

Sample Personal Financial Plan

Prepared for:

Jim and Carla Smith

(Sample)

Prepared by:

Vince Olfert, MBA CFP

Olfert Financial Group Inc.

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Disclaimer

This document has been prepared to assist in the analysis of your current financial position, thereby helping to identify potential problem areas. Although great care has been taken to ensure the accuracy of all aspects of the document, it should be kept in mind that the various projections are based on numerous assumptions, and as such it is unlikely that the future will unfold exactly as illustrated. The investment and/or life insurance values projected within this plan should not be construed as a prediction or guarantee of future performance. This document is designed to help you chart the appropriate courses of action, and should be reviewed and revised regularly to ensure its timeliness and relevance to your changing financial position.

Personal Details

Date of Financial Analysis Jan 1, 2009
 Start of Financial Analysis Jan 1, 2009
 Plan Notes _____

Annual Review Date: _____

Title	<u>Mr.</u>	<u>Mrs.</u>
First Name	<u>Jim</u>	<u>Carla</u>
Middle Name	_____	_____
Last Name	<u>Smith</u>	<u>Smith</u>
SIN	_____	_____

Date of Birth	<u>Apr 10, 1959</u>	<u>Sep 1, 1960</u>
Anticipated Retirement Age	<u>60</u>	<u>59</u>
Date of Retirement	<u>May 1, 2019</u>	<u>Oct 1, 2019</u>
Occupation	_____	_____
Employer / Company	_____	_____

Address _____

City _____
British Columbia _____ Postal Code _____

Home phone #	_____	_____
Business phone #	_____	_____
Business fax #	_____	_____
Mobile phone #	_____	_____

E-mail _____
 Web Page _____

Dependants	Date of Birth	Relationship
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Projected Income

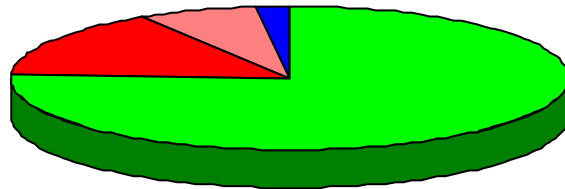
Projected after-tax income from all sources

Prepared for: **Jim Smith**

Prepared by: **Vince Olfert, MBA CFP**

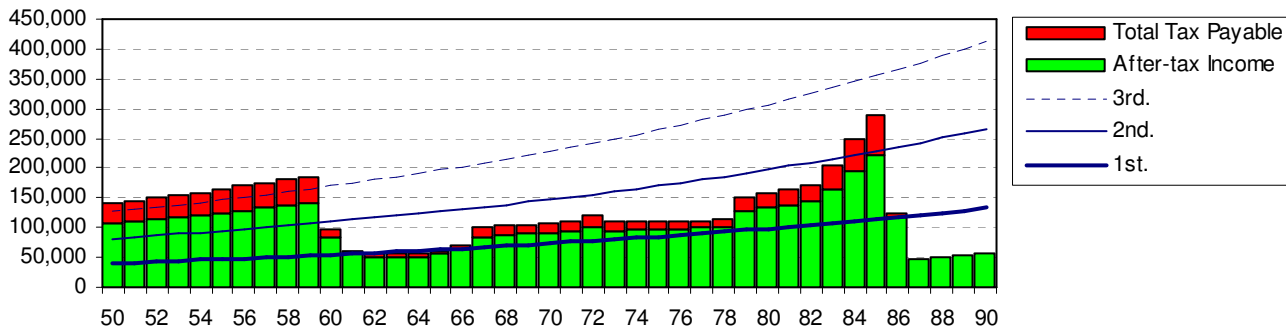
Income Tax

After-tax Income Received	104,617	75.77%
Federal Tax	21,001	15.21%
OAS Clawback	0	0.00%
Provincial Tax	9,599	6.95%
CPP / EI Premium	2,850	2.06%
Total Income Received	138,067	



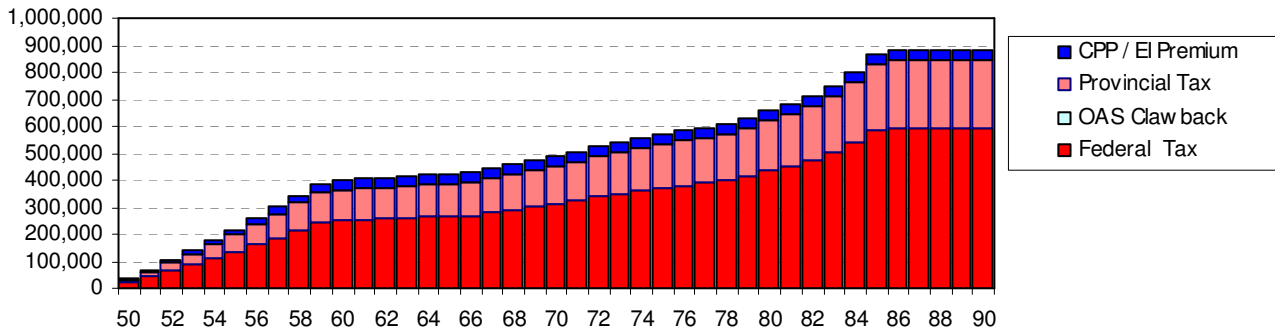
One of the keys to a successful financial plan is to minimize the burden of income taxes by arranging your affairs in order to pay the minimum tax required by law.

The chart above represents your current total income received from all sources (including non-taxable amounts) and the percentage paid to the various taxes and government benefits. The chart below compares your future projected after-tax income and total tax payable to the current federal tax brackets indexed for inflation.



One of the most effective ways to increase income is to reduce tax by taking full advantage of lower tax brackets. While we don't know for sure what will happen to tax brackets in the future, this illustration is extremely helpful in identifying the need for tax planning strategies, which are most effective when planned and implemented at the earliest possible stage.

The chart below illustrate the total cumulative payments you can expect to make over your lifetime to the various taxes and government benefits.



Projected Income

Projected after-tax income from all sources

Prepared for: **Jim Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Total Income	Total Deductions	Net Federal Tax	OAS Clawback	Provincial Tax	CPP / EI Premiums	After-tax Income
1	50	141,039	20,952	21,001	0	9,599	2,850	107,589
2	51	145,426	21,600	21,689	0	9,914	2,936	110,887
3	52	149,959	22,248	22,406	0	10,244	3,024	114,285
4	53	154,642	22,915	23,147	0	10,585	3,115	117,796
5	54	159,481	23,603	23,913	0	10,938	3,208	121,422
6	55	164,483	24,311	24,706	0	11,304	3,304	125,169
7	56	169,652	25,040	25,526	0	11,683	3,404	129,040
8	57	174,996	25,792	26,374	0	12,076	3,506	133,040
9	58	180,520	26,565	27,252	0	12,483	3,611	137,174
10	59	186,232	27,362	28,160	0	12,906	3,719	141,447
11	60	97,130	28,183	6,090	0	2,462	3,358	85,220
12	61	59,674	9,676	2,841	0	1,095	0	55,737
13	62	55,676	0	3,562	0	1,453	0	50,661
14	63	56,201	0	3,504	0	1,410	0	51,286
15	64	56,711	0	3,438	0	1,364	0	51,909
16	65	61,789	0	2,511	0	1,146	0	58,132
17	66	68,967	0	3,767	0	1,634	0	63,566
18	67	100,109	0	10,937	0	4,145	0	85,027
19	68	102,903	0	11,219	0	4,253	0	87,431
20	69	105,773	0	11,505	0	4,363	0	89,905
21	70	106,489	0	11,253	0	4,286	0	90,951
22	71	109,514	0	11,545	0	4,399	0	93,570
23	72	121,336	0	13,953	0	5,251	0	102,132
24	73	109,573	0	10,625	0	4,102	0	94,846
25	74	110,265	0	10,299	0	4,001	0	95,965
26	75	110,914	0	9,944	0	3,890	0	97,080
27	76	111,607	0	9,579	0	3,777	0	98,251
28	77	112,238	0	9,179	0	3,651	0	99,408
29	78	112,902	0	8,765	0	3,522	0	100,615
30	79	150,200	0	17,212	0	6,484	0	126,504
31	80	158,765	0	18,668	0	7,008	0	133,089
32	81	165,290	0	19,605	0	7,351	0	138,334
33	82	172,268	0	20,625	0	7,724	0	143,919
34	83	203,657	0	27,433	0	10,516	0	165,707
35	84	248,049	0	37,628	0	15,258	0	195,163

