

Bell Pascal Financial Services

Estate planning for Family and Business



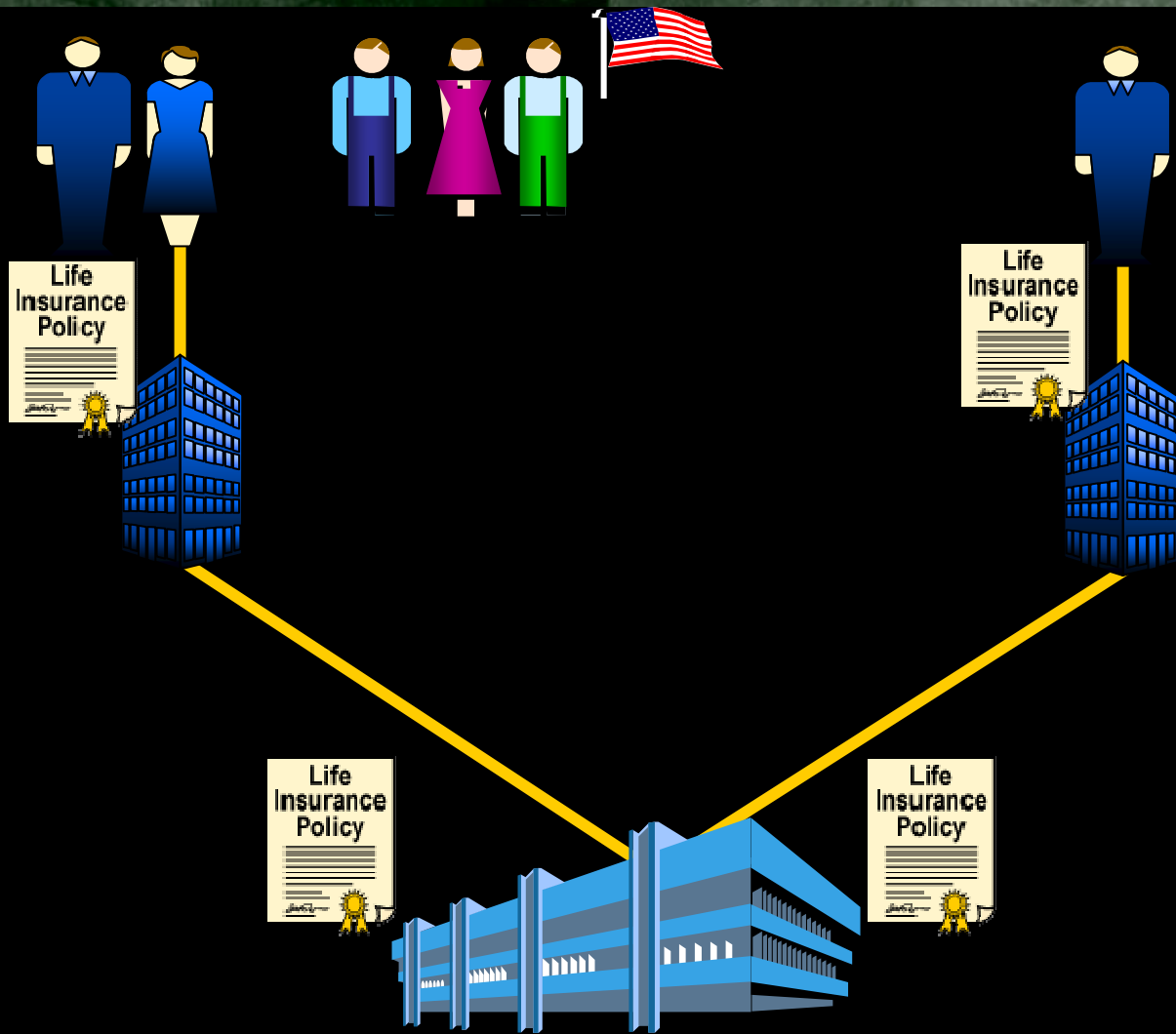
**More Yield, Less Tax
Live Generously**



