?

Your client has excess wealth and purchases a permanent life insurance policy on the life of a child or grandchild. As the owner of the policy, your client pays premiums in excess of what is needed to pay for the insurance. This creates cash value. At some point in the future, your client transfers the ownership of the policy to the insured child or grandchild and that child or grandchild assumes responsibility for the policy. This transfer may qualify as a tax-free rollover under rules set out in the Income Tax Act and the child or grandchild becomes the new owner of the policy. As the new policy owner, he or she can now access the cash value to meet current or future cash needs, such as paying for post-secondary education or purchasing a home.

WHY DOES IT WORK?

- life insurance protection on the life of your client's child or grandchild
- tax-free death benefit
- tax-sheltered growth of cash value
- ability to transfer future ownership of the policy to your client's child or grandchild on a tax-free rollover basis
- after the transfer, the child or grandchild can access the cash value as required
- if the cash value is accessed by way of policy withdrawals and the child or grandchild is 18 years of age or older, any tax liability is taxable to the child or grandchild, not to your client
- after the transfer, the child or grandchild can name a beneficiary who is important to them and the insurance policy can become an important part of their financial plan

For more information or a
FREE consultation, click or call:
www.groupentale.com
info@@groupenatale.com
514 996-7227