Projected Income

Projected after-tax income from all sources

Prepared for: **Jim Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Total Income	Total Deductions	Net Federal Tax	OAS Clawback	Provincial Tax	CPP / EI Premiums	After-tax Income
36	85	288,176	0	47,175	0	19,900	0	221,101
37	86	125,456	0	5,983	0	2,699	0	116,774
38	87	48,551	0	0	0	0	0	48,551
39	88	50,877	0	0	0	0	0	50,877
40	89	53,350	0	0	0	0	0	53,350
41	90	55,979	0	0	0	0	0	55,979

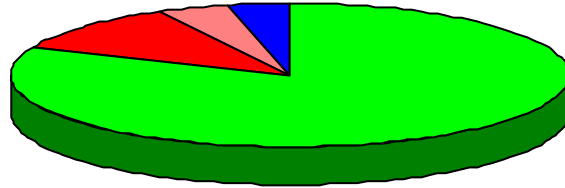
Projected Income

Projected after-tax income from all sources

Prepared for: **Carla Smith**
Prepared by: **Vince Olfert, MBA CFP**

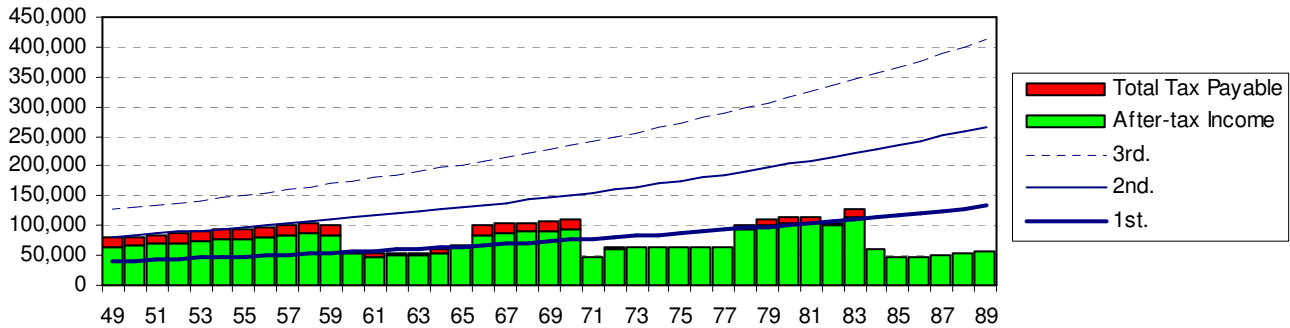
Income Tax

After-tax Income Received	62,003	81.51%
Federal Tax	8,120	10.67%
OAS Clawback	0	0.00%
Provincial Tax	3,094	4.07%
CPP / EI Premium	2,850	3.75%
Total Income Received	76,067	



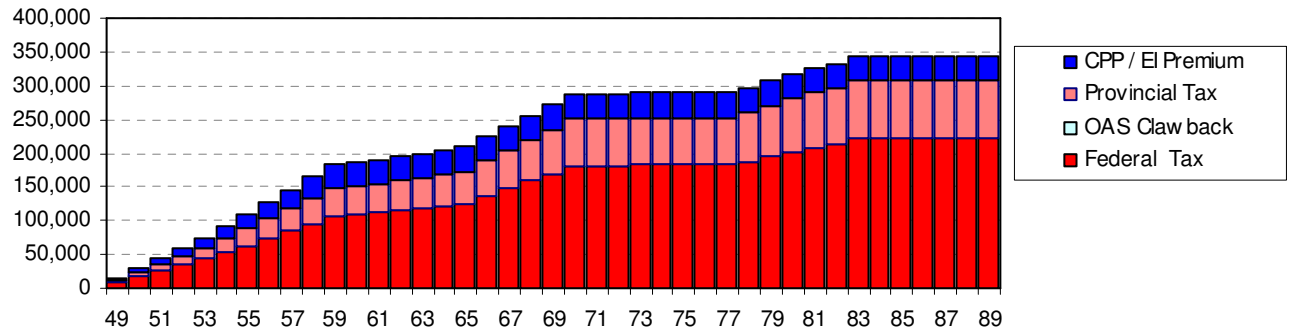
One of the keys to a successful financial plan is to minimize the burden of income taxes by arranging your affairs in order to pay the minimum tax required by law.

The chart above represents your current total income received from all sources (including non-taxable amounts) and the percentage paid to the various taxes and government benefits. The chart below compares your future projected after-tax income and total tax payable to the current federal tax brackets indexed for inflation.



One of the most effective ways to increase income is to reduce tax by taking full advantage of lower tax brackets. While we don't know for sure what will happen to tax brackets in the future, this illustration is extremely helpful in identifying the need for tax planning strategies, which are most effective when planned and implemented at the earliest possible stage.

The chart below illustrate the total cumulative payments you can expect to make over your lifetime to the various taxes and government benefits.



Projected Income

Projected after-tax income from all sources

Prepared for: **Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Total Income	Total Deductions	Net Federal Tax	OAS Clawback	Provincial Tax	CPP / EI Premiums	After-tax Income
1	49	79,039	10,476	8,120	0	3,094	2,850	64,975
2	50	81,578	10,800	8,421	0	3,206	2,936	67,015
3	51	84,207	11,124	8,736	0	3,323	3,024	69,125
4	52	86,931	11,458	9,062	0	3,445	3,115	71,309
5	53	89,752	11,801	9,401	0	3,571	3,208	73,572
6	54	92,675	12,155	9,752	0	3,701	3,304	75,916
7	55	95,703	12,520	10,117	0	3,837	3,404	78,345
8	56	98,842	12,896	10,496	0	3,978	3,506	80,862
9	57	102,096	13,283	10,890	0	4,124	3,611	83,471
10	58	105,470	13,681	11,299	0	4,276	3,719	86,176
11	59	101,314	14,092	10,053	0	3,849	3,744	83,668
12	60	57,078	10,886	2,270	0	888	0	53,919
13	61	53,017	0	3,163	0	1,248	0	48,606
14	62	53,478	0	3,096	0	1,201	0	49,182
15	63	53,923	0	3,020	0	1,152	0	49,752
16	64	59,618	0	3,725	0	1,498	0	54,394
17	65	68,211	0	3,583	0	1,570	0	63,057
18	66	100,119	0	10,940	0	4,146	0	85,034
19	67	102,914	0	11,222	0	4,254	0	87,438
20	68	105,783	0	11,507	0	4,364	0	89,912
21	69	106,500	0	11,255	0	4,287	0	90,958
22	70	109,525	0	11,547	0	4,400	0	93,578
23	71	45,356	0	0	0	0	0	45,356
24	72	62,584	0	502	0	345	0	61,737
25	73	63,119	0	301	0	283	0	62,536
26	74	63,612	0	80	0	214	0	63,318
27	75	64,060	0	0	0	139	0	63,920
28	76	64,609	0	0	0	65	0	64,543
29	77	65,077	0	0	0	0	0	65,077
30	78	102,161	0	5,563	0	2,420	0	94,178
31	79	110,034	0	6,851	0	2,885	0	100,298
32	80	113,428	0	7,028	0	2,964	0	103,436
33	81	115,551	0	6,871	0	2,927	0	105,753
34	82	104,714	0	3,775	0	1,784	0	99,154
35	83	127,712	0	8,394	0	3,495	0	115,823