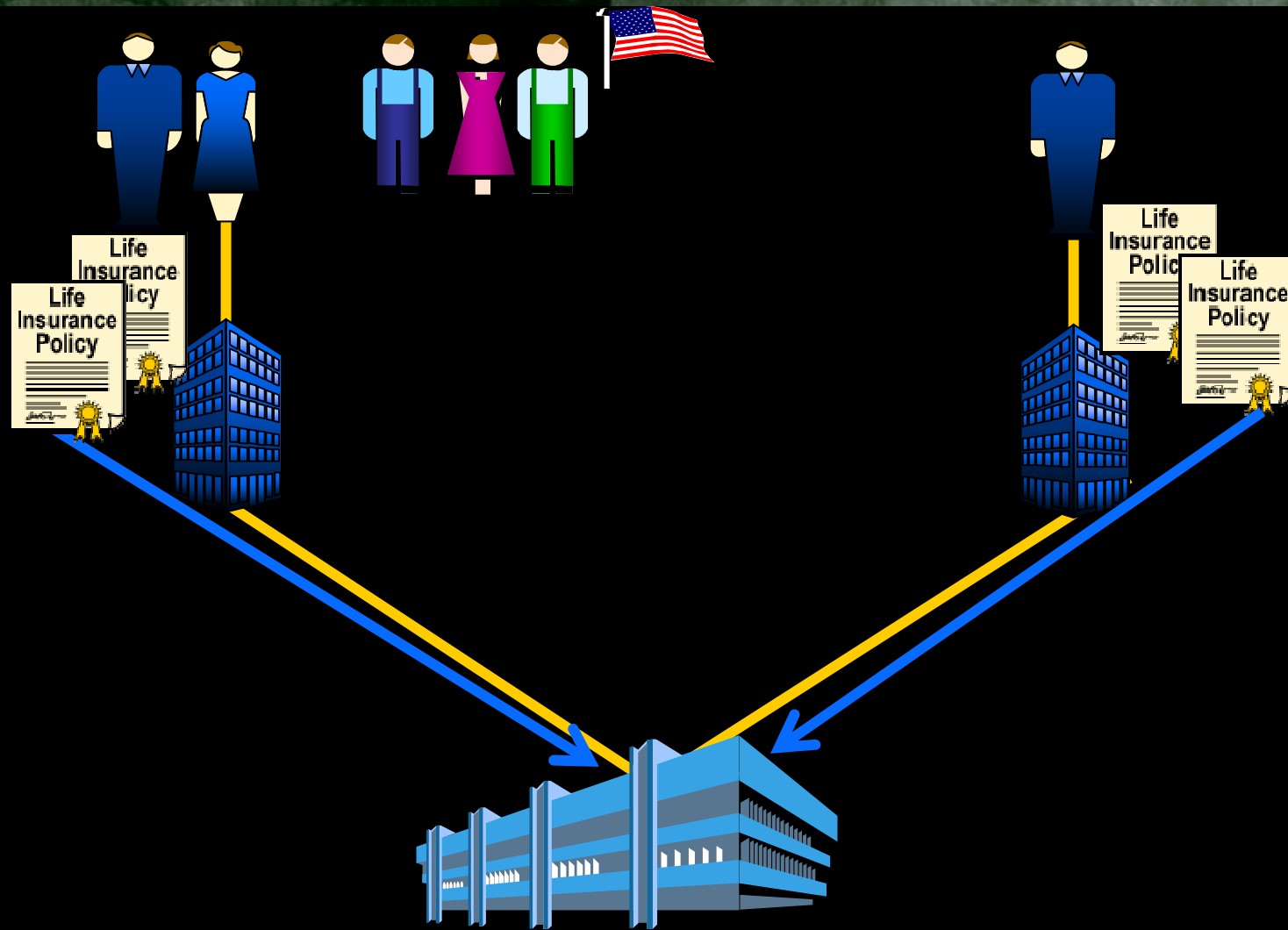
**The Jewish Community Foundation of Montreal
2009 Professional Development Seminar**

