



## Advantages of Using Permanent Life Insurance for Special Needs Planning

- The benefit is paid out tax-free.
- The proceeds can be paid out in the form of a monthly income for those that may not handle money well.
- The cost can be lessened if the insurance is based on 2 lives (ie: parents) and the proceeds pay out on the last death.
- The proceeds can be paid directly into a Henson Trust avoiding probate and protecting government income benefits like ODSP.
- The proceeds can be used to fund a Registered Disability Savings program (RDSP), if eligible.
- If you have your RRSP/RRIF assets directed to your special needs child to take advantage of the tax deferral & are contributing to an RDSP for them, a life insurance policy can be a way of ensuring something is left to your other children.
- You have full control until the day you pass on.
- You can pay the minimum or invest additional dollars to pass more \$\$ to your family on a tax-free basis.

*Here is an Example:*

- *A 50 year old couple, buys a permanent, Joint 2<sup>nd</sup> to die, life insurance policy for \$200,000.*
- *It cost them \$1,980 per year or \$180 per month. If the last one passes away at age 90, they will have paid \$79,200 into the contract.*
- *The contract will pay out \$200,000 tax-free.*

This allows you to plan effectively for your loved ones and provides you with peace of mind that their future is financially in good shape.