Projected Income

Projected after-tax income from all sources

Prepared for: **Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Total Income	Total Deductions	Net Federal Tax	OAS Clawback	Provincial Tax	CPP / EI Premiums	After-tax Income
36	84	61,766	0	0	0	0	0	61,766
37	85	46,362	0	0	0	0	0	46,362
38	86	48,551	0	0	0	0	0	48,551
39	87	50,877	0	0	0	0	0	50,877
40	88	53,350	0	0	0	0	0	53,350
41	89	55,979	0	0	0	0	0	55,979

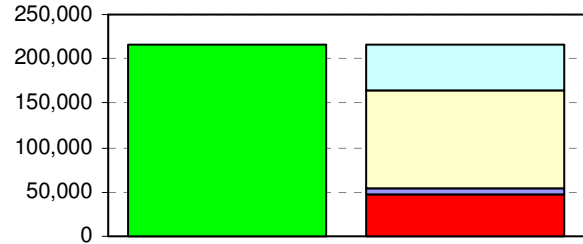
Projected Cash Flow

Projected after-tax income compared to income needs

Prepared for: **Jim and Carla Smith**
Prepared by: **Vince Olfert, MBA CFP**

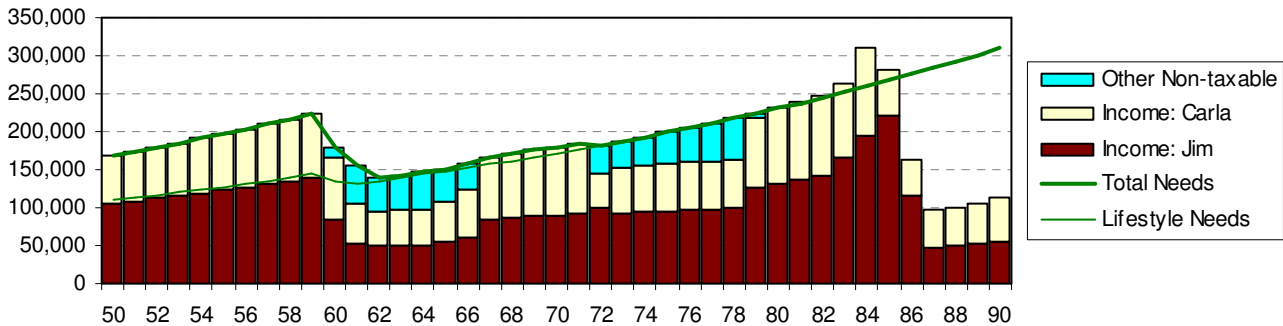
Cash Flow

■ Total Income	216,103	
■ Tax Payable	47,514	21.99%
■ Reinvested Growth	6,215	2.88%
■ Lifestyle Needs	110,000	50.90%
■ Investment Activity	52,373	24.24%
Excess / (Deficiency)	0	0.00%



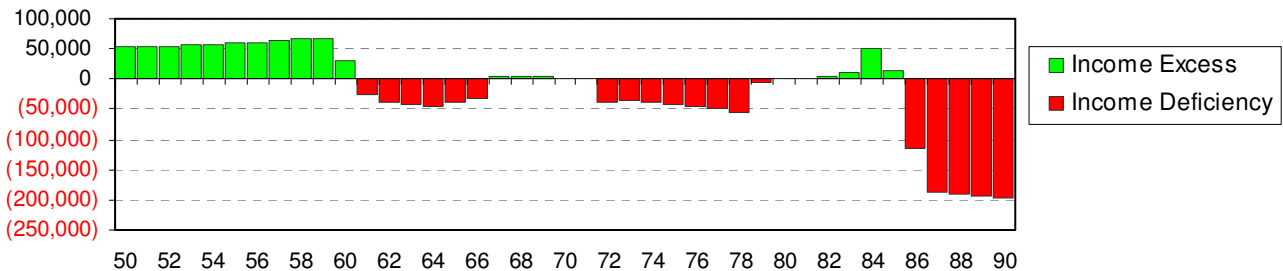
The chart above compares your current total income from all sources to your needs including income taxes, investment activity and your lifestyle. The chart below compares your future projected lifestyle needs and investment activity to your after tax income from all sources.

Investing excess income in the earning years helps ensure that there is sufficient capital to provide for a secure retirement. To correct a projected shortfall in the retirement years, you can invest more during the earning years, invest more efficiently, plan on working longer, or reduce your expectations for retirement income.



The chart below illustrates any excess income after taxes and lifestyle needs, but before investment activity. Normally referred to as disposable income, this is the amount annually that you have to invest for the future.

Also presented are income deficiencies, these after-tax amounts are needed in addition to your after-tax income to meet your lifestyle needs. In a successful financial plan, there will be a minimum amount of income deficiencies that will be offset by non-taxable principal withdrawals from non-registered investments.



Projected Cash Flow

Projected after-tax income compared to income needs

Prepared for: **Jim and Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Total Income	Total Tax Payable	Re-invested Growth	Lifestyle Needs	Disposable Income	Investment Activity	Excess (Deficiency)
1	50	216,103	47,514	6,215	110,000	52,373	52,373	0
2	51	223,037	49,102	6,801	113,300	53,834	53,834	0
3	52	230,209	50,756	7,413	116,699	55,341	55,341	0
4	53	237,627	52,468	8,053	120,200	56,906	56,906	0
5	54	245,301	54,239	8,722	123,806	58,534	58,534	0
6	55	253,241	56,072	9,422	127,520	60,226	60,226	0
7	56	261,456	57,971	10,155	131,346	61,985	61,985	0
8	57	269,959	59,936	10,921	135,286	63,816	63,816	0
9	58	278,760	61,972	11,723	139,345	65,721	65,721	0
10	59	287,871	64,080	12,563	143,525	67,703	67,703	0
11	60	194,641	29,556	0	134,392	30,694	30,694	0
12	61	112,979	7,095	0	131,502	(25,618)	(25,618)	0
13	62	104,956	9,427	0	135,447	(39,918)	(39,918)	0
14	63	105,980	9,211	0	139,511	(42,742)	(42,742)	0
15	64	106,977	8,973	0	143,696	(45,693)	(45,693)	0
16	65	117,795	8,880	0	148,007	(39,091)	(39,091)	0
17	66	133,616	10,554	3,193	152,447	(32,579)	(32,579)	0
18	67	196,722	30,168	6,534	157,021	3,000	3,000	0
19	68	202,370	30,948	6,691	161,731	3,000	3,000	0
20	69	208,173	31,739	6,851	166,583	3,000	3,000	0
21	70	209,678	31,081	7,016	171,581	0	0	0
22	71	215,803	31,891	7,184	176,728	0	0	0
23	72	163,538	19,204	0	182,030	(37,696)	(37,706)	11
24	73	169,092	15,574	0	187,491	(33,973)	(34,129)	156
25	74	170,417	14,883	0	193,115	(37,582)	(37,744)	162
26	75	171,662	14,128	0	198,909	(41,375)	(41,544)	169
27	76	172,915	13,495	0	204,876	(45,456)	(45,561)	105
28	77	174,217	12,896	0	211,022	(49,701)	(49,792)	90
29	78	175,479	12,287	0	217,353	(54,161)	(54,235)	74
30	79	250,001	31,679	0	223,874	(5,552)	(5,819)	267
31	80	266,589	35,412	0	230,590	587	0	587
32	81	276,670	36,948	0	237,508	2,215	0	2,215
33	82	285,944	38,147	0	244,633	3,165	0	3,165
34	83	306,683	43,509	0	251,972	11,202	0	11,202
35	84	374,273	64,775	0	259,531	49,968	0	49,968