**With
Barry Pascal
Bell Pascal Financial Services**

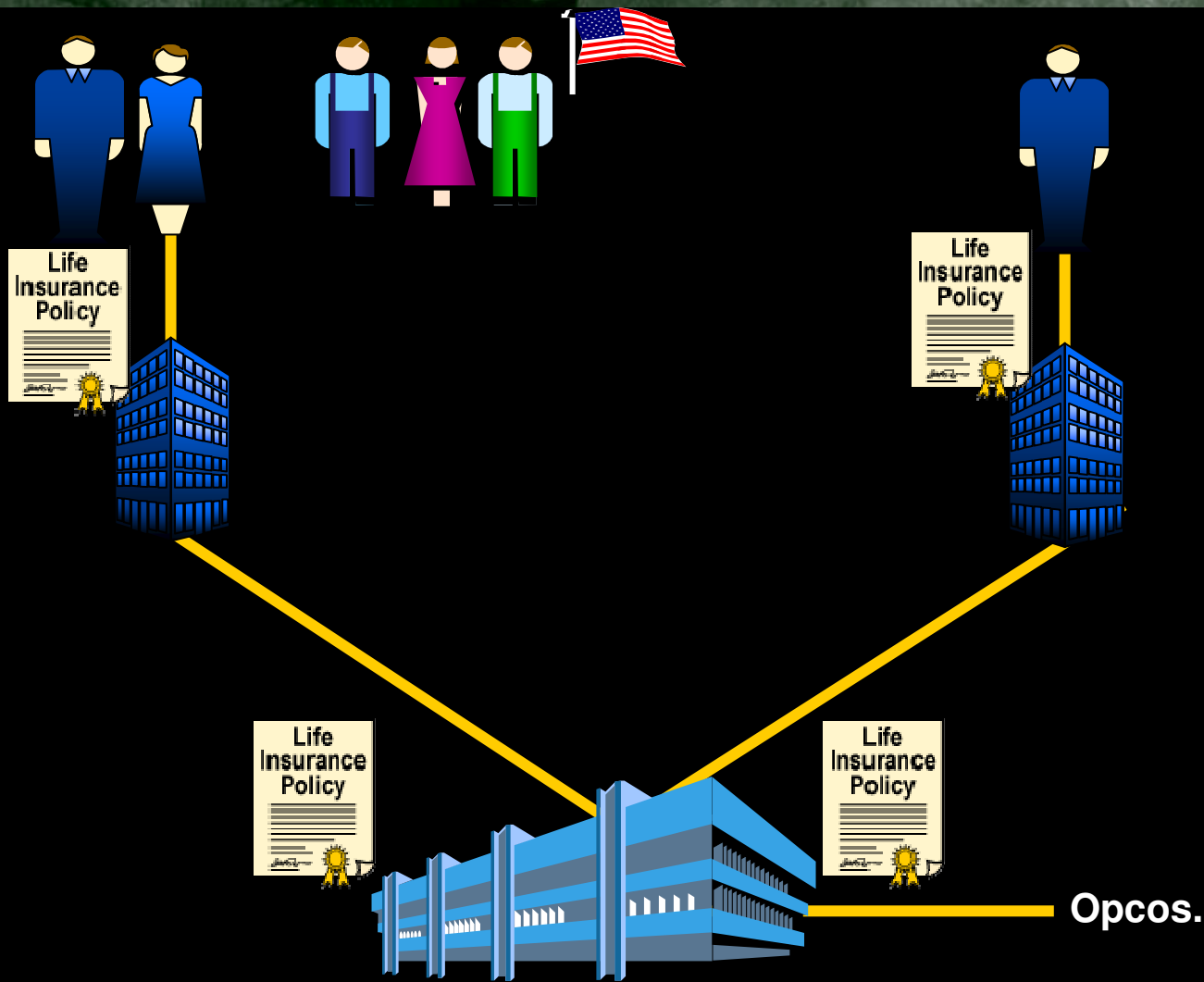
Structure



Alternative Structure



Sale of Business



Ownership of Insurance

Creditor Issues

Payment of Premium

CDA Optimization

Ease of Transfer

Multiple beneficiaries

OPCO – Basic Benefit

HOLDCO – Return of Fund

Charity – Now or in Will

How do we replace our income?



