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Secure Capital Management are Alberta's premier provider of insurance-based tax and estate planning solutions for private company owners, medical professionals and high-net-worth families.

The team at SCM includes insurance specialists and accountants plus best in class external resources. We build and design an insurance solution with the help of a clients trusted advisor to suit each client's unique goals and objectives.

The strategies are designed to provide the advisor the best answer to solve problems from tax planning, charitable giving and potential liquidity requirements.



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Life Insurance and Charitable Giving

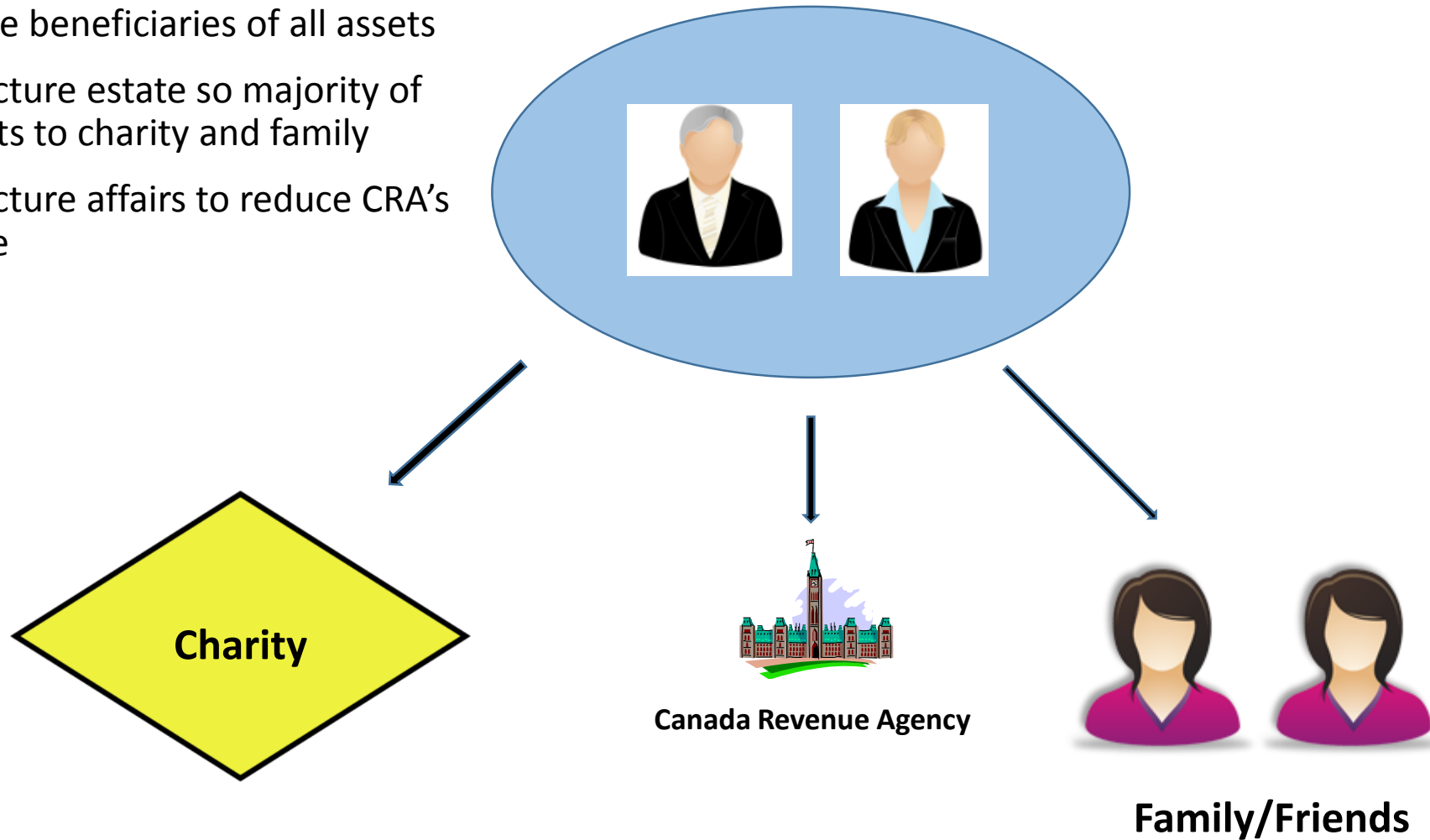
Presented to: Leave A Legacy Calgary
Presented by: Ross Young, CA, CFP, FEA
October 2017



