

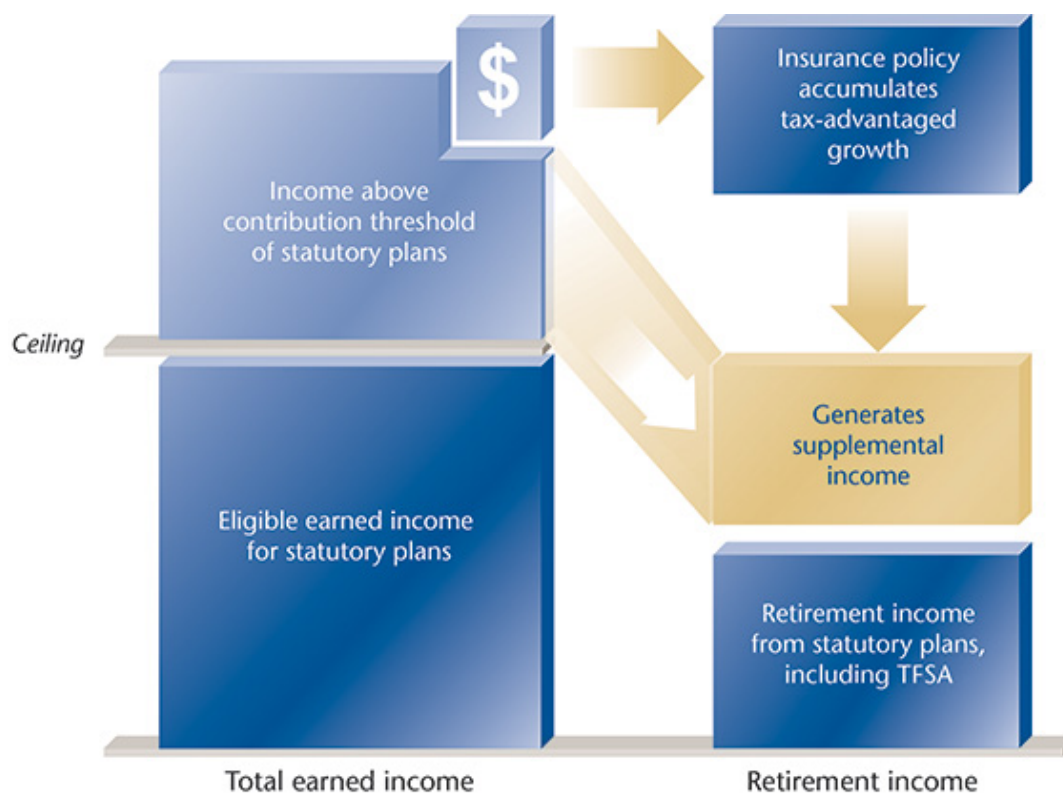
With concern about the availability of funds from government-assisted retirement programs, many Canadians are taking retirement planning into their own hands. While conventional registered retirement savings plans (RRSPs), pension plans and tax-free savings accounts are popular planning options, most individuals don't realize permanent life insurance can also help them achieve their retirement goals.

You may be constrained by RRSP limits

RRSP limits allow you to defer taxation on up to 18 per cent of eligible earned income, but only up to the maximum prescribed in the Income Tax Act. If your income is in excess of the maximum prescribed threshold, or if you're in a pension plan, your RRSP contribution room is often restricted. You may be looking for additional retirement saving options.

The opportunity

Besides providing your loved ones with a safety net in the event of your premature death, some types of life insurance can also be used to enhance your retirement income. By purchasing a permanent life insurance policy with cash value, you can benefit from the opportunity of tax-advantaged cash value growth within the policy. The policy's cash value can later be accessed to provide you with additional funds during retirement. And, your loved ones can receive a tax-free payment at death from the remaining death benefit.



■ **Under current income tax legislation, a permanent life insurance policy is exempt from annual income taxation on the growth of policy values, provided certain conditions are met. Withdrawals from the life insurance policy cash values are subject to taxation based on the rates and laws in effect at the time you withdraw the cash value.**

When the time comes for you to access the policy's cash value, you have choice. Generally speaking, there are three approaches to access your cash value:

- Collateral loan
- Partial surrender of cash value
- Policy loan

The approach that may be right for you depends on your circumstances. Each of these methods has its own tax implications, based on the rates and laws in effect at the time the policy cash value is accessed.

Find out how you can take control of your retirement dreams with permanent life insurance. I can provide more information on how to optimize your retirement income.

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Information is provided by London Life Insurance Company and is current at June 2010.