

CASE IN POINT

Sales Tax Estate Planning Underwriting & Product Newsletter

Estate/Testamentary Trust established Jan 1, 2013–Dec. 31 2015



Meet Tashia, whose husband, Vivek passed away from cancer Mar. 22, 2013. Tashia was named estate administrator/executor. She elected a yearend of Sept. 1, 2013 after speaking with the family accountant. Tashia read something about new trust laws and changing tax rates.

What does she have to do now?

Tashia, as the estate administrator/executrix, must elect graduated rate estate status for Vivek's estate in the first income tax filing of 2016. The estate maintains a fiscal year end of Sept. 1st until the 36 month anniversary of Vivek's passing. The estate will then have a deemed year end and will be taxed on realized and accrued income. The estate will enjoy graduated tax rates until that period. The estate will have another yearend on Dec. 31, 2016. It will be taxed at the new federal top marginal tax rate of 33% which also took effect Jan. 1, 2016 plus applicable provincial income taxes from thereon.

2016, Issue 02



Peter A. Wouters,
Director, Tax
Retirement &
Estate Planning
Services, Wealth

Peter works with independent advisors and other professionals raising awareness on issues and concerns faced by affluent individuals, professionals and business owners. He supports efforts in researching and developing optimal solutions for clients aimed at improving their financial well-being and supporting their personal wishes and lifestyles. He annually provides 100's of workshops, seminars and technical support throughout the country on tax, retirement income and estate planning issues, concepts and strategies to both advisors and consumers. As a Registered Financial Gerontologist, a good deal of his time is spent on building awareness and educating people of all professions who work with or specialize in the needs, expectations and issues of elders. Comprehensive lifestyle planning is an important element of these processes.

The Sales, Tax, Estate Planning, Underwriting & Product (STEPUP) team provides internal and broker support, including seminars, education, advanced concept illustrations & Client case technical consultations.

Peter can be reached at
peter.wouters@empire.ca

Case in Point

This information is for general information purposes only and is not to be construed as providing legal, tax, financial or professional advice. Empire Life Investments Inc. and its affiliates assume no responsibility for any reliance on or misuse or omissions of the information contained herein. Information obtained from and based on third party sources are believed to be reliable, but accuracy cannot be guaranteed. Please seek professional advice before making any decisions.

Empire Life Investments Inc., a wholly owned-subsiary of The Empire Life Insurance Company, is the Manager of Empire Life Mutual Funds and the Portfolio Manager of Empire Life Segregated Funds. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund and segregated fund investments. **Any amount that is allocated to a Segregated Fund is invested at the risk of the contract owner and may increase or decrease in value.** A description of the key features of the individual variable insurance contract is contained in the Information Folder for the product being considered. Segregated Fund policies are issued by The Empire Life Insurance Company.

® Registered trademark of **The Empire Life Insurance Company**. Empire Life Investments Inc. is a licensed user of this trademark.