Projected Cash Flow

Projected after-tax income compared to income needs

Prepared for: **Jim and Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Total Income	Total Tax Payable	Re-invested Growth	Lifestyle Needs	Disposable Income	Investment Activity	Excess (Deficiency)
36	85	348,670	67,074	0	267,317	14,278	0	14,278
37	86	170,776	8,682	0	275,336	(113,242)	0	(113,242)
38	87	96,306	0	0	283,597	(187,291)	0	(187,291)
39	88	101,222	0	0	292,104	(190,882)	0	(190,882)
40	89	106,451	0	0	300,868	(194,417)	0	(194,417)
41	90	112,012	0	0	309,894	(197,882)	0	(197,882)

Projected Net Worth

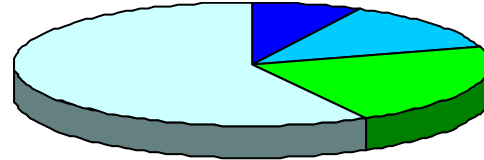
Projected net worth including estate values

Prepared for: **Jim and Carla Smith**
Prepared by: **Vince Olfert, MBA CFP**

Assets

Non-registered & TFSA	250,000	7.48%
RRSP / RRIF	430,000	12.87%
Pension	0	0.00%
Real Estate	725,000	21.70%
Other Assets	1,935,517	57.94%

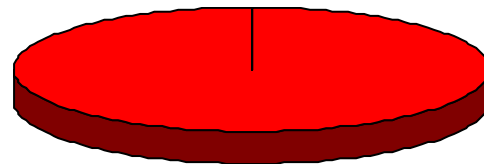
Total Assets	3,340,517	100.00%
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Liabilities

Principal Residence	0	0.00%
Other Debts	0	0.00%
Deferred Taxes	659,983	100.00%

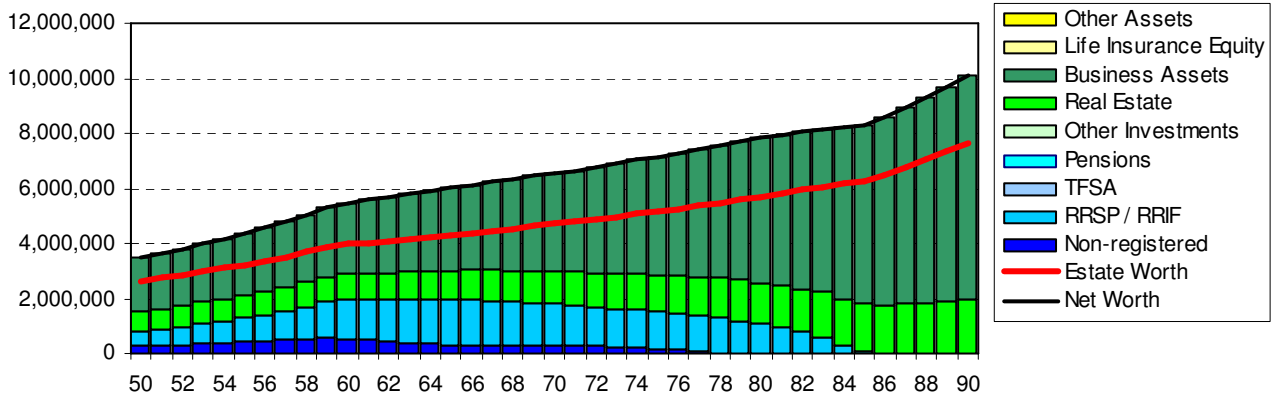
Total Liabilities	659,983	100.00%
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Net Worth	2,680,534
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The two charts above provide a breakdown of your total current assets and liabilities. The asset chart compares various categories of assets to your total assets while the liabilities chart compares the different types of debt you have and any deferred taxes to your total liabilities.

The Net Worth chart below offers an overview of how your assets are likely to grow based on the assumptions we have made. This illustration includes your personal assets, investments, principal residence, other real estate, and business interests at their anticipated rates of growth. The net worth line represents the total value of all assets net of any debts.



The chart also illustrates the impact of taxes and other expenses in the event of death at any given point in time. The estate worth line equals your total assets plus life insurance proceeds less taxes, debts, probate and other fees as well as any other adjustments at death.

For most people taxes will represent the largest single expense to the estate, life insurance may offer an economical way to replace this lost value to your heirs.

Net Worth Statement

Current net worth statement including deferred taxes

Prepared for: **Jim and Carla Smith**
 Prepared by: **Vince Olfert, MBA CFP**

Date: January 1st, 2009	Jim	Carla	Sub Total	Total
Assets				
Non-registered Investments & TFSA				
Personal Loans	0	0	0	
Investment Portfolio	150,000	100,000	250,000	
Joint Portfolio	0	0	0	<u>250,000</u>
RRSP / RRIF & Pensions				
RRSP / RRIF	250,000	180,000	430,000	
Defined Contribution Pension / LIRA	0	0	0	
Defined Benefit Pension	0	0	0	<u>430,000</u>
Other Investments				
Education Savings	0	0	0	
Trust Assets	0	0	0	<u>0</u>
Real Estate				
Principal Residence	225,000	225,000	450,000	
Recreational Property	0	275,000	275,000	
Commercial Real Estate	0	0	0	<u>725,000</u>
Other Assets				
Business Interests	967,758	967,758	1,935,517	
Business Interests - Trust Assets				0
Life & Disability Equity	0	0	0	
Stock Options	0	0	0	
Annuities	0	0	0	
Personal Use Assets	0	0	0	<u>1,935,517</u>
Total Assets	<u>1,592,758</u>	<u>1,747,758</u>		<u>3,340,517</u>
Liabilities				
Principal Residence	0	0	0	
Recreational property	0	0	0	
Commercial Real Estate	0	0	0	
Consumer Debt	0	0	0	
Other Loans	0	0	0	
Total Liabilities	<u>0</u>	<u>0</u>		<u>0</u>
Deferred Taxes				
Non-registered Investments	0	0	0	
RRSP / RRIF & Pensions	109,250	78,660	187,910	
Real Estate	0	49,163	49,163	
Other Assets	211,455	211,455	422,910	
Total Deferred Taxes	<u>320,705</u>	<u>339,278</u>		<u>659,983</u>
Family Net Worth (After Taxes)	<u>1,272,053</u>	<u>1,408,481</u>		<u>2,680,534</u>