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Beneficiaries of your estate

- Three beneficiaries of all assets
- Structure estate so majority of assets to charity and family
- Structure affairs to reduce CRA's stake





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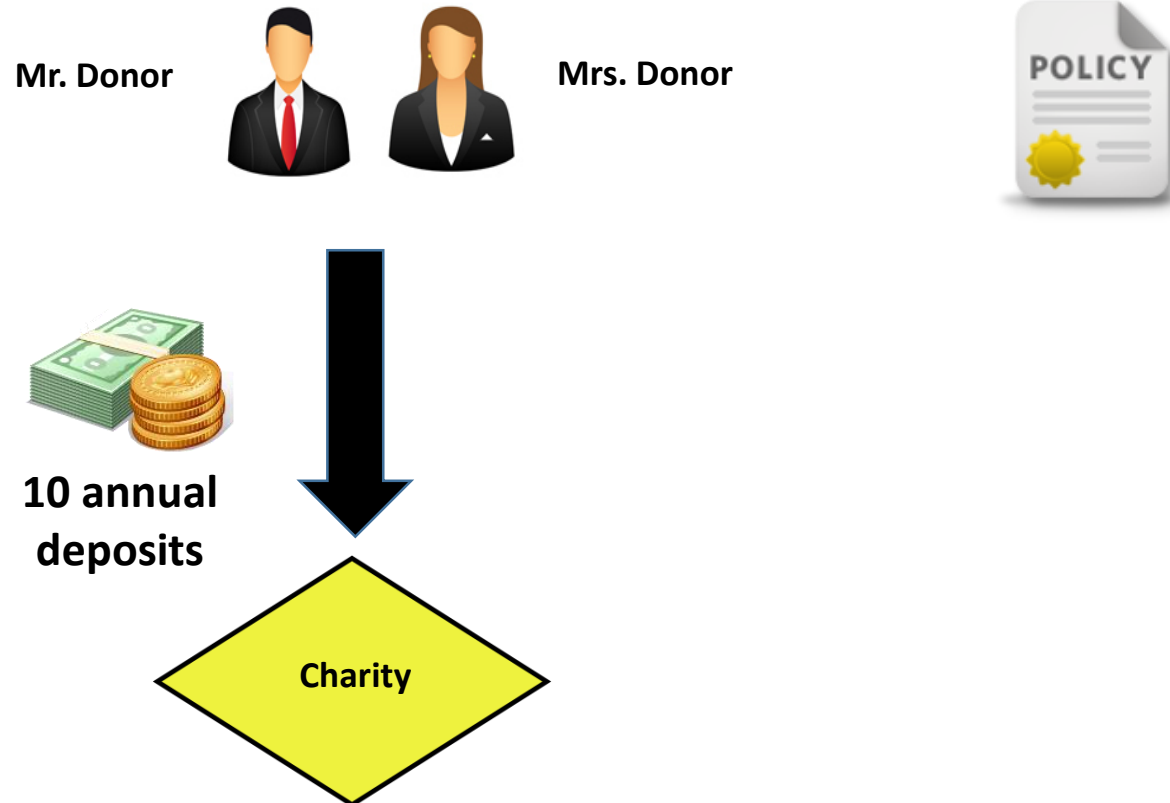
Guaranteed Legacy Donation



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Strategy Setup

- Mr. & Mrs. Donor qualify for an insurance policy
- Charity becomes owner and beneficiary of insurance policy
- Mr. & Mrs. Donor make 10 annual premium payments for guaranteed legacy donation





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Joint Last-to-die

AGE	Annual	10 years	Tax credit	Net cost	Gift
35	\$1,392.86	\$13,928.60	(\$6,964.30)	\$6,964.30	\$100,000
45	\$2,003.06	\$20,030.60	(\$10,015.30)	\$10,015.30	\$100,000
55	\$2,981.63	\$29,816.30	(\$14,908.15)	\$14,908.15	\$100,000
65	\$4,504.08	\$45,040.80	(\$22,520.40)	\$22,520.40	\$100,000
75	\$6,903.06	\$69,030.60	(\$34,515.30)	\$34,515.30	\$100,000



