



Candidate

- ▶ Small business owners
- ◆ Corporations
- ◆ Partnerships

- ▶ Seeking to provide employees (including themselves) with high grade individualized insured benefits
- ◆ Sickness & accident coverage
- ◆ Private health services
- ◆ Term life insurance



Health & Welfare Trusts

Recommended product solutions

INSURANCE PRODUCTS

Solution 10
 20 Pay Solution
 Solution 100
 Trilogy
 Concord
 Optimax III
 Vital Link

INVESTMENT PRODUCTS

Elite Savings Plan
 Elite RRIF
 Elite XL Savings Plan
 Elite XL RRIF
 Single Premium Immediate Annuities
 Option Plus Group RRSP

Legend
 = Favoured
 = Possible

Health & Welfare Trusts



Structuring Employment Benefits to Maximize Employer & Employee Tax Benefits



This material has been prepared by the Empire Financial Group STEPUP Team. It is NOT a legal, tax or investment opinion to any person receiving this material. Interested readers should contact a competent professional advisor to further assist them.

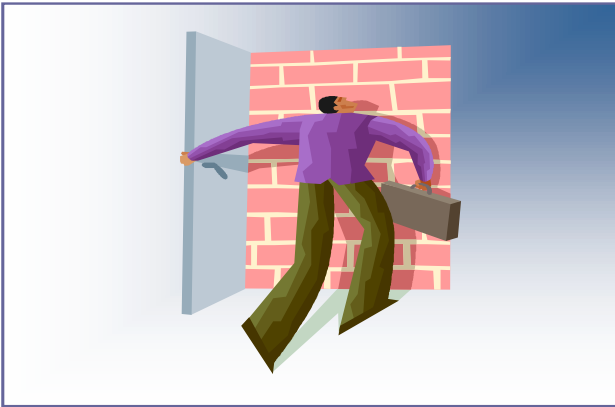
Copyright 2003, Empire Financial Group



EMPIRE FINANCIAL GROUP™

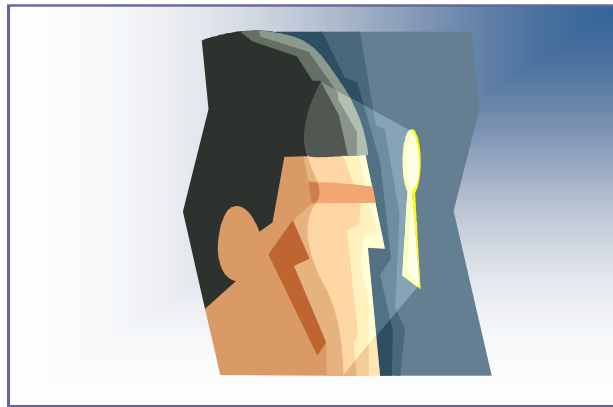


EMPIRE FINANCIAL GROUP™



Challenge

- ▶ Impossible to fully customize a plan when dealing with one 'group' insurance provider
- ▶ Impossible to get a 'best of breed' choice for each type of coverage
- ▶ 'Best of breed' choices usually only available on an 'individual' basis
- ▶ Employee must record a taxable benefit for employer premium payments on individual policies



Opportunity

- ▶ Employer-paid premiums on 'group' insurance plans do not result in a taxable a benefit to an employee
- ▶ Certain 'individual' insurance can be entitled to 'group' treatment when structured properly
- ▶ Establishing a Health & Welfare may enable an employee to receive such insurance coverage as a non-taxable benefit



Strategic steps

- ▶ Employer must take the legal steps & administrative steps to settle the Health & Welfare trust
- ▶ Employer chooses desired individual 'best-of-breed' insurance coverages
- ▶ These insurance coverages are assigned to the HWT, which administers them
- ▶ An ideal candidate insurance product is Empire Life's Vital Link critical illness insurance