Preferred estate transfer®
Preferred retirement solution®

For Individual Clients
Advanced Insurance Planning

About Equitable

Equitable is proud to be one of Canada's largest mutual life insurance companies. As a mutual company, we are not driven by shareholder pressures for quarterly results. This allows us to focus on management strategies that foster prudent long-term growth, continuity and stability.

We are dedicated to meeting our commitments to our customers — to provide good value and meet their needs for insurance protection and wealth accumulation — now and in the future. That's why Canadians have turned to Equitable since 1920 to protect what matters most.

Equitable is a focused, stable and strong company. We have sufficient earnings and capital to meet our future growth targets, and we continue to grow steadily. Our growth in sales has been driven by our ability to implement our strategic plan, placing a priority on products, service and execution. Our financial success reflects our continued commitment to profitable growth and our ability to navigate a changing regulatory and economic environment.

Our mutual structure is a key element of our value proposition, along with our diversified product portfolio and superior service. As an organization we're progressive, competitive and firmly committed to serving the best interests of our policyholders, through longer-term strategies that foster ongoing stability, growth and profitability.

About this guide

This guide features the Preferred Estate Transfer® and Preferred Retirement Solution® concepts for individual clients. It outlines the marketing opportunities and support, key features, sample case studies, key tax considerations, and tips for illustrating the concepts. These are concepts, not products or contracts. While Equitable has made every effort to ensure the accuracy of the information presented here, the policy contract governs in all cases. FOR ADVISOR USE ONLY.

Questions? Equitable is committed to providing you with the service and support you need to grow your business. If you have questions about these concepts, please contact your Equitable Regional Sales Manager.

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About the Concepts

Preferred solutions for individual clients

Making life insurance work for clients and their loved ones.

Give individual clients the preferential treatment with Equitable's preferred financial planning concepts.

Creating and preserving an inheritance

Many clients want to maximize their wealth and the legacy they leave for their loved ones.

This represents an opportunity for you to help clients benefit from one of the most tax-efficient strategies for building and transferring a legacy to the next generation — permanent life insurance. But the opportunity doesn't stop there.

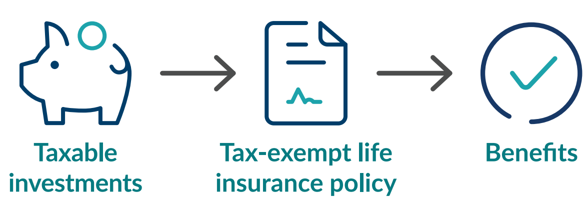
Building wealth they can access

The tax-advantaged growth within a permanent life insurance policy also builds wealth that clients can access to supplement their retirement income. In a 2023 survey, about half of Canadians polled (52%) said they don't have much to put towards savings and feel unprepared for retirement. With life expectancy increasing, there is a risk they could outlive the money they have saved for retirement or they will have to reduce how much they can spend each year to make it last longer.

The preferred solutions

Whether clients are looking to leave a larger inheritance to their loved ones or supplement their retirement income, Equitable has the solution.[1] These concepts are available using Equimax® participating whole life, Equitable Generations™ and Equation Generation® IV universal life and can be illustrated on a single life, joint first-to-die and joint last-to-die basis.

Preferred estate transfer	Preferred Retirement Solution
By redirecting some of their money from taxable investments into a permanent life insurance policy, clients can leave more to their loved ones and save taxes today and in the future.	This concept is an extension of the Preferred Estate Transfer. Once the cash surrender value is large enough to meet the bank's loan requirements, clients may apply for a bank loan using the policy as collateral.[2] The bank loan can supplement their retirement income with tax-free dollars. At death, the life insurance proceeds pay off the loan with the balance paid to the beneficiary/estate.



- Collateral loan to supplement income at retirement

- Tax savings
- Larger estate for their heirs

[1] These are concepts, not products or contracts. They are based on current tax rules. Clients should consult with their tax or legal professional for independent advice with respect to their individual circumstances.

[2] With a collateral bank loan, the lender will be a third-party lending institution. Availability of a loan from the third-party lending institution is not guaranteed by Equitable and is not part of the life insurance contract. The borrower must apply for and meet the third-party lending institution's loan qualification requirements. The borrower may be able to borrow from a third-party lending institution an amount up to 100% of the policy's cash value. Loan minimums vary by financial institution. Some financial institutions require a minimum collateral loan of $250,000. The ability to obtain a loan and the terms of a loan are subject to the financial underwriting policies at the third-party lending institution at the time of loan and are subject to change at any time. There may be conditions, fees and costs associated with arranging the collateral bank loan.

