



Vancouver Pacific Financial Group



Insured Retirement

“Generating additional retirement income by rearranging assets!”

Is providing additional retirement income one of your financial goals?

Have you maximized your RRSP contributions?

Have you maximized the amount of tax preferred income you could obtain?

Would you like to have the flexibility to pass on the remainder of your assets intact to your children or favorite grandchildren if you do not use them all to live on?

Many people are unaware that:

- There are ways to exchange asset to reduce income tax payable!
- They do not have to risk money in an Equity investment to have higher after tax!
- Financial institutions see cash value in an insurance policy as a bona fide asset!

A Life insurance policy that qualifies under section 148 of the Income Tax Act is an excellent planning tool that can be used to create a tax advantaged account. This account is totally accessible and under your control while you are alive and is paid out to your designated beneficiary outside your estate at death. This means that you avoid paying income taxes on the growth in the account if you never withdraw it and that is exactly what happens. You make a collateral assignment of your policy to the financial institution and they create a lien against the policy by advancing you income over the rest of your life. This income is tax free!

Then on your death, the financial institution has first call against the death benefit and the rest goes to your designated beneficiary. Thus, you never pay income tax, probate or legal fees on this asset.

*Information courtesy of Transamerica Life Insurance Company of Canada E. & O. E.

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