



Would you like to leave more to your loved ones and less to the government?

Your situation...

Like many business owners you have accumulated surplus cash in your company which you have invested in GICs or other taxable investments. You do not have a need for the investment income from these funds to supplement your personal income. These funds have been earmarked for your heirs or favourite charity.

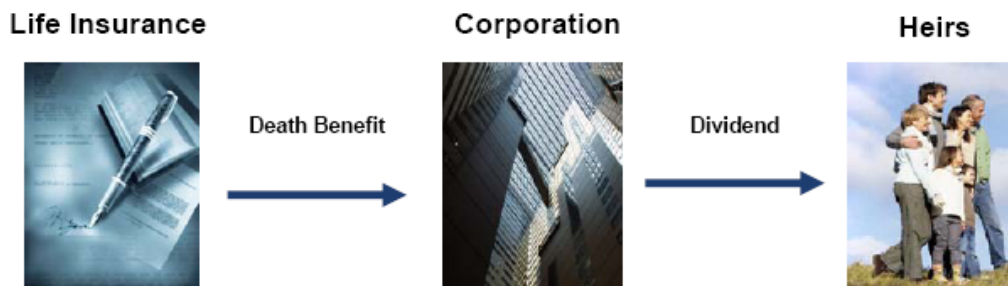
You are frustrated by the fact that you are losing almost half of the investment income being generated to income tax. You want a financial planning strategy that will increase the funds available when you die.

Is there a better option?

A financial planning strategy called the Corporate Estate Bond can multiply the after-tax dollars received by your heirs two, three and sometimes four or five times so that you can provide a larger legacy to those you care about most.

How does the Corporate Estate Bond work?

You start by replacing the taxable investments currently held in your company with a tax-exempt life insurance policy. Your company is the owner and the beneficiary of the life insurance plan. When you die the corporation receives the proceeds of the policy tax free, plus a credit to its capital dividend account. Capital dividends may then be paid out to your estate tax-free. The Corporate Estate Bond, allows you to move corporate investment dollars from a tax-exposed environment to a tax-deferred one, maximizing the amount that is available to your estate.



Preserve, Protect and Grow your Wealth.

Corporate Estate Bond Example:

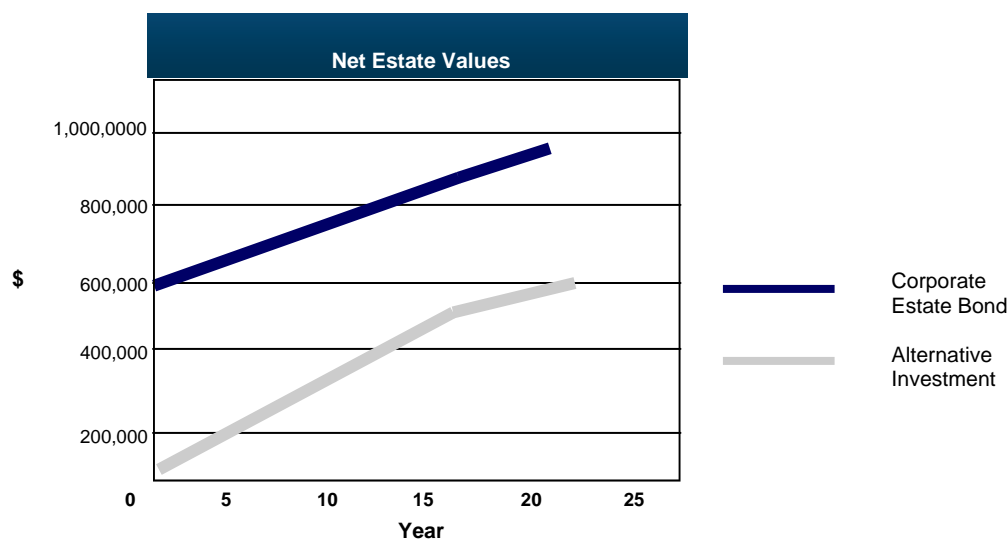
Personal information	Male, 60, non - smoker
Interest rate	4.00%
Initial death benefit	\$500,000
Deposits	\$30,000 x 15 years
Corporate tax rate on investment income	44.70%*
Personal dividend tax rate	27.71%*
Assumed life expectancy	Age 83

* Based on 2009 combined federal and Alberta top marginal rates.

Corporate Estate Bond Vs. The Alternative Investment

Corporate Estate Bond				Alternative Investment	
Annual Deposit	Net Estate Value	Year	Age	Annual Deposit	Net Estate Value
\$30,000	\$512,128	1	61	\$30,000	\$22,398
\$30,000	\$682,149	10	70	\$30,000	\$258,693
\$0	\$946,043	20	80	\$0	\$486,813
\$0	\$1,038,192	23	83 LE*	\$0	\$530,480

*Life Expectancy



At Catalyst we provide insurance solutions focused on the unique needs of private corporations and their shareholders.

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This article is provided with the understanding that it does not render legal, accounting, or other professional advice; readers are advised to seek professional counsel before making any decisions.

For more information on this Wealth Planning Strategy or to book a consultation with one of Catalyst's financial advisors, please call:

Tim Coakwell CA, CFP, President: (403) 750-7699

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