Income From Capital

Term Deposit of \$1,000,000

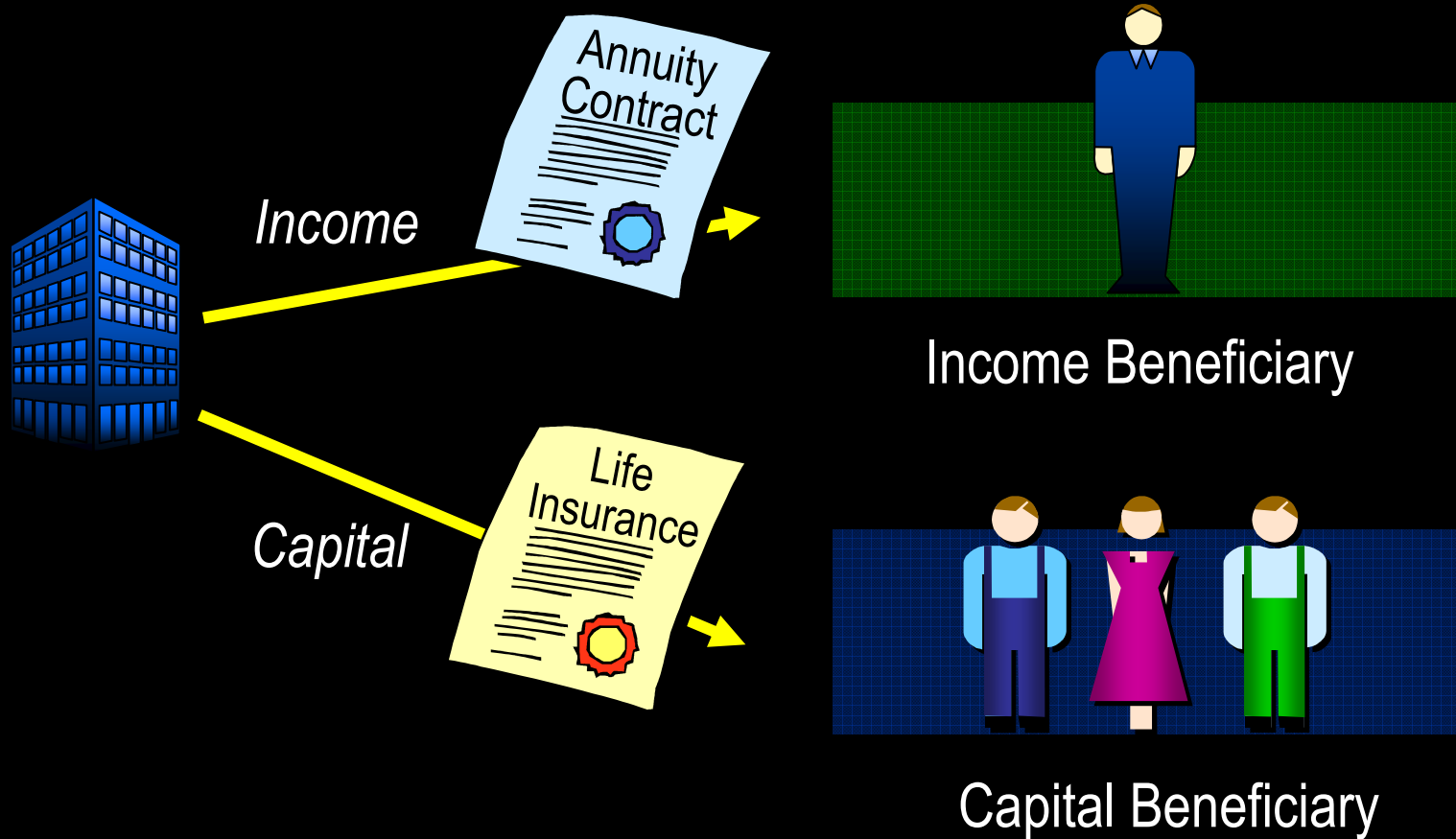
	Before @ 8%	Today @ 4%
Income	\$80,000	\$40,000
Taxable Payable @ 50.00%	\$40,000	\$20,000
Net After Tax	\$40,000	\$20,000
Donation of \$20,000	(\$10,000)	\$0
Net Income After Tax & Donation	\$30,000	\$20,000

