Solutions for Business Owners

Corporate Owned Life Insurance

Wealth Without Worry

West End
wealth planning

Investment Planning Counsel®
IPC SECURITIES CORPORATION

CIPF
MEMBER

Corporate Owned Life Insurance

A Life Insurance policy owned by a company by an individual can result in substantial annual tax savings by taking advantage of the 15% tax rate for a Canadian Controlled Private Corporation (CCPC) vs. personal marginal tax rates of up to 53.53%.

As an example, let's suppose you are a small business owner and your insurance premiums are $6000 per year and you are at the highest marginal personal tax bracket in the Province of Ontario:

	Personal	Corporate
After-Tax Annual Premiums	**$6,000**	**$6,000**
Marginal Tax Rate	**53.53%**	**15.00%**
Before Tax Dollars Needed	**$1,2900**	**$7,060**
Annual Savings	**$0**	**$5,840**

That's a savings of $486 per month or $5840 per year on your insurance premiums.

While premiums are paid using cheaper corporate dollars, the proceeds from the policy are generally paid out tax free [(1)]. For the tax-free estate payout of this strategy to work, the insurance policy must be owned by the corporation and the corporation named as beneficiary.

Corporate owned life insurance is a highly-specialized field that involves a expertise in corporate insurance and tax. Always ensure you seek professional expert advice before implementing any corporate insurance strategy.

1. The proceeds are paid out upon death of the shareholder to the corporation and are used to purchase the shares of the deceased using the Capital Dividend Account (CDA) after the adjusted cost base of the policy is subtracted (for a permanent policy)

West End Wealth Planning, Part of IPC Securities Corporation

Paul Barreca, CFP®
FINANCIAL ADVISOR,
Managing Director, West End Wealth Planning
416-640-9990

Our Personal Wealth Management Strategy

Wealth Without Worry

Helping our clients to "*not*" consistently worry about their financial situation or make costly financial mistakes, is just part of our Personal Wealth Management Strategy.

Our all-encompassing process helps you to make intelligent financial decisions and guides the integration of your investments, tax minimization, asset protection, estate, and retirement strategies.

To provide you with a better understanding about how your financial decisions are effecting your current and future wealth, we will cover the cost of a professional assessment on your overall financial and investment strategies.

To Schedule a Financial & Investment Risk Assessment

Call us @ **416-640-9990 extension #4**

West End
wealth planning
900 The East Mall, Suite 200, Toronto, ONT, M9B 6K1
TEL: 416 640-9990
WEB: www.westendwealth.co
EMAIL info@westendwealth.com

Investment Planning Counsel®
IPC SECURITIES CORPORATION

CIPF
MEMBER