



Can I pay less and leave more?

Your situation...

You have accumulated surplus cash 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 a large portion 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 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 an Estate Bond work?

You start by replacing the taxable investments you currently hold with a tax-exempt life insurance policy. You are the owner and the beneficiary of the life insurance plan. When you die your loved ones or a charity receive the proceeds of the policy tax free. The Estate Bond, allows you to move investment dollars from a tax-exposed environment to a tax-deferred one, maximizing the amount that is available to your estate. Utilizing the Estate Bond financial planning strategy, you not only increase the size of your estate, you also reduce the amount of tax you pay

Life Insurance



Death Benefit



Heirs



Preserve, Protect and Grow your Wealth.

Estate Bond Example:

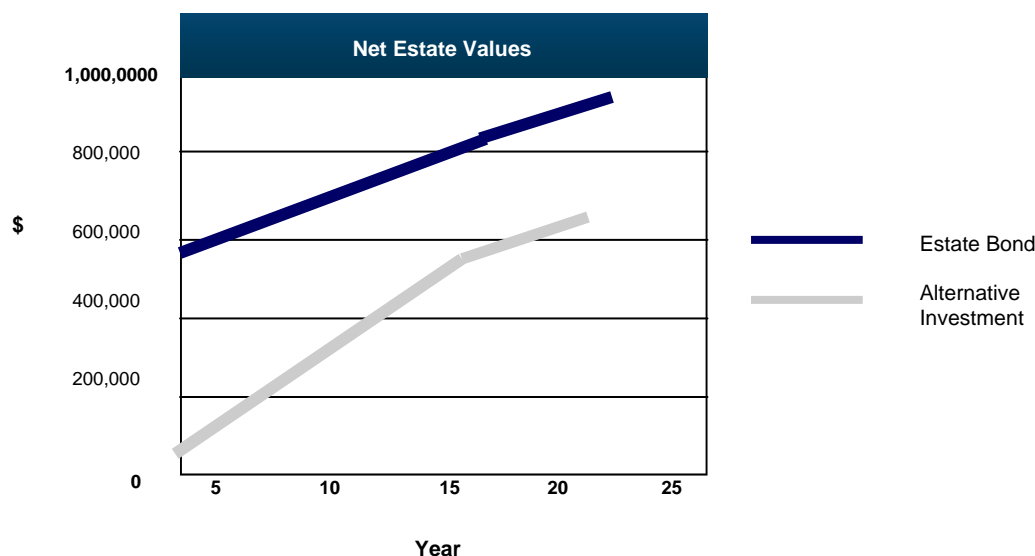
Personal information	Male, 60, non-smoker
Interest rate	4.00%
Initial death benefit	\$500,000
Deposits	\$30,000 x 15 years
Personal Marginal Tax Rate	39.00%*
Assumed Life Expectancy	Age 83

*Based on 2009 combined Federal and Alberta top marginal tax rates.

Estate Bond Vs. The Alternative Investment

Estate Bond		Alternative Investment			
Annual Deposit	Net Estate Value	Year	Age	Annual Deposit	Net Estate Value
\$30,000	\$ 519,926	1	61	\$30,000	\$30,732
\$30,000	\$739,229	10	70	\$30,000	\$343,356
\$0	\$927,737	20	80	\$0	\$618,971
\$0	\$947,900	23	83 LE*	\$0	\$665,394

*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:

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