Projected Net Worth

Projected net worth and estate values

Prepared for: **Jim and Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Assets	Liabilities	Net Worth Before Taxes	Deferred Taxes	Adjustments	Life Insurance	Net Worth Estate
1	50	3,488,093	0	3,488,093	698,259	166,313	0	2,623,522
2	51	3,644,393	0	3,644,393	739,265	172,645	0	2,732,483
3	52	3,809,961	0	3,809,961	783,177	179,301	0	2,847,483
4	53	3,985,386	0	3,985,386	830,197	186,298	0	2,968,891
5	54	4,171,299	0	4,171,299	880,540	193,656	0	3,097,103
6	55	4,368,372	0	4,368,372	934,435	201,397	0	3,232,539
7	56	4,577,320	0	4,577,320	992,130	209,543	0	3,375,647
8	57	4,798,910	0	4,798,910	1,053,887	218,119	0	3,526,903
9	58	5,033,956	0	5,033,956	1,119,989	227,149	0	3,686,818
10	59	5,283,331	0	5,283,331	1,190,737	236,661	0	3,855,933
11	60	5,468,534	0	5,468,534	1,254,691	244,380	0	3,969,462
12	61	5,574,103	0	5,574,103	1,297,965	249,861	0	4,026,278
13	62	5,680,479	0	5,680,479	1,337,801	255,438	0	4,087,240
14	63	5,790,191	0	5,790,191	1,379,222	261,186	0	4,149,783
15	64	5,903,450	0	5,903,450	1,422,316	267,113	0	4,214,020
16	65	6,020,183	0	6,020,183	1,462,815	273,221	0	4,284,146
17	66	6,138,469	0	6,138,469	1,498,458	279,456	0	4,360,555
18	67	6,239,115	0	6,239,115	1,508,022	285,263	0	4,445,831
19	68	6,339,768	0	6,339,768	1,516,083	291,157	0	4,532,528
20	69	6,440,279	0	6,440,279	1,522,498	297,136	0	4,620,645
21	70	6,545,100	0	6,545,100	1,529,127	303,333	0	4,712,640
22	71	6,649,760	0	6,649,760	1,533,929	309,619	0	4,806,213
23	72	6,768,674	0	6,768,674	1,562,799	316,416	0	4,889,459
24	73	6,893,730	0	6,893,730	1,590,916	323,491	0	4,979,323
25	74	7,022,309	0	7,022,309	1,620,173	330,773	0	5,071,364
26	75	7,154,678	0	7,154,678	1,650,656	338,270	0	5,165,751
27	76	7,291,010	0	7,291,010	1,682,421	345,993	0	5,262,597
28	77	7,431,464	0	7,431,464	1,715,504	353,948	0	5,362,013
29	78	7,576,311	0	7,576,311	1,749,986	362,147	0	5,464,179
30	79	7,704,214	0	7,704,214	1,753,302	369,974	0	5,580,937
31	80	7,829,189	0	7,829,189	1,750,046	377,840	0	5,701,303
32	81	7,951,724	0	7,951,724	1,742,815	385,763	0	5,823,146
33	82	8,072,543	0	8,072,543	1,731,759	393,767	0	5,947,017
34	83	8,179,739	0	8,179,739	1,711,497	401,511	0	6,066,731
35	84	8,223,989	0	8,223,989	1,660,287	407,568	0	6,156,134

Projected Net Worth

Projected net worth and estate values

Prepared for: **Jim and Carla Smith**
Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Assets	Liabilities	Net Worth Before Taxes	Deferred Taxes	Adjustments	Life Insurance	Net Worth Estate
36	85	8,297,466	0	8,297,466	1,618,208	414,616	0	6,264,642
37	86	8,559,805	0	8,559,805	1,654,809	427,289	0	6,477,707
38	87	8,916,909	0	8,916,909	1,728,745	442,862	0	6,745,302
39	88	9,293,396	0	9,293,396	1,806,833	459,153	0	7,027,409
40	89	9,690,422	0	9,690,422	1,889,327	476,202	0	7,324,893
41	90	10,109,213	0	10,109,213	1,976,490	494,047	0	7,638,675

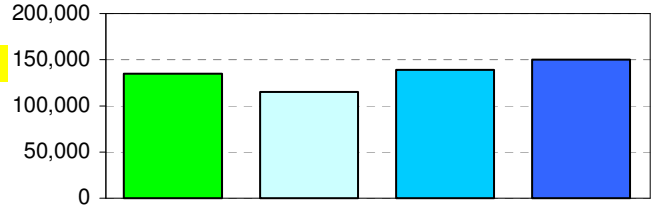
Retirement Capital Needs

Projected retirement income compared to lifestyle goals

Prepared for: **Jim and Carla Smith**
Prepared by: **Vince Olfert, MBA CFP**

Lifestyle Needs

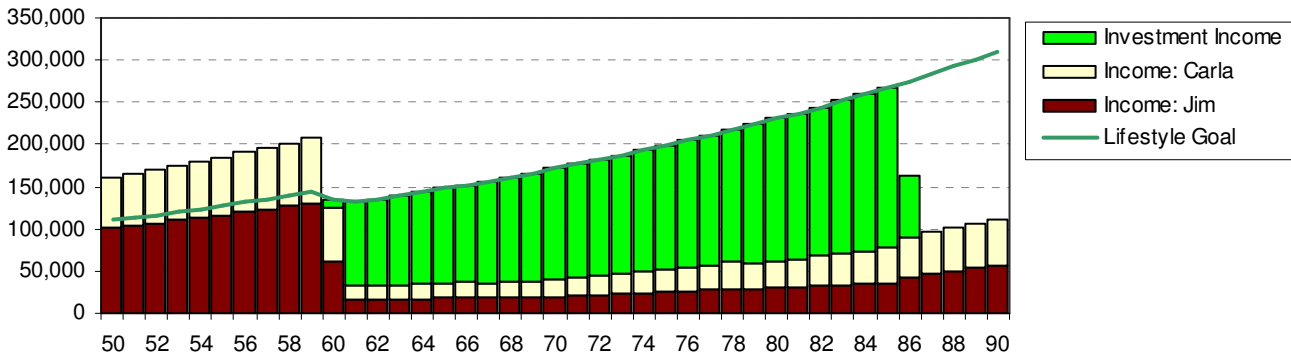
	<u>Lifestyle Goal</u>	<u>% of Goal</u>
■ Lifestyle Goal	134,392	100%
■ Conservative	114,397	85%
■ Moderate	139,402	104%
■ Aggressive	149,691	111%



Retirement capital needs planning is the process of calculating the fixed after-tax income you expect to receive in retirement from sources such as pensions and government benefits, then comparing it to your retirement lifestyle goals. The difference is the amount that you must provide from investments such as RRSPs and other non-registered savings. Having done this you can then calculate the total capital that will be necessary based on different asset allocations and return assumptions. It is also possible to calculate the sort of income you may expect in the future based on your current savings and investment plans.

The graph above compares your projected lifestyle goals in retirement with what you can realistically expect as a retirement lifestyle, assuming three sample asset allocations with varying degrees of risk. Depending on your current investment allocation and the level of risk you are prepared to accept, it may be necessary to adjust your planned lifestyle goals.

The chart below compares your future projected lifestyle needs to your after-tax fixed income from all sources. Also charted is the amount of after-tax income that you can expect to generate from your income producing assets such as RRSPs and other non-registered savings.



Any projected shortfall indicates a need for planning. As all available resources have already been considered in assessing the accumulation requirements however, there are few alternatives to consider. Today's lifestyle can be scaled back to free up additional capital for investment, or the lifestyle goal in retirement can be reduced to a level that can be supported by the projected accumulations.

Alternatively, new planning strategies can be formulated to maximize returns on available resources in order to reach the accumulation target. Tax efficient investments and an appropriate asset allocation strategy can also help you to meet your retirement goals.

