

# SPLIT DOLLAR LIFE INSURANCE STRATEGIES

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





## Family: Split Dollar

### Adult Child owns Estate Benefit

- Protect dependants
- Preserve estate
- Creditor protection

### Parent owns Investment

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

## Corporate: Investment Split Dollar

### Executive owns Estate Benefit

- Estate preservation
- Capital gains taxes
- Estate equalization

### Corporation owns Investment

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

## Corporate: Protective Split Dollar

### Corporation owns Estate Benefit

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

### Executive owns Investment

- Growth on investments tax-sheltered during lifetime
- Tax-free payment to beneficiaries on death
- Available as collateral for personal bank loan

**Life Insurance Estate Benefit**

**+**

**Tax-sheltered investment**

**=**

**Universal Life Policy**

The Empire Life Insurance Company (Empire Life) offers competitive individual and group life and health insurance, investment and retirement products to help you build wealth and protect your financial security.

Empire Life is among the top 10 life insurance companies in Canada<sup>1</sup> and is rated A (Excellent) by A.M. Best Company<sup>2</sup>. Our vision is to be the leading, independently-owned, Canadian financial services company committed to simplicity, being easy to do business with and having a personal touch.

<sup>1</sup> Source: Office of the Superintendent of Financial Institutions (OSFI), based on general and segregated fund assets

<sup>2</sup> As at June 22, 2011

## STEPUP

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

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