Identifying the target market

Equitable's preferred sales concepts are designed for individual clients who:

- Are focused on estate planning and want a tax-efficient way to transfer their assets to their heirs or favourite charity (generally age 45+).
- Want to preserve or enhance their estate values.
- Want to improve the tax efficiency of their investment portfolio.
- Have paid off their mortgage or other debts.
- Are pre-retirees who have taken steps to prepare for their retirement but might need to supplement their retirement income.
- Are in good health and can qualify for life insurance.

Starting the conversation

Asking the right questions can help you qualify clients and generate interest in finding out how these concepts can help them. Here are some questions to ask:

Do you have a will?	This is a good indicator that they have taken some steps toward estate planning.
Are you investing in taxable investments?	Their answer will help you determine if they have the resources to implement the plan.
Do you have a plan?	Most Canadians want to put some money aside to leave a legacy for their loved ones while at the same time save enough money to enjoy their retirement. Without a plan, these goals may never become a reality. Questions to consider include: • How much money will you need to achieve your financial goals? • How much of that value will come from your home, and other assets? • Is there a gap?

For corporate clients, please refer to Corporate Preferred Estate Transfer and Corporate Preferred Retirement Solution advisor guide.

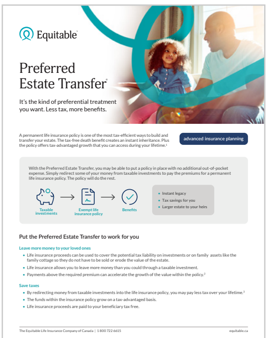
Need more information?

More information about Preferred Estate Transfer and Preferred Retirement Solution for individual clients, go to the Financial Planning Concepts page on EquiNet and click on the Individual Clients link.

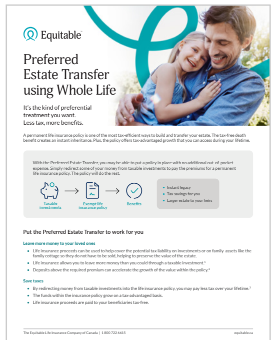
Marketing Materials

The following marketing material is available to assist with presenting these concepts to individual clients. (available in English and French on EquiNet)

Preferred Estate Transfer

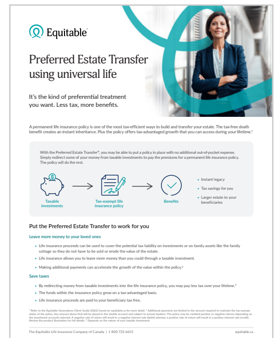

Equitable
Preferred Estate Transfer
It's the kind of preferential treatment you want. Less tax, more benefits.

1564 Client flyer


Equitable
Preferred Estate Transfer using Whole Life
It's the kind of preferential treatment you want. Less tax, more benefits.

1572 Client brochure

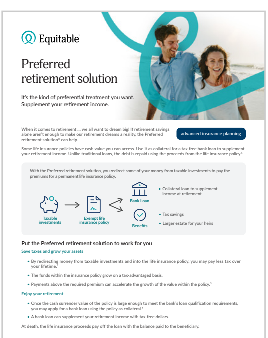
(with Equimax participating whole life case study)


Equitable
Preferred Estate Transfer using universal life
It's the kind of preferential treatment you want. Less tax, more benefits.

1689 Client brochure

(with Equitable Generations universal life case study)

Preferred Retirement Solution


Equitable
Preferred retirement solution
It's the kind of preferential treatment you want. Supplement your retirement income.

1565 Client flyer


Equitable
Preferred retirement solution
Checklist

1568 Client checklist


Equitable
Preferred Retirement Solution using whole life
It's the kind of preferential treatment you want. Supplement your retirement income.

1573 Client brochure

(with Equimax participating whole life case study)

How to order

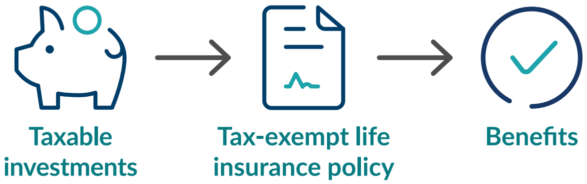
Log in to EquiNet at www.equitable.ca/advisorhome. Select Marketing Materials under Insurance, and then select the supply order form 1390. Please request marketing material from your MGA. Your MGA should complete the order form, scan it and email it to supply@equitable.ca or FAX it to 519-883-7424.

Preferred estate transfer at a glance

It's the kind of preferential treatment clients want. Less tax, more benefits.