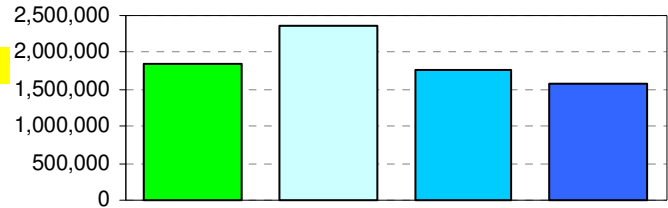
Retirement Capital Needs

Projected capital required at retirement compared to available capital

Prepared for: **Jim and Carla Smith**
Prepared by: **Vince Olfert, MBA CFP**

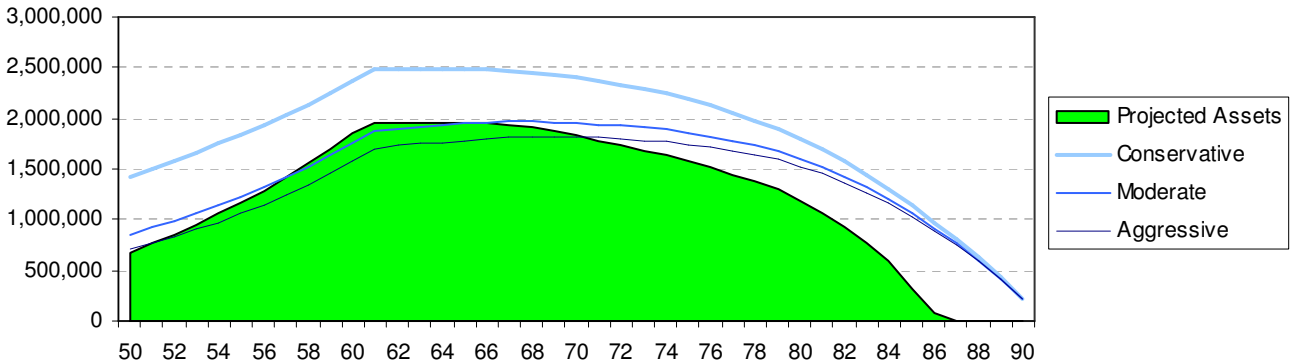
Income Producing Assets

	<u>Amount</u>	<u>Return</u>
 Projected Assets	1,860,500	5.66%
 Conservative	2,368,269	5.20%
 Moderate	1,761,407	7.50%
 Aggressive	1,584,868	8.40%



The chart above shows the amount of capital you will require in order to fund the retirement lifestyle you've indicated you wish to have. How your assets are allocated will determine how much money you will require at retirement – based on past performance, conservative investors will require a higher level of savings. The “projected assets” heading represents your assets as they are currently invested.

The chart below illustrates how different asset allocations would effect your ability to retire at a certain date. Each crossover point, which is where a line representing one of the three sample allocations meets the projected assets, indicates a point in time where accumulations should be sufficient to meet your goals assuming the investment strategy indicated by the line graph is employed. The more conservative the approach, the larger the pool of capital that will be required at retirement. Your investment strategy between now and retirement will dictate the annual savings level required to meet your goals.



With any retirement planning analysis, if there is an indication that you may not be able to meet your goals, there are generally only three courses of action you can take.

First you can choose to do nothing, this will ultimately force you to reduce your need for income in the future by working longer or spending less resulting in a lowering of planned lifestyle.

Second you can save more now, this will have an impact on your current standard of living forcing you to reduce what you are now spending on such things as entertainment, vacations and other discretionary items.

Third you can better manage your resources, this requires developing strategies for investment and taxes to maximize the future growth of your assets so you will have the capital necessary at your planned retirement date to provide you with the lifestyle you want.

Non-registered Investments

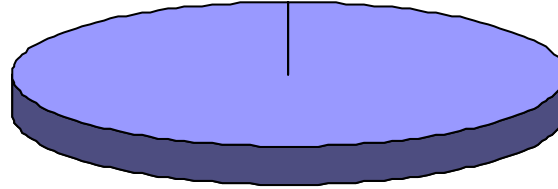
Projected investment values

Prepared for: **Jim Smith**

Prepared by: **Vince Olfert, MBA CFP**

Investment Allocation

Cash:	150,000	100.00%
Bond:	0	0.00%
Equity:	0	0.00%
Total:	150,000	

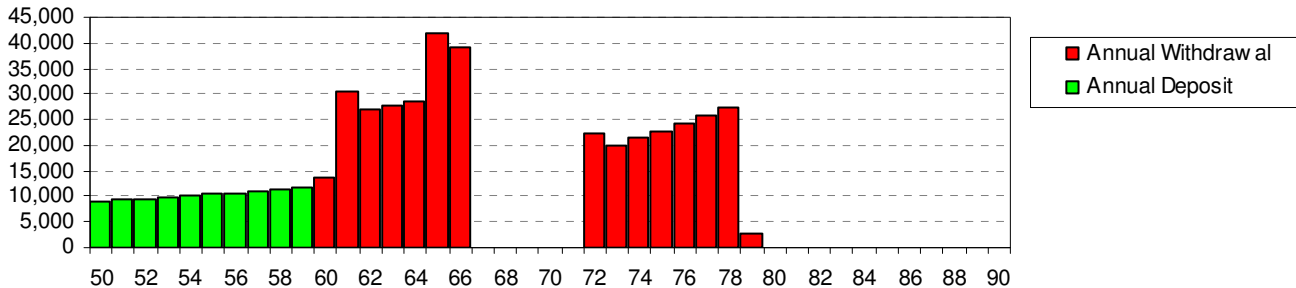


Diversification is an important element in any investment strategy, as it can help to reduce exposure to risk. A good investment plan should provide the best possible return for the degree of risk you are willing to assume. It must be kept in mind however, that there are different kinds of risk. Market risk or volatility is not the only kind of risk. There is also the risk of declining interest rates as well as the potential for erosion of purchasing power due to inflation. Your investment plan must also take into account tax considerations. Certain types of investment returns are fully taxed at an investor's top marginal rate, while other types of return feature significant tax advantages:

Interest is fully taxable each year at your top marginal rate.

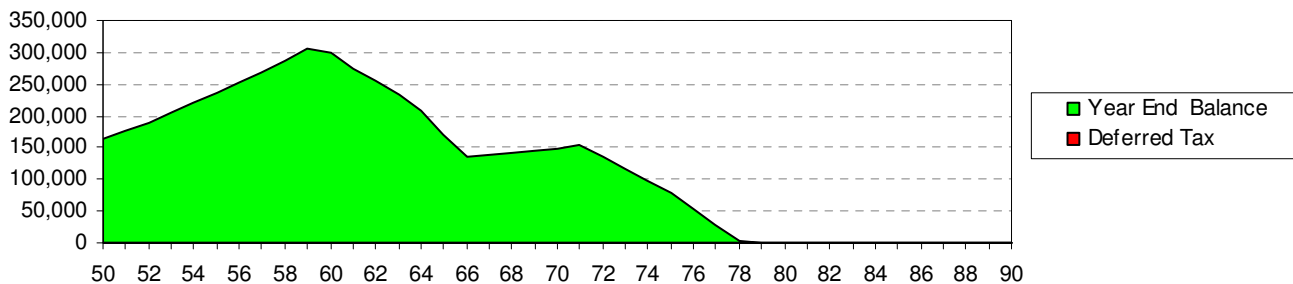
Dividends are taxable as received, but those from Canadian companies are eligible for preferred tax treatment through the Dividend Tax Credit.

Capital Gains are only 50% taxable when realized. In the case of mutual funds, a percentage of gains must usually be reported each year even if shares are not disposed of, due to investment turnover within the fund.



The key to maximizing the growth of your investment portfolios is to strike the right balance between using tax efficient investments to your advantage and maintaining the right asset allocation relevant to your risk profile, accumulation requirements, and life cycle. Your asset allocation needs will change over time, and periodic realignments of a portfolio can force taxable gains.

The following graph offers an overview of how your position is likely to develop in the future based on your present investment strategy, including your current asset mix and plans for saving and investing.



