



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.

The strategy described in this material is part of STEPUP's ACCESS initiative -- Applied Client-Centred Educational Strategy System -- a program designed to enable advisors to explain key financial strategies to clients:

- ▶ Using consistent terminology & phrasing
- ▶ Across all media & presentation modes
- ▶ With graphic-oriented concept illustrations
- ▶ Employing plain language descriptions
- ▶ Leading to product-based solutions"



EMPIRE FINANCIAL GROUP™

Health & Welfare Trusts



*Structuring Employment
Benefits to Maximize
Employer & Employee
Tax Benefits*



EMPIRE FINANCIAL GROUP™



Health & Welfare Trusts

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



EMPIRE FINANCIAL GROUP™



Health & Welfare Trusts

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



EMPIRE FINANCIAL GROUP™



Health & Welfare Trusts

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



EMPIRE FINANCIAL GROUP™



Health & Welfare Trusts

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



EMPIRE FINANCIAL GROUP™



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

= *Favoured*
 = *Possible*



EMPIRE FINANCIAL GROUP™

Health & Welfare Trusts



*Structuring Employment
Benefits to Maximize
Employer & Employee
Tax Benefits*



EMPIRE FINANCIAL GROUP™