A permanent life insurance policy is one of the most tax-efficient ways to build and transfer an estate. The tax-free death benefit creates an instant inheritance. Plus the policy offers tax-advantaged growth that clients can access during their lifetime.[1]

With the Preferred Estate Transfer, clients may be able to put a policy in place with no additional out-of-pocket expense. Clients simply need to redirect some money from taxable investments to pay the premiums for a permanent life insurance policy. The policy will do the rest.



- Instant legacy
- Tax savings for the client
- Larger estate for their heirs

Put the preferred estate transfer to work for them

Leave more money to loved ones

- Life insurance proceeds can be used to cover the potential tax liability on investments or on family assets like the family cottage so they do not have to be sold or erode the value of the estate.
- Life insurance allows clients to leave more money than they could through a taxable investment.
- Payments above the required premium can accelerate the growth of the value within the policy.[2]

Save taxes

- By redirecting money from taxable investments into the life insurance policy, clients may pay less tax over their lifetime.[3]
- The funds within the insurance policy grow on a tax-advantaged basis.
- Life insurance proceeds are paid to beneficiaries tax free.

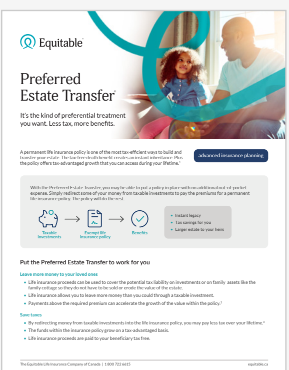
[1]Refer to the product Client Guide for more detail.
[2]The extra payment is limited to the amount required to maintain the tax-exempt status of the policy. For universal life, the policy may be credited positive or negative returns depending on the investment accounts selected. Review the product illustration for full details.
[3]Depends on the nature of the taxable investment and assumes no taxes are triggered if investments are sold to fund premiums.

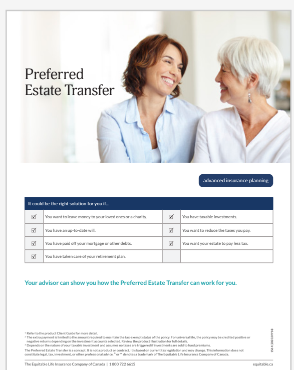
It could be the right solution for clients who ...			
☑	Want to leave money to loved ones or a charity.	☑	Have taxable investments.
☑	Have an up-to-date will.	☑	Want to reduce the taxes they pay.
☑	Have paid off their mortgage or other debts.	☑	Want their estate to pay less tax.
☑	Have taken care of their retirement plan.		

Print this information

A pdf version of this information (Form 1564) can be accessed from the Financial Planning Concepts page on EquiNet by clicking the Individual Clients link.

Equitable Sales Illustration® system
Page 1 of the Preferred Estate Transfer PDF will automatically be included in the concept report produced from the illustration system.





1564 - Page 1 and 2

The Preferred Estate Transfer is a concept. It is not a product or contract. It is based on current tax legislation and may change. This information does not constitute legal, tax, investment, or other professional advice.

Preferred estate transfer

Case study #1:
Using Equimax participating whole life
Meet Peter

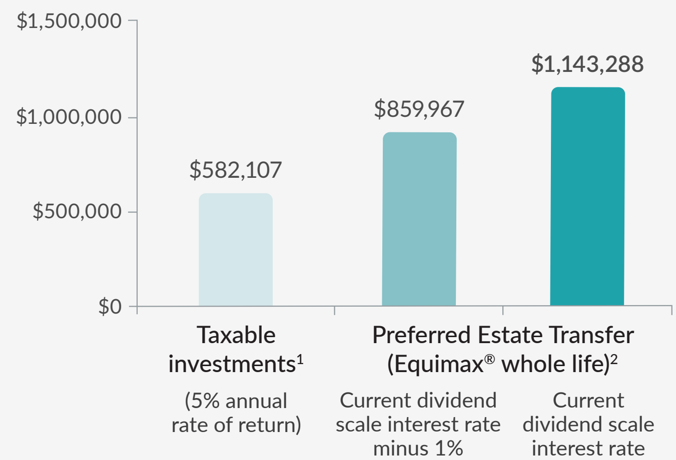
The situation	The need
• Peter (age 51). • He can put aside $25,000 each year for the next 10 years.	• He is looking for a tax-efficient way to build value in his estate and increase the legacy he can leave for his loved ones.