Non-registered Investments

Projected investment values

Prepared for: **Jim Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Annual Deposit	Annual Withdrawal	Annual Growth	Weighted Return	Allowance For Tax	Year End Balance	Deferred Tax
1	50	8,972	0	6,179	4.00%	2,472	162,680	0
2	51	9,217	0	6,692	4.00%	2,677	175,912	0
3	52	9,484	0	7,226	4.00%	2,890	189,732	0
4	53	9,767	0	7,785	4.00%	3,114	204,169	0
5	54	10,065	0	8,368	4.00%	3,347	219,255	0
6	55	10,380	0	8,978	4.00%	3,591	235,021	0
7	56	10,712	0	9,615	4.00%	3,846	251,503	0
8	57	11,064	0	10,281	4.00%	4,113	268,736	0
9	58	11,436	0	10,978	4.00%	4,391	286,759	0
10	59	11,830	0	11,707	4.00%	4,683	305,613	0
11	60	0	13,700	11,951	4.00%	4,780	299,083	0
12	61	0	30,622	11,351	4.00%	4,540	275,272	0
13	62	0	26,944	10,472	4.00%	4,189	254,611	0
14	63	0	27,831	9,628	4.00%	3,851	232,557	0
15	64	0	28,746	8,727	4.00%	3,491	209,047	0
16	65	0	41,980	7,522	4.00%	3,009	171,580	0
17	66	0	39,226	6,079	4.00%	2,431	136,001	0
18	67	0	0	5,440	4.00%	2,176	139,265	0
19	68	0	0	5,571	4.00%	2,228	142,607	0
20	69	0	0	5,704	4.00%	2,282	146,030	0
21	70	0	0	5,841	4.00%	2,336	149,535	0
22	71	0	0	5,981	4.00%	2,393	153,123	0
23	72	0	22,264	5,680	4.00%	2,272	134,267	0
24	73	0	20,050	4,970	4.00%	1,988	117,199	0
25	74	0	21,431	4,259	4.00%	1,704	98,323	0
26	75	0	22,861	3,476	4.00%	1,390	77,547	0
27	76	0	24,353	2,615	4.00%	1,046	54,763	0
28	77	0	25,903	1,672	4.00%	669	29,863	0
29	78	0	27,508	644	4.00%	258	2,742	0
30	79	0	2,797	55	0.00%	0	0	0
31	80	0	0	0	0.00%	0	0	0
32	81	0	0	0	0.00%	0	0	0
33	82	0	0	0	0.00%	0	0	0
34	83	0	0	0	0.00%	0	0	0
35	84	0	0	0	0.00%	0	0	0

Non-registered Investments

Projected investment values

Prepared for: **Jim Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Annual Deposit	Annual Withdrawal	Annual Growth	Weighted Return	Allowance For Tax	Year End Balance	Deferred Tax
36	85	0	0	0	0.00%	0	0	0
37	86	0	0	0	0.00%	0	0	0
38	87	0	0	0	0.00%	0	0	0
39	88	0	0	0	0.00%	0	0	0
40	89	0	0	0	0.00%	0	0	0
41	90	0	0	0	0.00%	0	0	0

Non-registered Investments

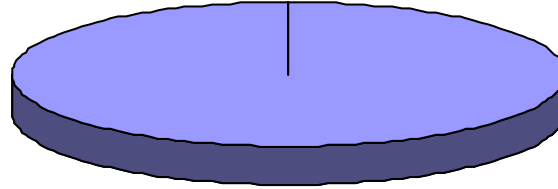
Projected investment values

Prepared for: **Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

Investment Allocation

Cash:	100,000	100.00%
Bond:	0	0.00%
Equity:	0	0.00%
Total:	100,000	

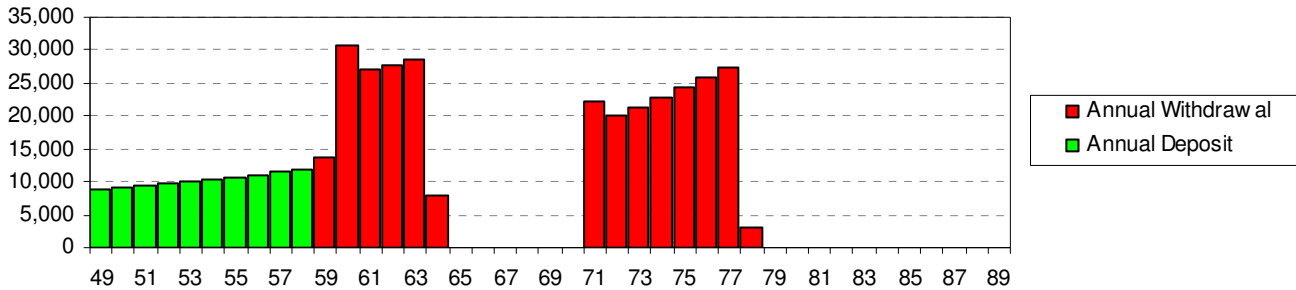


Diversification is an important element in any investment strategy, as it can help to reduce exposure to risk. A good investment plan should provide the best possible return for the degree of risk you are willing to assume. It must be kept in mind however, that there are different kinds of risk. Market risk or volatility is not the only kind of risk. There is also the risk of declining interest rates as well as the potential for erosion of purchasing power due to inflation. Your investment plan must also take into account tax considerations. Certain types of investment returns are fully taxed at an investor's top marginal rate, while other types of return feature significant tax advantages:

Interest is fully taxable each year at your top marginal rate.

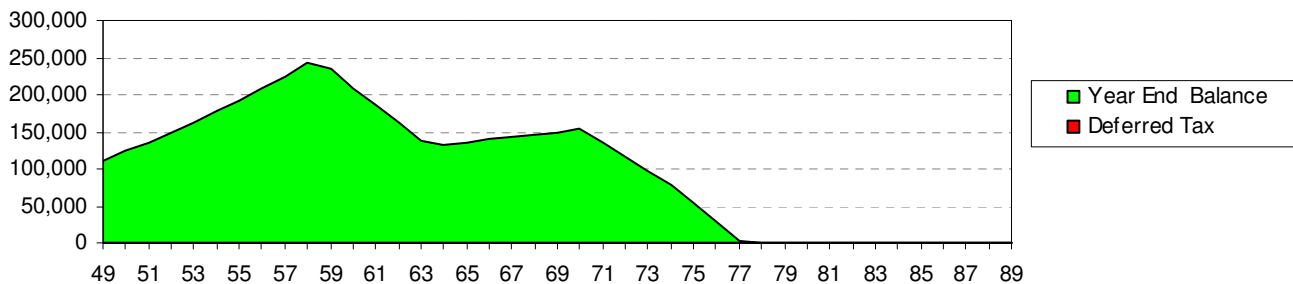
Dividends are taxable as received, but those from Canadian companies are eligible for preferred tax treatment through the Dividend Tax Credit.

Capital Gains are only 50% taxable when realized. In the case of mutual funds, a percentage of gains must usually be reported each year even if shares are not disposed of, due to investment turnover within the fund.



The key to maximizing the growth of your investment portfolios is to strike the right balance between using tax efficient investments to your advantage and maintaining the right asset allocation relevant to your risk profile, accumulation requirements, and life cycle. Your asset allocation needs will change over time, and periodic realignments of a portfolio can force taxable gains.

The following graph offers an overview of how your position is likely to develop in the future based on your present investment strategy, including your current asset mix and plans for saving and investing.