Excludes RDTOH

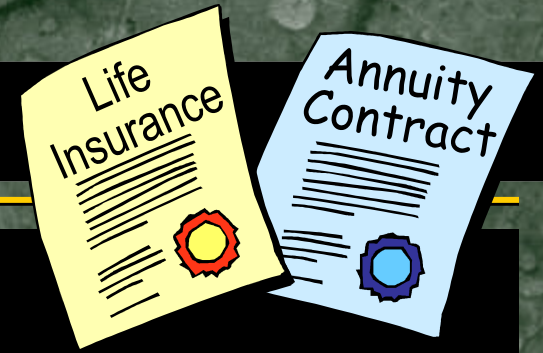
The Challenge



Improving The Yield



Insured Annuity - Reference



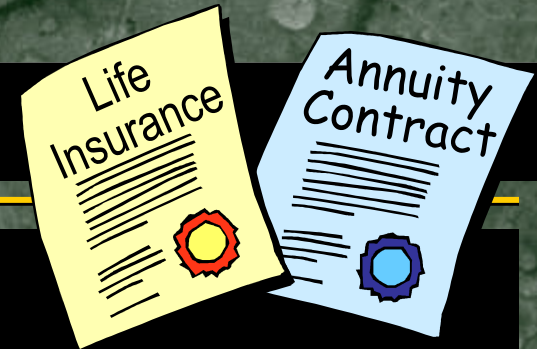
1. Non-Prescribed Annuity

- Corporate Owned
- Variable Taxation
- Improves Over Time
- Valuation Opportunity At Death

2. Prescribed Annuity

- Personally Owned
- Level Taxation
- Higher Early Return
- No Valuation Opportunity At Death
- Life Insurance can be Corporate Owned

