








# PERSONAL LEGACY BUILDER

A tax-optimized strategy to leave more to your loved ones

The Personal Legacy Builder is a strategy designed to optimize the value of that portion of an estate which people don't intend to spend during their lifetime. It provides a tax-free asset for future generations or favourite causes. The strategy may create a larger net estate value than traditional outside investments.<sup>1</sup>

## Benefits of the Personal Legacy Builder

For qualified individuals, the Personal Legacy Builder strategy may offer:

-  an immediate increase in the value of your legacy at death
-  tax-sheltered growth of extra deposits based under current tax legislation in Canada
-  a tax-free benefit at death
-  reduced time and costs for estate settlement if a beneficiary(s) is named
-  possible creditor protection for the individual and beneficiary(s).



### Who is a Personal Legacy Builder for?

The strategy is best suited for people who are 50+, in upper tax brackets and looking to enhance the estate value of non-registered assets.



Client: Male, Age 50, Non-smoker

Coverage: \$500,000 EstateMax® 8 Pay with Paid-up Additions

Alternate Investment Assumptions: Personal tax rate 50%, 2.5% growth rate, 100% interest

Alternate investment = 2.5%, 100% interest.

### Personal Legacy Builder

Policy Year	Annual Deposit/ Premium	Alternate Investment Growth	Alternate Investment Tax on Growth	Alternate Investment Accumulated Value	Alternate Investment Estate Benefit	Personal Legacy Builder Death Benefit <sup>2</sup>	Personal Legacy Builder Estate Advantage
5	\$35,060 (year 1-8)	\$4,493	\$2,247	\$181,984	\$181,984	\$504,249	177%
15		\$7,992	\$3,996	\$323,684	\$323,684	\$614,577	90%
25		\$9,049	\$4,525	\$366,498	\$366,498	\$834,345	128%
35		\$10,246	\$5,123	\$414,974	\$414,974	\$1,143,214	175%
45		\$11,602	\$5,801	\$469,863	\$469,863	\$1,563,108	233%

This case study is for illustration purposes only and is designed to compare the estate values of an Empire Life participating life insurance policy with that of a traditional, non-registered fixed income investment. Results will vary depending on the life insured, plan type, coverage amount, pay period, life insurance premiums and alternate investment assumptions at time of request. Advisors should determine whether this concept is suitable for any particular client based on the client's specific circumstances and needs.

<sup>1</sup> This may be augmented by any cash accumulation within the product solution, which during the lifetime of the owner grows on a tax-sheltered basis based under current tax legislation in Canada. It can later become part of the tax-free death benefit. Properly structured, the legacy builder benefit may also escape probate and associated estate settlement expenses. Growth in an outside non-registered investment is not tax-sheltered; it attracts income tax each year. At death, assets typically must pass through probate and may be subject to administration, valuation, income taxes on unrealized capital gains and professional fees.

<sup>2</sup> Projected Personal Legacy Builder death benefit values assume the current dividend scale does not change, which is not guaranteed. Projections are based on the rates and the current dividend scale as of July 2020.

The information in this document is for general information purposes only. It is not intended as financial, tax or investment advice. Advisors must determine whether this concept is suitable for any particular client based on the client's specific circumstances and needs.

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