



Shared Ownership Life Insurance Strategies

A unique opportunity for families, companies and
key executives to tax-shelter income

Insurance & Investments
Simple. Fast. Easy.®



Corporations, key employees and families can benefit from sharing ownership of a life insurance policy. In return for sharing the ownership, each party pays only for the benefits they require. Death benefits, premiums and cash values are split between two parties by way of a formal arrangement between the parties. "Split dollar" is another term used to describe this arrangement.

The advantage is that each party only pays for either the death benefit or cash value which may result in cost savings or increased rates of return respectively.



Family: Shared Ownership

respective benefits/objectives

Adult Child owns Estate Benefit

- Protect dependants
- Preserve estate
- Creditor protection for certain named beneficiaries

Parent owns Investment and Cash Value

- Income on investments and Cash Value tax-sheltered during lifetime
- Tax-free payment to beneficiaries on death
- Tax-free transfer/rollover to certain family members



Corporate: Investment Shared Ownership

respective benefits/objectives

Executive owns Estate Benefit

- Estate preservation
- Cover capital gains taxes, other taxes and debts
- Provide income to spouse and /or dependents
- Estate equalization

Corporation owns Investment and Cash Value

- Growth on investments and Cash Value are tax-sheltered until disbursement
- Potential tax-free retained earnings payout to some or all Canadian resident shareholders
- Available as collateral for business opportunities, expansion, etc.



Corporate: Protective Shared Ownership

respective benefits/objectives

Corporation owns Estate Benefit

- Key person protection
- Buy / Sell funding
- Collateral for bank loan: Portion of premiums may be tax deductible

Executive owns Investment and Cash Value

- Growth on investments and Cash Value tax-sheltered during lifetime
- Tax-free payment to beneficiaries on death
- Available for direct borrowing or as collateral for personal bank loan

$$\begin{array}{c} \text{Life Insurance Estate Benefit} \\ + \\ \text{Tax-sheltered investment and Cash Value} \\ = \\ \text{Whole Life or Universal Life Policy} \end{array}$$

The Empire Life Insurance Company (Empire Life) is a proud Canadian company that has been in business since 1923. We offer individual and group life and health insurance, investment and retirement products.

Our mission is to make it simple, fast and easy for Canadians to get the products and services they need to build wealth, generate income, and achieve financial security.

Follow us on social media @EmpireLife or visit empire.ca for more information, including current ratings and financial results.

Tax Retirement & Estate Planning Team

Providing you with the insurance, wealth and planning strategies that matter most, the Tax, Retirement & Estate Planning team is comprised of practicing professionals whose primary objective is to support you as you help your clients reach their financial goals.



For more information reach out to Empire Life's sales teams who can access the team and its resources for large and complex cases.

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The Empire Life Insurance Company

259 King Street East, Kingston, ON K7L 3A8

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empire.ca investment@empire.ca 1 877 548-1881

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