Corporate Insured Annuity



Individual Coverage - \$1,000,000

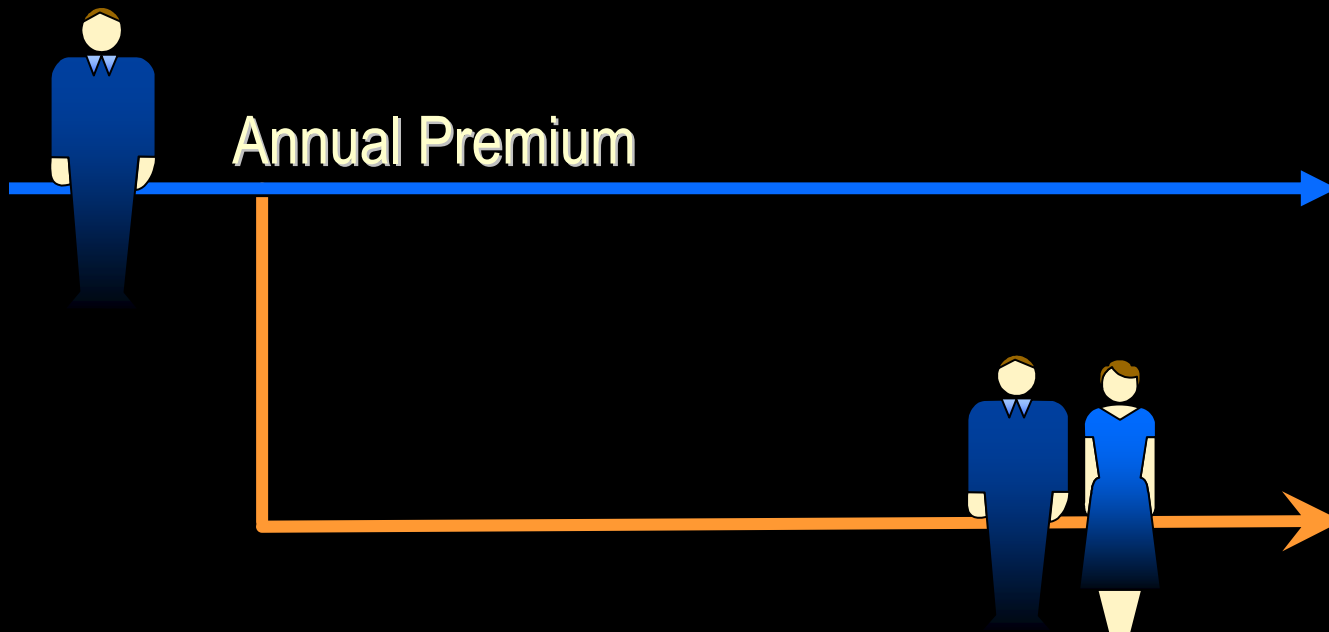


**Recycle Partnership Coverage
(10 years old)**

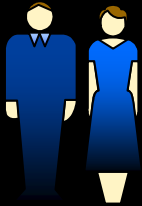
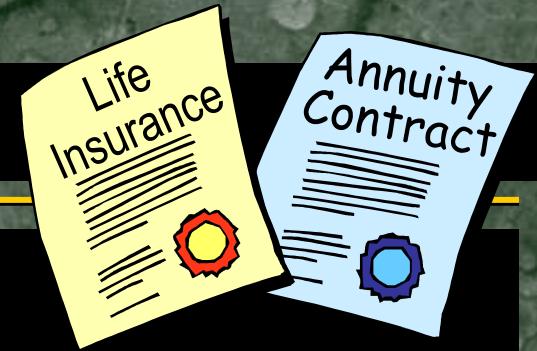
Annuity Income	\$90,000	\$90,000
Taxable Payable @ 50.00%	(\$16,000)	(\$16,000)
Insurance Premium	(\$38,000)	(\$19,000)
Net Income After Tax & Insurance	\$36,000	\$55,000
After-Tax Rate of Return	3.60%	5.50%
Equivalent Pre-Tax Rate of Return	7.20%	11.00%

Individual or Joint Requirement?