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Male

AGE	Annual	10 years	Tax credit	Net cost	Gift
35	\$2,003.06	\$20,030.60	(\$10,015.30)	\$10,015.30	\$100,000
45	\$2,981.63	\$29,816.30	(\$14,908.15)	\$14,908.15	\$100,000
55	\$4,344.90	\$43,449.00	(\$21,724.50)	\$21,724.50	\$100,000
65	\$6,573.47	\$65,734.70	(\$32,867.35)	\$32,867.35	\$100,000
75	\$11,498.98	\$114,989.80	(\$57,494.90)	\$57,494.90	\$100,000



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Female

AGE	Annual	10 years	Tax credit	Net cost	Gift
35	\$1,731.63	\$17,316.30	(\$8,658.15)	\$8,658.15	\$100,000
45	\$2,556.12	\$25,561.20	(\$12,780.60)	\$12,780.60	\$100,000
55	\$3,892.86	\$38,928.60	(\$19,464.30)	\$19,464.30	\$100,000
65	\$5,970.41	\$59,704.10	(\$29,852.05)	\$29,852.05	\$100,000
75	\$9,294.90	\$92,949.00	(\$46,474.50)	\$46,474.50	\$100,000



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Summary

- Donor applies and qualifies for insurance policy
- Donor makes charity the owner and beneficiary of insurance policy
- Policy is guaranteed to be paid up in 10 payments (or shorter if desired)



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Capital Replacement Strategy



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Current Situation

Mr. Donor
51



Mrs. Donor
51



\$100,000



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Donate Today

- Donate **\$100K** to charity today
- Have a chance to see your philanthropy make a difference while you are alive
- Use **\$50,000** in tax savings to purchase insurance for children's inheritance



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Setup – Part 1

Mr. Donor
51



Mrs. Donor
51



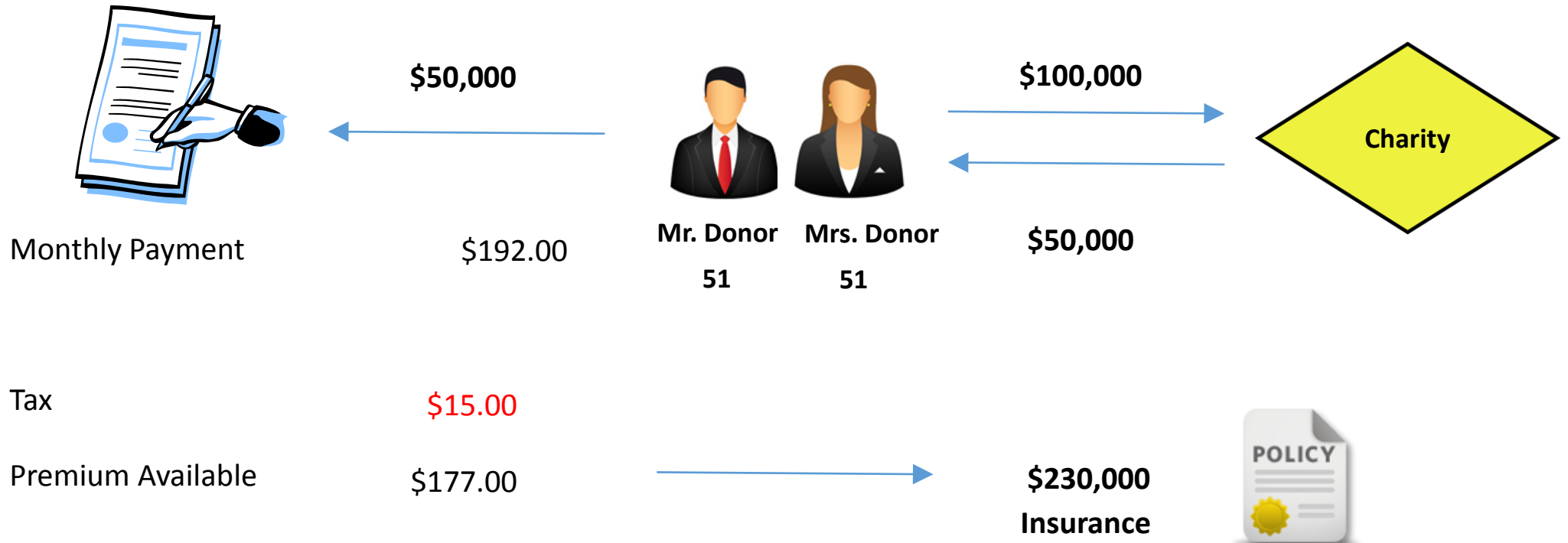
\$100,000



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Setup - Part 2

- Donation of \$100,000 is made to charity
- Tax Credit of \$50,000 is used to purchase an annuity
- Annuity payments are used to fund an insurance policy to replace donated capital