Two options

Taxable investments	Peter invests the $25,000 each year for 10 years in a taxable investment. • Annual rate of return of 5%. • Taxable investment portfolio (50% interest and 50% dividends). • Marginal tax rate of 50%; personal dividend tax rate of 35%. • No withdrawals are made.
Tax-exempt life insurance policy on shareholder	Peter transfers the $25,000 each year for 10 years to pay the annual premium for an Equimax Estate Builder® whole life insurance policy (Preferred Estate Transfer). • 20 pay, paid-up additions dividend option. • Initial death benefit $500,000. • The $25,000 annual deposit is a combination of required premium ($18,770) and an additional deposit (Excelerator deposit option) ($6,230). • The sales illustration for this case study shows a premium offset point at year 10, after which time Peter may be able to stop paying premiums for his policy. A decrease in the life insurance dividend scale will affect the illustrated values; may delay the premium offset point and require Peter to pay premiums for longer than previously illustrated; or require him to resume paying premiums for a period of time if his policy has been on premium offset. Dividends are not guaranteed and are paid at the sole discretion of the Board of Directors. Dividends may be subject to taxation. Dividends will vary based on the actual investment returns in the participating account as well as mortality, expenses, lapses, claims experience, taxes, and other experience of the participating block of policies.

Let's compare the results

Net value of Peter's estate (assumes death at age 85)



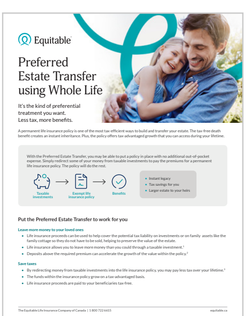
The preferred solution

With the Preferred Estate Transfer, Peter can create a larger estate than with taxable investments.

Other taxable asset classes may require a higher rate of return to produce the same net estate value at age 85 as a life insurance policy.

	Required annual pre-tax rate of return[3]				
	Life insurance (Annual after-tax internal rate of return)	Interest	Dividends	Realized capital gains	Deferred capital gains[4]
Current dividend scale	5.25%	10.50%	8.08%	6.38%	6.41%
Alternate dividend scale (current minus 1%)	4.25%	8.50%	6.54%	6.38%	5.32%

The pre-tax returns for realized capital gains and deferred capital gains assume 66.67% of the capital gain is taxed.



1572 Brochure

Marketing material available can be accessed from the Financial Planning Concepts page on EquiNet by clicking on the Individual Clients link.

[1] Average annual rate of return of 5%. Taxable investment portfolio (50% interest and 50% dividends). No withdrawals.
[2] Equimax Estate Builder® participating whole life insurance, 20 pay. Paid-up additions dividend option. Initial death benefit of $500,000. The $25,000 annual deposit is a combination of required premium ($18,770) and an additional deposit (Excelerator deposit option) ($6,230). Illustrated values are for a male, age 51, standard non-smoker rates based on rates in effect as of October 5, 2024 and the dividend scale at that time remaining unchanged for the life of the policy. The sales illustration for this case study shows a premium offset point at year 10, after which time the client may be able to stop paying premiums. A decrease in the life insurance dividend scale will affect the illustrated values; may delay the premium offset point and require premiums to be paid for longer than previously illustrated; or require premiums to resume for a period of time if the policy has been on premium offset. Dividends are not guaranteed and are paid at the sole discretion of the Board of Directors. Dividends may be subject to taxation. Dividends will vary based on the actual investment returns in the participating account as well as mortality, expenses, lapses, claims experience, taxes, and other experience of the participating block of policies.
[3] Marginal tax rate of 50%; personal dividend tax rate of 35%.
[4] Assumes capital gains are deferred until age 85.

Preferred estate transfer

Case study #2:
Using Equitable Generations universal life

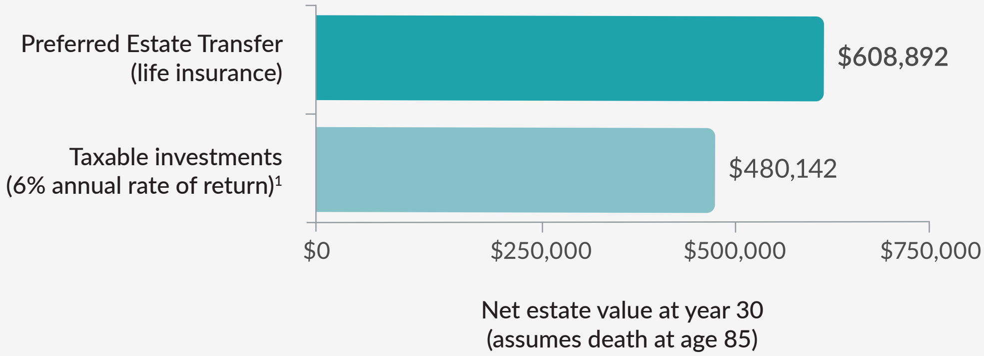
Meet Susan

The situation	The need
• Susan (age 55). • She can afford to spend $20,000 each year for the next 10 years.	• She is looking for a tax-efficient way to build value in her estate and increase the legacy she leaves for her loved ones.

