



## Transferring Wealth to Future Generations

Permanent life insurance provides options.

Vincent, aged 60, is a proud grandfather; his daughter Laura, aged 30, has just given birth to a healthy baby girl named Mei. Laura, who is currently living in Ontario, has already set up an RESP account and has sufficient life insurance to cover educational needs for Mei.

Vincent also wants to contribute to securing his grandchild's financial future. He has questions on how best to ensure that his hard-earned money benefits his family for generations to come:

### INVESTMENT MANAGEMENT

Vincent has surplus funds invested in taxable investment accounts, and his goal is to leave a lasting legacy for his grandchild. How can he transfer this money to his grandchild in the easiest manner?

### INSURANCE SOLUTIONS

How can he maximize the wealth that transfers to his family by reducing taxes payable during his lifetime and at his passing?

### ESTATE & TRUST SERVICES

Vincent wants to give his grandchild a living gift. He wants Mei to have the option to use it in whichever way she chooses as she goes through different stages of life. What assets would allow this type of flexibility?

### TAX SOLUTIONS

How can Vincent reduce the tax complexity during his lifetime and upon death? What would be the best approach to avoid costs and delays associated with estate administration?

## OUR TOTAL WEALTH SOLUTIONS

Working with our insurance specialist, Vincent is introduced to the concept of an Intergeneration Wealth Transfer using a permanent, cash value life insurance policy. This type of policy not only provides a tax-free death benefit, but also accumulates cash value over time, offering several advantages:

### Tax-preferred cash value accumulation



By opting for an intergenerational wealth transfer plan, Vincent can ensure the policy's cash value grows on a tax-deferred basis. This allows him to accumulate wealth without immediate tax implications, significantly reducing the overall tax burden on his family after his passing. With this strategy, Vincent can seamlessly transfer the policy to his grandchild during his lifetime or upon his passing, benefiting from tax-deferred growth and preserving wealth for future generations.

### Diversification of asset mix



A permanent life insurance policy diversifies his portfolio even further. The cash value component provides stable and predictable growth that is less correlated with market fluctuations.

### Smooth wealth transfer



This plan enables him to retain control of his asset while providing the flexibility to decide if the policy should be transferred to his grandchild during his lifetime or upon his passing. When the time comes, the policy can be transferred on a tax-deferred basis through an Intergenerational Policy Rollover in accordance with tax regulations.

### Financial flexibility



As Vincent's granddaughter matures, she can rely on her life insurance to provide financial protection for herself and her loved ones. When she becomes the policy owner, she will have the flexibility to utilize the cash value in any manner she chooses, including supplementing her retirement income.

With this life insurance policy in place, Vincent can enjoy being a grandparent while knowing that his money will provide for Mei when she needs it.

Our **Total Wealth Solutions** approach helps you define and reach your financial goals at every stage of life.

# RAYMOND JAMES®

This publication is for informational purposes only and does not constitute an offer to sell insurance products. It is based on information RJFP believes to be reliable, but its accuracy and completeness cannot be guaranteed. Insurance products are offered through Raymond James Financial Planning Ltd. When providing life insurance products in all provinces except Quebec, Investment Advisors are acting as Insurance Representatives of Raymond James Financial Planning Ltd. In Quebec, Investment Advisors are acting as Financial Security Advisors of Raymond James Financial Planning Ltd. Raymond James Financial Planning Ltd. is licensed as a financial services firm in the province of Quebec. Raymond James advisors are not tax advisors and we recommend that clients seek independent advice from a professional advisor on tax-related matters.