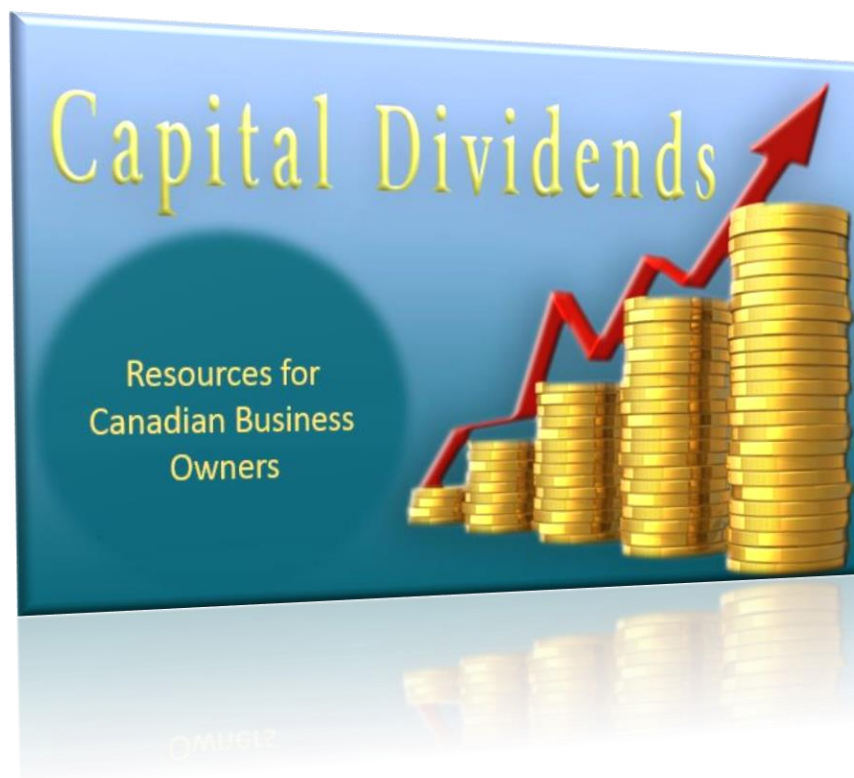


Solutions for Business Owners

Tax Free Withdrawals Using The Capital Dividend Account



Wealth Without Worry

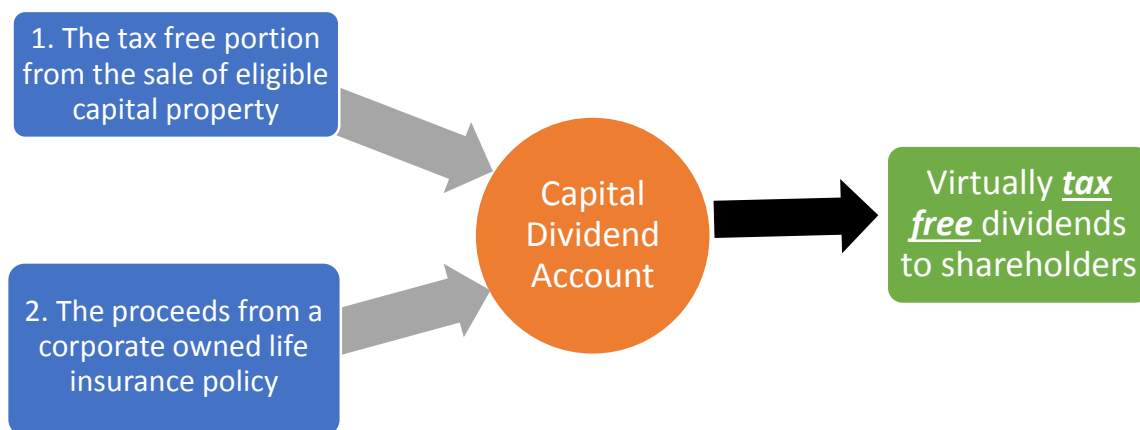
West End
wealth planning

 **Investment
Planning Counsel®**
IPC SECURITIES CORPORATION

CIPF
Canadian Investor Protection Fund
MEMBER

Tax Free Withdrawals Using the Capital Dividend Account

If you own a CCPC (Canadian Controlled Private Corporation) you could be missing out on mountains of tax free money by not using something called the Capital Dividend Account or CDA. The CDA is a notational account that small business can use to pay out tax-free income to its shareholders. The CDA makes note of certain income (tax free) paid to the CCPC and then allows that income to be paid out to the shareholders' tax free.



1. Realized capital gains can accrue from a corporately owned investment account or real estate and paid out of the CDA tax free as it accumulates. Keep in mind that since realized capital losses erode realized capital gains it is usually is advantageous to pay out the tax-free portion of capital gains before realizing loses.
2. The proceeds of any company-owned insurance policy will be added to the CDA (less the adjusted cost base of the policy) making such proceeds eligible for tax-free distribution. This strategy can be structure for significant tax benefits in estate planning and when funding buy sell partnership agreements using life insurance.

The rules for the CDA are complex. Careful planning with a qualified Financial Advisor, Insurance Specialist and CPA is critical before implementing any CDA tax strategy.

Reference: <http://www.thebluntbeancounter.com/2015/03/capital-dividends-tax-free-withdrawal.html>

Note: CCPC's are not available through IPC Securities Corporation

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