Two options

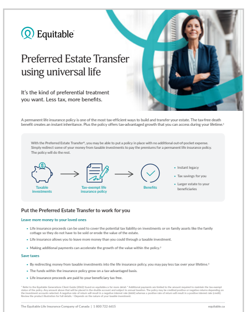
Taxable investments	Susan invests the $20,000 each year for 10 years in a taxable investment. • Annual rate of return of 6%. • Taxable investment portfolio (50% interest and 50% dividends). • Marginal tax rate of 50%; personal dividend tax rate of 35%. • No withdrawals are made.
Tax-exempt life insurance policy	Susan transfers a $20,000 payment each year for 10 years into an Equitable Generations universal life insurance policy. (Preferred Estate Transfer). • Yearly renewable term (YRT) cost of insurance. • Level protector death benefit option. • Initial death benefit $450,000. • After 10 years, no further payments are made. The projected account value and interest earned are not guaranteed. If starting in policy year 11 or at any time after policy year 11 the account value is not sufficient to cover the monthly charges for the universal life coverage, Susan will need to continue or resume premium payments in order to keep the coverage in effect. Illustrated values are not guarantees of future performance.

Let's compare the results



The preferred solution

With the Preferred Estate Transfer, Susan can create an estate over 27% greater than with taxable investments.[2]



1689 Brochure

Marketing material available can be accessed from the Financial Planning Concepts page on EquiNet by clicking on the Individual Clients link.

[1] Average annual rate of return of 6%. Investment portfolio (50% interest and 50% dividends). Marginal tax rate of 50%; personal dividend rate of 35%. No withdrawals.
[2] Equitable Generations universal life, yearly renewable term (YRT) cost of insurance and level protector death benefit option. Female, age 55, standard non-smoker rates. Premium and cost of insurance rates as of September 2022. Initial death benefit of $450,000. The sum insured is automatically increased as needed at the policy anniversary, subject to the maximum percentage increase permitted under the tax legislation that applies, to assist in maintaining the exempt status of the policy. Policy illustration interest rate (assumed rate of return) of 4%. Shuttle account interest rate of 0%. After 10 years, no further payments are made. The projected account value and interest earned are not guaranteed. If starting in policy year 11 or at any time after policy year 11 the account value is not sufficient to cover the monthly charges for the universal life coverage, the policy owner will need to continue or resume premium payments in order to keep the coverage in effect. Illustrated values are not guarantees of future performance.

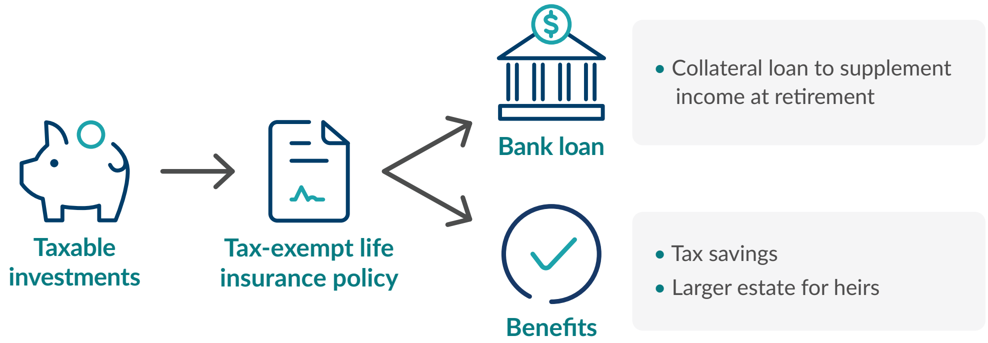
Preferred retirement solution at a glance

It's the type of preferential treatment clients want. Supplement their retirement income with the Preferred Retirement Solution.

When it comes to retirement … we all want to dream big! If retirement savings alone aren't enough to make our retirement dreams a reality, the Preferred Retirement Solution can help.