Guaranteed Option To Change To Joint Last To Die



Corporate Insured Annuity



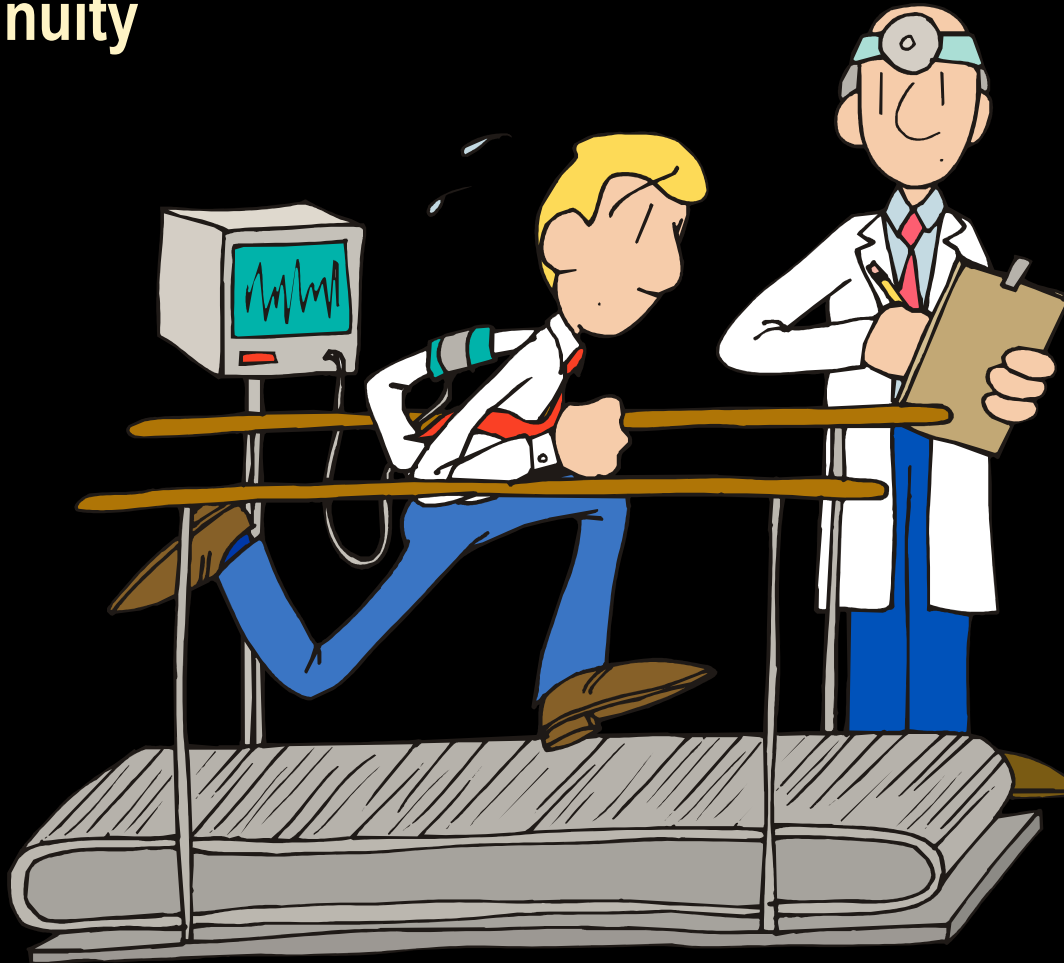
Joint Life Coverage - \$1,000,000

**With Existing Coverage
(10 years old)**

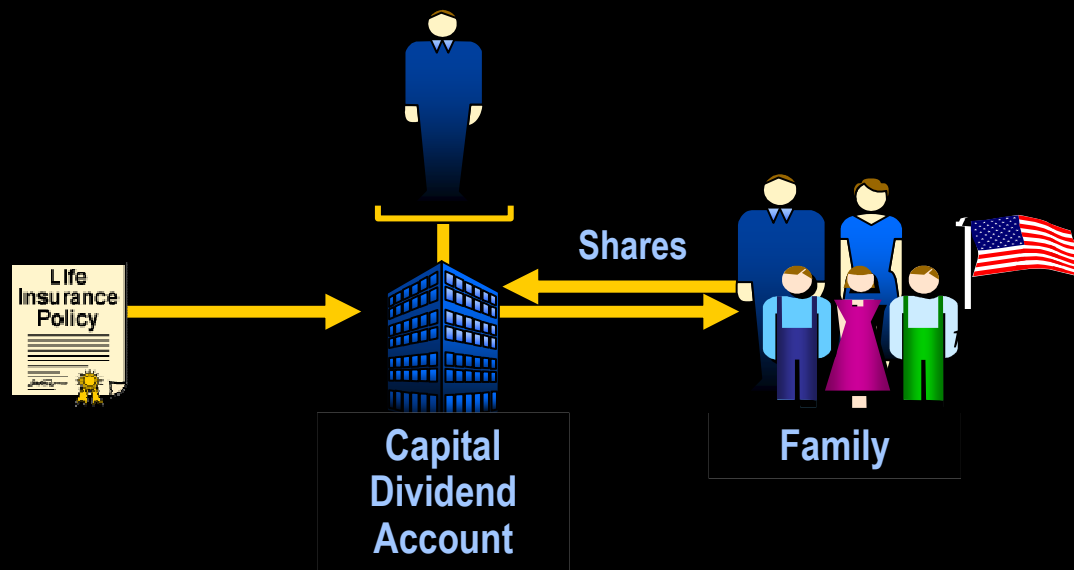
Annuity Income	\$75,000	\$75,000
Taxable Payable @ 50.00%	(\$18,000)	(\$18,000)
Insurance Premium	(\$15,000)	(\$7,500)
Net Income After Tax & Insurance	\$42,000	\$49,500
After-Tax Rate of Return	4.20%	4.95%
Equivalent Pre-Tax of Return	8.40%	9.90%

What if there's a change of health?

