

Taking care of business includes the business of tax-wise estate planning

**Do you need a tax shelter?
Many of us do.**

Now's the time to talk to your financial professional about sophisticated estate planning techniques which incorporate your personal and philanthropic goals.

The vehicle: Combining will + life insurance

How it works:

- Estimate how much taxable income will be realized on death and determine how much of it is to be sheltered.
- An amount equal to the **sheltered amount** should be set out in your **Will** as a bequest to the Jewish Community Foundation of Montreal.
- Either you or your corporation takes out an **insurance policy** (on a last-to-die basis for you and your spouse) for an amount equal to the bequest.
- On death, **non-taxable insurance proceeds** will be paid to the corporation as a capital dividend to the estate. The estate will give these funds to the JCF and a **tax receipt** will be issued to be used on your (or your spouse's) final tax return.

More information in the JCF Gift Planning Handbook



CORPORATE ESTATE PLANNING SCENARIO

Amount to be sheltered:	\$250,000
Willed to JCF:	\$250,000
Insurance premium	\$ 60,000
Insurance proceeds to Estate, then to JCF	\$250,000
JCF Bequest	\$250,000
Taxes saved	\$120,000

Bottom Line:

A net gain of **\$60,000** (difference between taxes saved and cost of premiums).

And the company has an additional **\$250,000** in its capital dividend account.