Some life insurance policies have cash value that clients can access. They can use this as collateral for a tax-free bank loan to supplement their retirement income. Unlike traditional loans, the debt is repaid using the proceeds from the life insurance policy.[1]

With the Preferred Retirement Solution, clients can redirect some of their money from taxable investments to pay the premiums for a permanent life insurance policy.



Put the preferred retirement solution to work for clients

Save taxes and grow assets

- By redirecting money from taxable investments and into the life insurance policy, clients may pay less tax over their lifetime.[2]
- The funds within the insurance policy grow on a tax-advantaged basis.
- Payments above the required premium can accelerate the growth of the value within the policy.[3]

Enjoy retirement

- Once the cash surrender value of the policy is large enough to meet the bank's loan qualification requirements, that client can apply for a bank loan using the policy as collateral.[4]
- A bank loan can supplement retirement income with tax-free dollars.

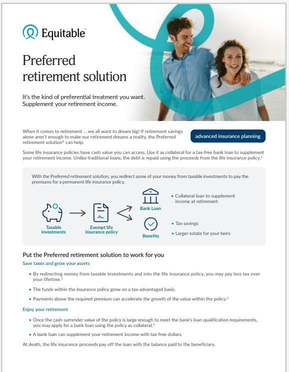
At death, the life insurance proceeds pay off the loan, with the balance paid to the beneficiary.

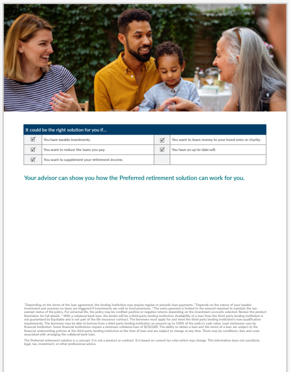
It could be the right solution for clients who …			
☑	Have taxable investments.	☑	Want to leave money to their loved ones or charity.
☑	Want to reduce the taxes they pay.		
☑	Want to supplement their retirement income.	☑	Have an up-to-date will.

Print this information

A pdf version of this information (Form 1565) can be accessed from the Financial Planning Concepts page on EquiNet by clicking the Individual Clients link.

Equitable Sales Illustration system
Page 1 of the Preferred Retirement PDF will automatically be included in the concept report produced from the illustration system.





1565 - Page 1 and 2

Preferred retirement solution checklist (form 1568)

Clients should review this checklist to ensure they understand the Preferred Retirement Solution and how it can impact them. It will automatically be included in the concept report produced from the illustration system.

This checklist can be accessed from the Financial Planning Concepts page on EquiNet by clicking the Individual Clients link.

[1] Depending on the terms of the loan agreement, the lending institution may require regular or periodic loan payments.
[2] Depends on the nature of the taxable investment and assumes no taxes are triggered if investments are sold to fund premiums.
[3] The extra payment is limited to the amount required to maintain the tax-exempt status of the policy. For universal life, the policy may be credited positive or negative returns depending on the investment accounts selected. Review the product illustration for full details.
[4] With a collateral bank loan, the lender will be a third-party lending institution. Availability of a loan from the third-party lending institution is not guaranteed by Equitable and is not part of the life insurance contract. The borrower must apply for and meet the third-party lending institution's loan qualification requirements. The borrower may be able to borrow from a third-party lending institution an amount up to 100% of the policy's cash value. Loan minimums vary by financial institution. Some financial institutions require a minimum collateral loan of $250,000. The ability to obtain a loan and the terms of a loan are subject to the financial underwriting policies at the third-party lending institution at the time of loan and are subject to change at any time. There may be conditions, fees and costs associated with arranging the collateral bank loan.
The Preferred Retirement Solution is a concept. It is not a product or contract. It is based on current tax rules which may change. This information does not constitute legal, tax, investment, or other professional advice.

Preferred retirement solution

Case study:
Using Equimax participating whole life

Meet Kendra

The following case study illustrates the Preferred Retirement Solution concept using Equimax® participating whole life. The concept can be illustrated on a single life, joint first-to-die and joint last-to-die basis.

The situation	The need
• Kendra is 43 years old. • She plans to retire at age 65. • Kendra can set aside $20,000 each year for the next 20 years to accomplish her retirement goal.	• At age 65, she wants $25,000 a year to supplement her retirement income for 20 years. • Kendra is looking for a tax-efficient way to increase her retirement income while creating an estate.