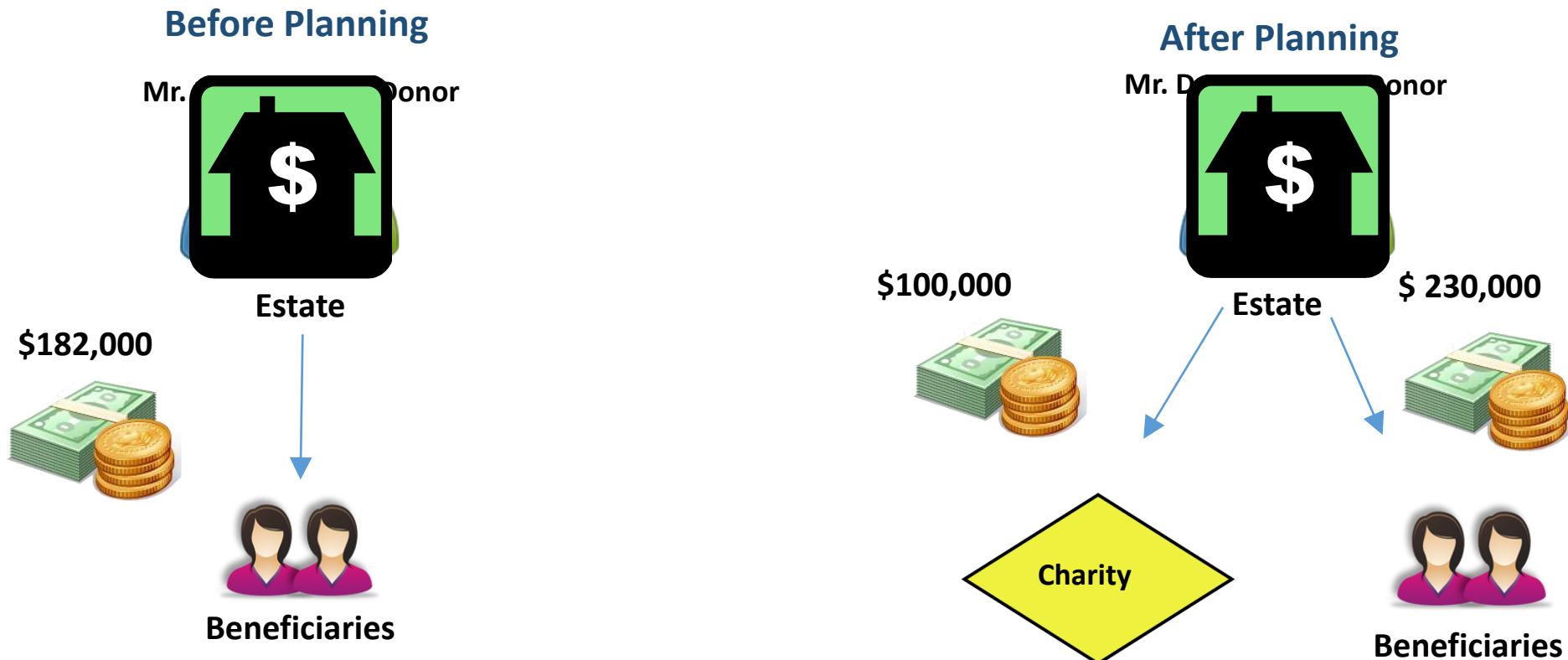




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Results

- No Planning - \$182,000 to beneficiaries on death
- After Planning - \$100,000 **immediate donation** – make a difference today
- After Planning - \$230,000 to beneficiaries on death



E. & O.E.

Based on 3% pre-tax return



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Summary of Results

- Donate **\$100,000** to charity today
- Have a chance to see your philanthropy make a difference while you are alive
- Use tax savings to purchase an annuity which funds insurance policy of **\$230,000** for beneficiaries



