

# Investor *Education*

FOR MORE INFORMATION ON THIS WEALTH MANAGEMENT STRATEGY, PLEASE CONTACT YOUR CANACCORD ADVISOR.

CANACCORD Wealth Management

## Keeping it in the family

### *Preparing to transfer your wealth*

In the next decade, affluent baby boomers will begin to focus less on retirement planning and saving, and more on protecting their legacy and wealth — and it will be a sizeable amount of wealth to deal with. Financial assets held by people over the age of 65 will increase to more than \$2.5 trillion in the next ten years—and it is anticipated that two thirds of the total millionaires in Canada will be part of the 65-plus age demographic.

Many baby boomers will soon switch from being active investors to passive investors, shifting the goals of their wealth management strategy. If you, like others, are not only interested in protecting your wealth, but also managing your estate and the transference of its assets, there are several strategies to consider. These include estate freezes, trusts, and insured annuities, and can dramatically lessen the headaches and tax implications of your estate transfer, and can help ensure your loved ones receive the true value of your gift.

#### **ESTATE FREEZE**

*An “estate freeze” is the term used to describe steps taken to fix the value of your estate (or a particular asset) at its present value, so that future growth will accrue to the benefit of others, such as your children (or to trusts for your children) and not be taxed upon your death.*

#### **TRUSTS**

*A trust is an arrangement whereby one or more persons (trustees) hold legal title to property (the trust property) for the benefit of other persons (the beneficiaries). This strategy may allow you to transfer your wealth and tax it in the hands of the beneficiary, at their (preferably lower) tax rate.*

#### **INSURED ANNUITIES**

*There are two components to this strategy — a Prescribed Annuity Contract and an insurance policy. Insured annuities are ideal for clients who are aged 60-plus (the older the better) and who have assets currently sitting in GICs, cash and/or bonds.*

*Insured annuities can result in significantly higher cash flow for the equivalent initial investment, provide lower annual taxable income (because of the return of capital portion), and is not subject to probate (which often delays the distribution of assets after an individual's death). The beneficiaries*



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*receive the cash proceeds and do not have to deal with maturity dates or penalties.*

There are many other strategies that are currently available and we expect there will be more will become available in the next decade. Discuss your wealth transference goals and concerns with your Canaccord Advisor today to help ensure your wealth transference wishes will be realized.

Canaccord Advisors and Wealth Management Specialists can provide you with more information about the wealth transference strategies outlined above. Alternatively, your lawyer, accountant, or other estate planning professional may be prepared to discuss wealth transference strategies.

**These services are offered through Canaccord Estate Planning Services Ltd.**

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[www.canaccord.com](http://www.canaccord.com)

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