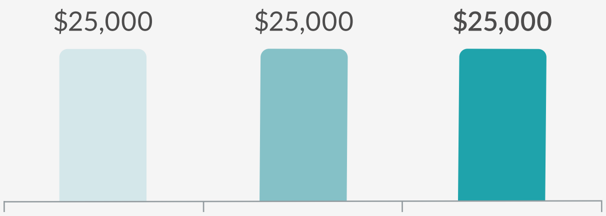
Two options

Taxable investments	Kendra invests the $20,000 each year for 20 years in a taxable investment. • Annual rate of return of 5%. • Taxable investment portfolio (50% interest and 50% dividends). • Marginal tax rate of 50%; personal dividend tax rate of 35%. • Withdrawals of $25,000 for 20 years starting at age 65.
Tax-exempt life insurance policy	Kendra transfers the $20,000 each year for 20 years to pay the annual premium for an Equimax Estate Builder® whole life insurance policy (Preferred Retirement Solution). • 20 pay, paid-up additions dividend option. • Initial death benefit $681,895. • Illustrated values are based on rates in effect as of October 5, 2024 and the dividend scale at that time remaining unchanged for the life of the policy. A decrease in the life insurance dividend scale will affect the illustrated values. Dividends are not guaranteed and are paid at the sole discretion of the Board of Directors. Dividends may be subject to taxation. Dividends will vary based on the actual investment returns in the participating account as well as mortality, expenses, lapse, claims experience, taxes, and other experience of the participating block of policies. • Kendra takes a bank loan for $25,000 (after-tax) each year for 20 years starting at age 65 using the cash value of the policy as collateral.

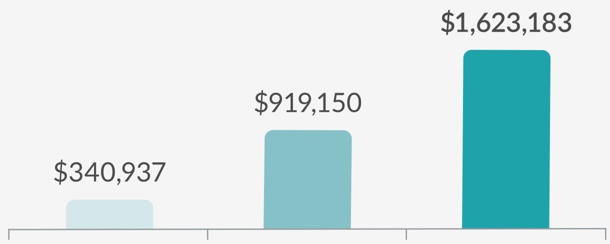
Let’s compare the results

Both options are sufficient to supplement Kendra’s retirement income by $25,000 annually until age 85. However, using the Preferred Retirement Solution creates a larger estate than with taxable investments.

Annual after-tax amount available to supplement Kendra’s retirement income for 20 years starting at age 65



Net value of Kendra’s estate (assumes death at age 85 and after loan repayment)[1]



- Taxable investment (5% annual rate of return)[2]
- Preferred Retirement Solution (life insurance)[3] Current dividend scale interest rate minus 1%
- Preferred Retirement Solution (life insurance)[3] Current dividend scale interest rate

Scale has been modified for display purposes.

The preferred solution

Other taxable asset classes may require a higher rate of return to produce the same net estate value at age 85 as a life insurance policy.

	Required annual pre-tax rate of return[4]				
	Life insurance (Annual after-tax internal rate of return)	Interest	Dividends	Realized capital gains	Deferred capital gains[5]
Current dividend scale	5.72%	11.44%	8.80%	7.63%	6.54%
Alternate dividend scale (current minus 1%)	4.53%	8.50%	6.96%	6.03%	5.29%

The pre-tax returns for realized capital gains and deferred capital gains assume 66.67% of the capital gain is taxed.

1573 Brochure

Marketing material available can be accessed from the Financial Planning Concepts page on EquiNet by clicking on the Individual Clients link.

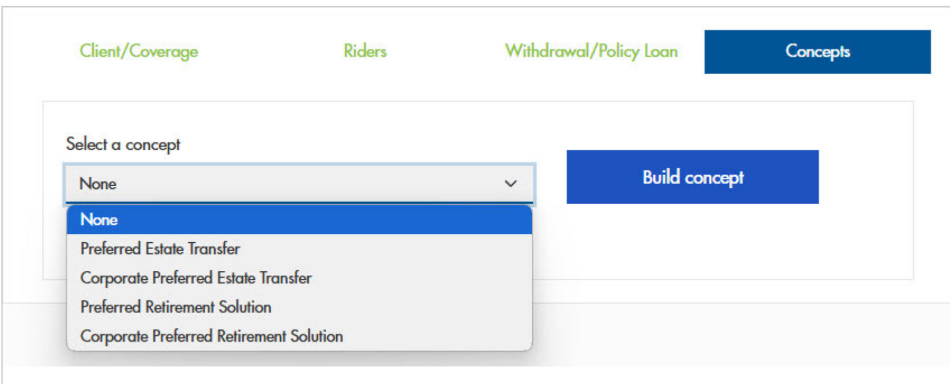
[1] Loan amount of $25,000 for 20 years starting at age 65. Loan rate of 6% with assumed age of death at 100. Maximum loan to CSV ratio of 90%. Loan interest is assumed to be capitalized. At age 85, the bank loan balance is $974,818.
[2] Average annual rate of return of 5%. Investment portfolio (50% interest and 50% dividends). Withdrawals of $25,000 for 20 years starting at age 65.
[3] Equimax Estate Builder® participating whole life insurance, 20 pay. Paid-up additions dividend option. Initial death benefit $681,895. Illustrated values are for a female, age 43, standard non-smoker rates based on rates in effect as of October 5, 2024 and the dividend scale at that time remaining unchanged for the life of the policy. A decrease in the life insurance dividend scale will affect the illustrated values. Dividends are not guaranteed and are paid at the sole discretion of the Board of Directors. Dividends may be subject to taxation. Dividends will vary based on the actual investment returns in the participating account as well as mortality, expenses, lapse, claims experience, taxes, and other experience of the participating block of policies.
[4] Marginal tax rate of 50%; personal dividend tax rate of 35%.
[5] Assumes capital gains are deferred until age 85.

