

PREFERRED ESTATE TRANSFER[®] USING WHOLE LIFE

FINANCIAL PLANNING



equimax

PREFERRED ESTATE TRANSFER[®]

It's the kind of preferential treatment you want. Less tax, more benefits.

A permanent life insurance policy is one of the most tax-efficient ways to build and transfer your estate. The tax-free death benefit creates an instant inheritance. Plus the policy offers tax-advantaged growth that you can access during your lifetime.¹

With the Preferred Estate Transfer, you may be able to put a policy in place with no additional out-of-pocket expense. Simply redirect some of your money from taxable investments to pay the premiums for a permanent life insurance policy. The policy will do the rest.



**Taxable
investments**



**Permanent life
insurance policy**



Benefits

- Instant legacy
- Tax savings for you
- Larger estate to your heirs

PUT THE PREFERRED ESTATE TRANSFER TO WORK FOR YOU

Leave more money to your loved ones

- Life insurance proceeds can be used to cover the potential tax liability on assets like the family cottage so it doesn't have to be sold.
- Life insurance allows you to leave more money than you could through a taxable investment.
- Payments above the required premium can accelerate the growth of the value within the policy.²

Save taxes

- By redirecting money from taxable investments into the life insurance policy, you pay less tax today³ and in the future.
- The funds within the insurance policy grow on a tax-advantaged basis.
- Life insurance proceeds are paid to your beneficiary tax free.

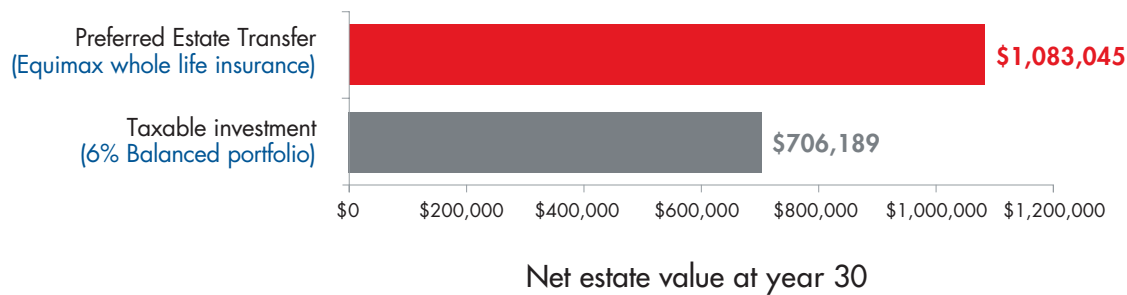
THE PREFERRED SOLUTION

An example: Meet Peter

Peter is 51 years old. He's looking for a tax-efficient way to build value in his estate and increase the legacy he can leave for his loved ones. He can afford to spend \$25,000 for the next 10 years and is considering his options.

	Taxable investment ⁴ (6% Balanced portfolio)	Preferred Estate Transfer (Equimax® whole life insurance) ⁵
Net estate value at year 30	\$25,000 deposited each year for 10 years	\$25,000 transferred to a life insurance policy each year for 10 years
	\$706,189	\$1,083,045

With Equimax participating whole life insurance, Peter can create an estate up to **53% greater** than with taxable investments.



If Peter already had \$250,000 accumulated in a taxable investment at age 51 and no further deposits were made, it would have grown to nearly \$850,000 in 30 years.

IT'S THE RIGHT SOLUTION FOR YOU IF ...

- You want to leave money to your loved ones or a charity.
- You have an up-to-date will.
- You have paid off your mortgage or other debts.
- You have taken care of your retirement plan.
- You have taxable investments.
- You want to reduce the taxes you pay.
- You want your estate to pay less tax.

Your advisor can show you how the Preferred Estate Transfer can work for you.

¹ Refer to the product Client Guide for more detail. ² The extra payment is limited to the amount required to maintain the tax-exempt status of the policy. Review the product illustration for full details. ³ Depends on the nature of your taxable investment. ⁴ Average annual rate of return of 6%. Balanced portfolio (30% interest, 20% dividends, 20% deferred capital gains, 30% capital gains). Marginal tax rate of 50%; personal dividend tax rate of 35%. No withdrawals. ⁵ Equimax® participating whole life insurance, 20 pay. Male, age 51, standard non-smoker rates as of January 1, 2017. Paid-up additions dividend option. Initial death benefit of \$600,000. Based on the 2016/2017 dividend scale. After 10 years the policy is projected to go on premium offset and no further payments are required. A decrease in the life insurance dividend scale may delay the premium offset point and require you to pay premiums for longer than previously projected; or require you to resume paying premiums for a period of time if your policy has been on premium offset. Dividends are not guaranteed. They are subject to change, and will vary based on the actual investment returns in the participating account as well as mortality, expenses, lapses, claims experience, taxes and other experience of the participating block of policies.

The Preferred Estate Transfer is a concept. It is not a product or contract. It is based on current tax rules. This information does not constitute legal, tax, investment, or other professional advice.

Works for me.®

Canadians have turned to Equitable Life since 1920 to protect what matters most. We work with your independent financial advisor to offer individual insurance and savings and retirement solutions that provide good value and meet your needs – now and in the future.

But we're not your typical financial services company. We have the knowledge, experience and ability to find solutions that work for you. We're friendly, caring and interested in helping. And we're owned by our participating policyholders, not shareholders. So we can focus on your interests and provide you with personalized service, security and wellbeing.



One Westmount Road North,
Waterloo, Ontario N2J 4C7
Visit our website: www.equitable.ca

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