No-Limit Personal TFSA

Tax-Exempt Permanent Life Insurance

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Family. Business. Legacy.

You like Tax-Free Savings Accounts (TFSAs) because investments grow tax-free and money can be withdrawn tax-free.

But you can only deposit $6,000/year.

You can enjoy the same tax-exempt attributes of a TFSA, with no upper limit. It's called Tax-Exempt Permanent Life Insurance.

Unique treatment under Canada's Income Tax Act

In contrast to other investments (stocks, bonds, GICs, real estate, precious metals, cryptocurrencies, etc.) permanent cash value Life Insurance is tax-exempt.

These policies are particularly attractive to people with substantial investment portfolios and unrealized capital gains, high income professionals and real estate investors.

Why would you want it?

Most affluent Canadians are sufficiently self-insured by virtue of their assets and don't need insurance for traditional risk mitigation purposes.

They use permanent Life Insurance as a worry-free investment that can grow at an equivalent taxable rate of return of more than 10% annually, can be accessed tax-free and passed along to family and favourite charities tax-free.

The Problem

Canadians earning more than $220,000 a year now lose up to 54% to income taxes (in Ontario, it varies by province). They usually invest in highly-taxed investments (stocks, GICs, bonds, real estate, etc.) subject to further taxes on profits. The last Federal Budget included several changes aimed at making it even more difficult for affluent Canadians to keep the money they have earned.

The Solution

Move some of the investment portfolio from taxable investments to tax-exempt permanent Life Insurance. There are three main benefits:

- The savings component of the Life Insurance policy grows on a tax-free basis;
- Accumulated funds can be accessed tax-free
- All the policy proceeds payable at death are paid out tax-free.

Get It Without Tying Up Money On Premiums

If you qualify, you can buy permanent Life Insurance using Immediate Financing Arrangements (IFA).

» The insurance policy serves as collateral to secure a loan with a Canadian chartered bank.
» The loan is used to pay the premiums and the policyholder pays only the loan interest, which is tax-deductible.
» The loan is typically paid off at death with the Life Insurance proceeds.
» The balance goes to family and charity, virtually tax-free.

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