Completing the concept illustration

Using Equimax Participating Whole Life and Universal Life Plans

Access the concepts

- Open the Equitable Sales Illustrations® system and select the product you wish to illustrate.
- Enter product assumptions.
- Click on the Concepts tab and select the concept you wish to illustrate.
- Click the “Build concept” button.



Enter concept assumptions

Preferred Retirement Solution

Tips for completing the concept illustration system and using the concept reports can be accessed from the Financial Planning Concepts page on EquiNet by clicking on the Individual Clients link.

Preferential tax treatment of life insurance

Tax considerations

Permanent life insurance is traditionally purchased to meet financial obligations after death and provide liquidity. Because of its unique design and treatment in the current Income Tax Act (Canada), it can also play an important role in:

- accumulating wealth,
- providing additional retirement income, and,
- increasing the estate value that is passed on to beneficiaries.

Tax-exempt status of life insurance

The Income Tax Act (Canada) allows the cash surrender value of a life insurance policy to accumulate on a tax-advantaged basis within prescribed limits. Each year, an exempt test is done on the insurance policy. The test distinguishes between policies that primarily provide insurance protection from those that are primarily an investment plan. Policies that pass the test are given tax-exempt status. Policies that are considered to be investment plans are non-exempt and growth within the policy is taxable on the same basis as other interest-type investments.

Equitable takes precautions to make sure that the policies it offers keep their exempt status. This is done by limiting the amount that can be deposited into the plan and/or increasing the death benefit within allowable limits set by the regulators.

The purpose of the concept illustration is to compare the favourable growth within the insurance policy to different types of investments. Here's a summary of how the different investment income types are taxed and the default rate used in the illustration:

Income type	Taxation	Default rate used in illustration
Interest	Interest is taxed as ordinary income in the year it's earned, and is taxed at the same rate as earned income from employment, a business and rental income.	50%
Dividends	Eligible dividends are taxed in the year they are received. The amount is initially grossed up and then a tax credit is deducted. The result is that dividends are taxed more favourably than interest income.	35%
Capital gains	If a client sells capital property during the year, any capital gain is added to taxable income. How much of the gain is taxable will depend on the amount of the gain: • 50% of the first $250,000 of the capital gain • 66.67% of the capital gain over $250,000. Capital gains are taxed more favourably than interest earnings or dividend income.	50% or 66.67%
Deferred capital gains	If a client does not sell capital property during the year, then the tax is deferred and is not paid until the year of sale. In the year of sale, 50% of the first $250,000 of capital gains accrued since the year of purchase and 66.67% of the capital gains that exceed $250,000 capital gains accrued since year of purchase are taxable: • 50% of the first $250,000 • 66.67% of any amount over $250,000. The result is that deferred capital gains are taxed more favourably than interest or dividend income, and the rate of return is higher than an investment where the gain is taxed every year.	50% or 66.67%
Death benefit proceeds	On death, the proceeds paid from a life insurance policy are received by the beneficiary on a tax-free basis.	0%

Changes to income tax legislation may impact the information in this guide. Clients should ensure that competent tax and estate professionals have been consulted regarding their particular situation prior to implementation.

About Equitable

At Equitable we believe in the power of working together. This guides how we work with each other. How we help our clients and partners. And how we support the communities where we live and work.

Together, with partners across Canada, we offer Individual Insurance, Group Insurance and Savings and Retirement solutions. To help our clients protect today and prepare tomorrow.

We believe the world is better when we work together to build an Equitable life for all.

Equitable™ | Together. Protecting Today. Preparing Tomorrow.™

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