Impaired Annuity

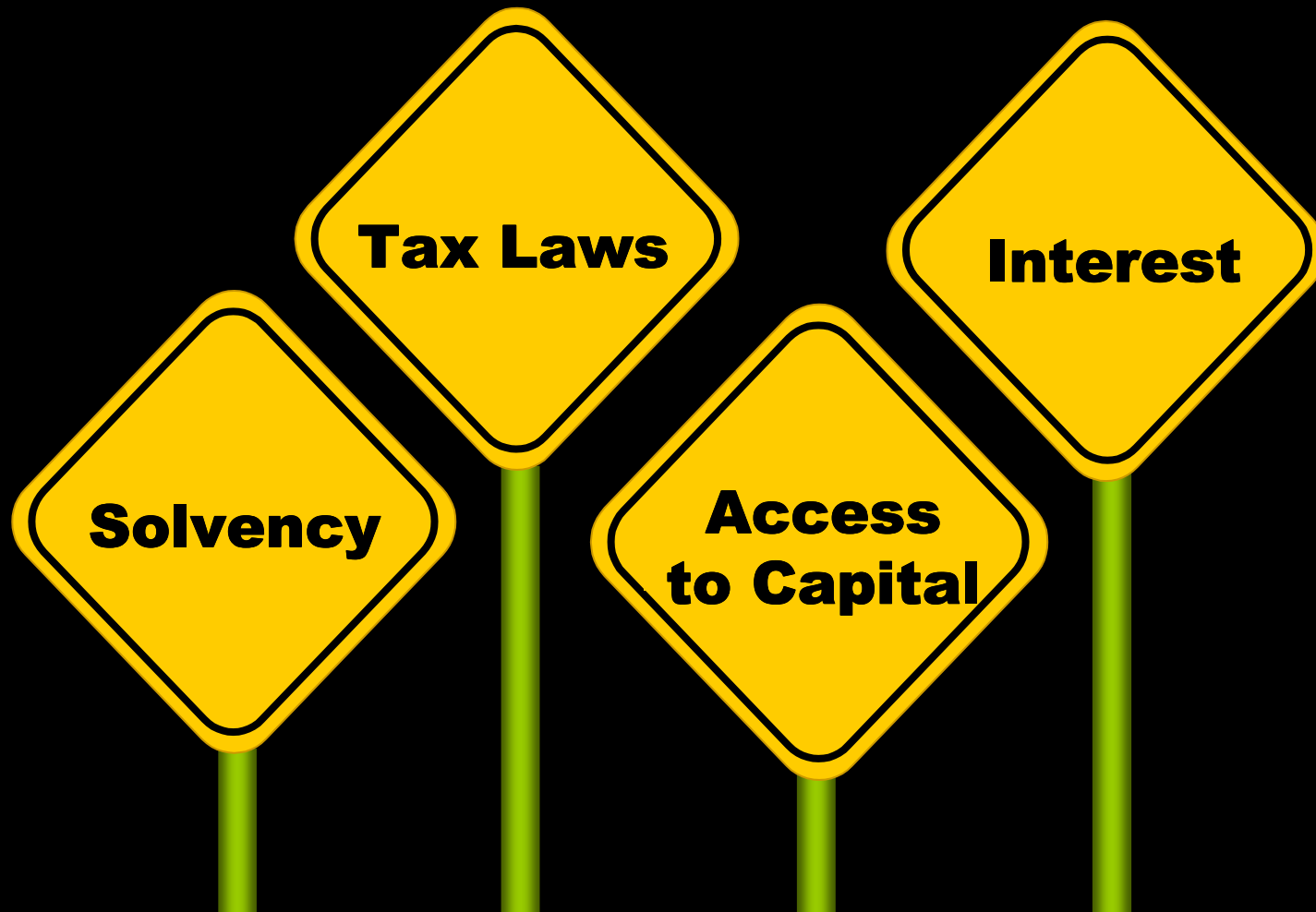


Capital Dividend Account



- Careful Planning Required For US Child
- Redirect Capital Dividend Account
- Consider a Redemption of Shares in the Estate

Risks





Conclusion

Term Deposit or Insured Annuity?



	Term Deposit @ 4%	Joint Life Insured Annuity (special conversion)
Income	\$40,000	\$75,000
Taxable Payable @ 50.0%	(\$20,000)	(\$18,000)
Insurance Premium		(\$7,500)
Net Income After Tax & Insurance	\$20,000	\$49,500
Annual Donation of \$39,000		(\$19,500)
Net Income After Tax & Donation	\$20,000	\$30,000

More Yield, Less Tax Live Generously

	Starting Point	 Joint Life (special conversion)	 Recycle Partnership Coverage (10 years old)
Income	\$20,000	\$49,500	\$55,000
Annual Donation of \$39,000	\$0	\$19,500	\$19,500
Net Income After Tax & Donation	\$20,000	\$30,000	\$35,500

+ 50%

+ 78%

Lifetime Donation (Over 20 Years)	0	\$780,000	\$780,000
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Other Issues

- **Donation Opportunity**
- **Funding Tax Liability**
- **Share Redemption**

Process