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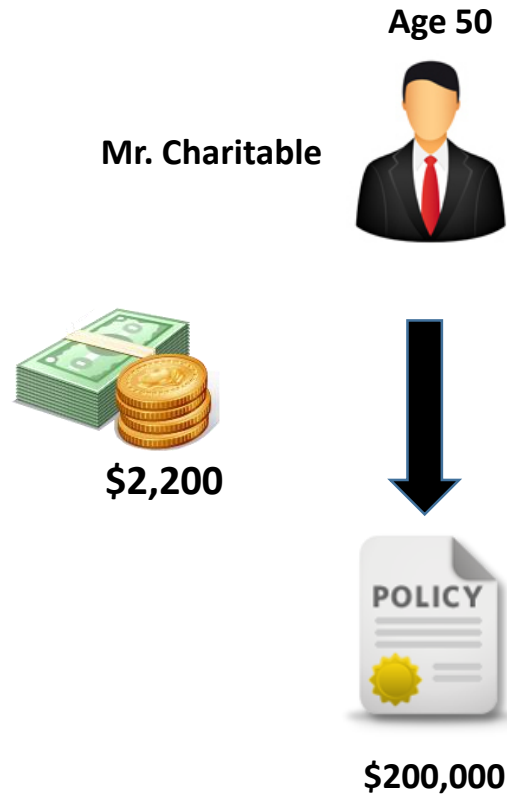
Donation of Old Policy



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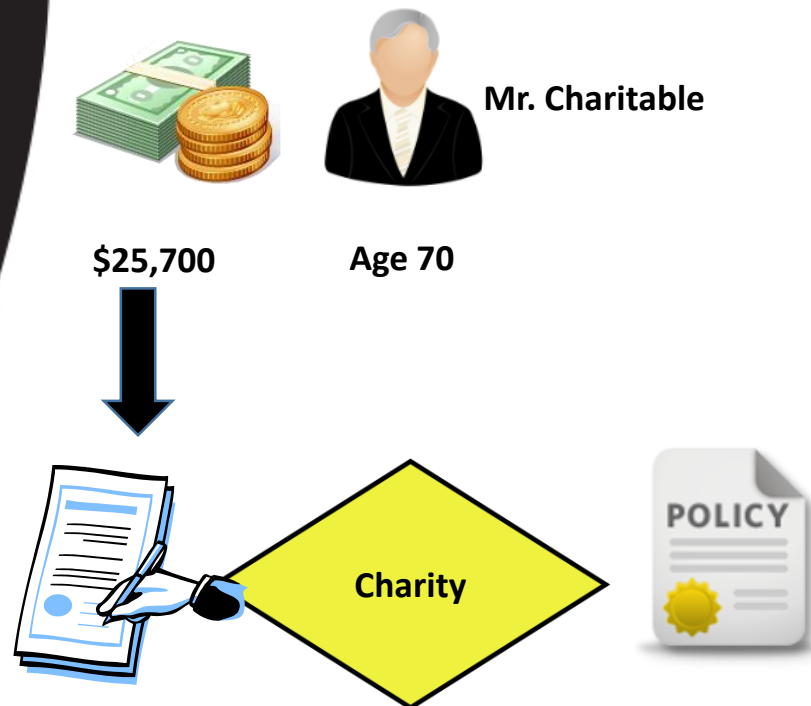
Past Situation

- Mr. Charitable purchases a \$200K life insurance policy for his family protection needs
- Mr. Charitable pays annual premiums of \$2,200



Current Situation

- Mr. Charitable, now 70, no longer needs the insurance for family protection purposes
- Mr. Charitable donates his policy, charity becomes owner and beneficiary of insurance policy
- Charity issues tax receipt in the amount of \$75,000 for FMV of policy – tax credit of \$37,500
- Mr. Charitable purchases and donates an annuity for \$25,700 which pays premiums for life – tax credit of \$12,850



Tax Credit - Insurance	\$37,500
Purchase Annuity	(\$25,700)
Tax Credit - Annuity	\$12,850
Net to Donor	\$24,650

Paid Up Policy to Charity	\$200,000
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Summary of Results

- Mr. Charitable donates **\$200K** policy no longer needed for family protection
- Mr. Charitable purchases and donates an annuity of **\$25.7K** to fund future premiums
- Donor receives **\$24.7K** net tax benefits
- Charity receives **\$200K** paid up policy



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Important Information

- This summary is for informational purposes only. Reference should be made to the life insurance policy(ies), contract(s), loan agreement(s) and accompanying illustration(s) for details.
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