Non-registered Investments

Projected investment values

Prepared for: **Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Annual Deposit	Annual Withdrawal	Annual Growth	Weighted Return	Allowance For Tax	Year End Balance	Deferred Tax
1	49	8,972	0	4,179	4.00%	1,672	111,480	0
2	50	9,217	0	4,644	4.00%	1,857	123,483	0
3	51	9,484	0	5,129	4.00%	2,052	136,045	0
4	52	9,767	0	5,637	4.00%	2,255	149,194	0
5	53	10,065	0	6,169	4.00%	2,468	162,960	0
6	54	10,380	0	6,726	4.00%	2,690	177,375	0
7	55	10,712	0	7,309	4.00%	2,924	192,473	0
8	56	11,064	0	7,920	4.00%	3,168	208,290	0
9	57	11,436	0	8,560	4.00%	3,424	224,862	0
10	58	11,830	0	9,231	4.00%	3,692	242,231	0
11	59	0	13,700	9,415	4.00%	3,766	234,180	0
12	60	0	30,622	8,755	4.00%	3,502	208,811	0
13	61	0	26,944	7,814	4.00%	3,125	186,554	0
14	62	0	27,831	6,906	4.00%	2,762	162,867	0
15	63	0	28,746	5,940	4.00%	2,376	137,684	0
16	64	0	7,835	5,351	4.00%	2,140	133,060	0
17	65	0	0	5,322	4.00%	2,129	136,253	0
18	66	0	0	5,450	4.00%	2,180	139,523	0
19	67	0	0	5,581	4.00%	2,232	142,872	0
20	68	0	0	5,715	4.00%	2,286	146,301	0
21	69	0	0	5,852	4.00%	2,341	149,812	0
22	70	0	0	5,992	4.00%	2,397	153,407	0
23	71	0	22,264	5,691	4.00%	2,276	134,557	0
24	72	0	20,050	4,981	4.00%	1,993	117,496	0
25	73	0	21,431	4,271	4.00%	1,708	98,628	0
26	74	0	22,861	3,488	4.00%	1,395	77,860	0
27	75	0	24,353	2,627	4.00%	1,051	55,083	0
28	76	0	25,903	1,685	4.00%	674	30,190	0
29	77	0	27,508	657	4.00%	263	3,077	0
30	78	0	3,138	62	0.00%	0	0	0
31	79	0	0	0	0.00%	0	0	0
32	80	0	0	0	0.00%	0	0	0
33	81	0	0	0	0.00%	0	0	0
34	82	0	0	0	0.00%	0	0	0
35	83	0	0	0	0.00%	0	0	0

Non-registered Investments

Projected investment values

Prepared for: **Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

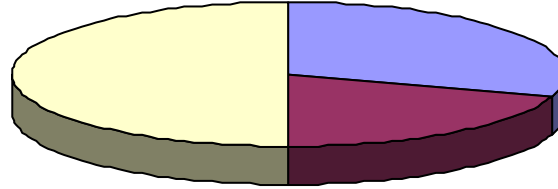
Year	Age	Annual Deposit	Annual Withdrawal	Annual Growth	Weighted Return	Allowance For Tax	Year End Balance	Deferred Tax
36	84	0	0	0	0.00%	0	0	0
37	85	0	0	0	0.00%	0	0	0
38	86	0	0	0	0.00%	0	0	0
39	87	0	0	0	0.00%	0	0	0
40	88	0	0	0	0.00%	0	0	0
41	89	0	0	0	0.00%	0	0	0

Prepared for: **Jim Smith**

Prepared by: **Vince Olfert, MBA CFP**

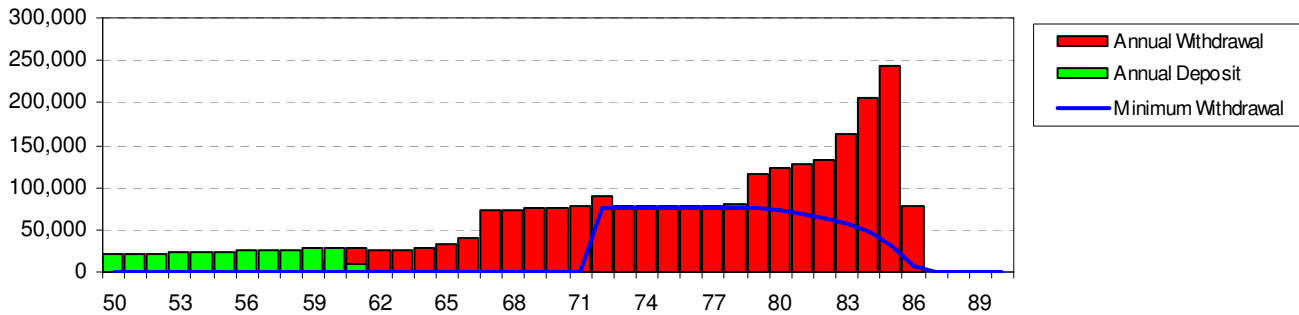
Investment Allocation

Cash:	75,000	30.00%
Bond:	50,000	20.00%
Equity:	125,000	50.00%
Total:	250,000	



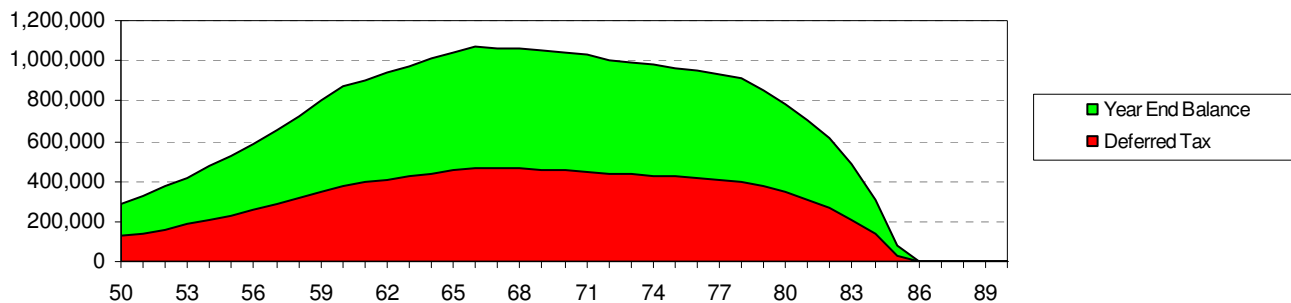
Registered Retirement Savings Plans (RRSPs) are one of the few tax shelters available to Canadians, and they should be used to the maximum extent possible. Not only do they offer an immediate tax deduction for amounts contributed into the plan, any money earned inside the plan is not taxed until it is withdrawn, presumable at retirement when one is in a lower tax bracket.

In order to maximize the value of your RRSPs you should contribute the maximum allowable each year and make each year's contribution as early in the year as possible. Ultimate accumulations also depend on how well you manage your portfolio of investments. A self-directed RRSP allows you to choose from a wide variety of investments and also take advantage of potentially lucrative foreign markets.



A RRIF offers the maximum flexibility in retirement income planning, as it allows you to maintain control over the investments held as well as the opportunity to control the level of income. You can start a RRIF at any age, but once started there is a minimum amount which must be taken into income each year. Your RRSPs must be matured no later than the year in which you turn 71, allowing you to delay the receipt of income until age 72 if you wanted to.

Although this can sometimes be advantageous, you should remember that RRSPs were designed to produce income. They are not intended to be used as an estate planning tool. Tax eventually must be paid on all RRSPs, either during retirement as the funds are drawn for income, or ultimately in the estate. Although RRSPs may be rolled over to a spouse at death, when the surviving spouse dies all remaining balances become fully taxable as income in the year of death.



RRSP / RRIF

Projected investment values

Prepared for: **Jim Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Annual Deposit	Annual Withdrawal	Minimum Withdrawal	Annual Growth	Weighted Return	Year End Balance	Deferred Tax
1	50	20,952	0	0	16,931	6.50%	287,883	125,805
2	51	21,600	0	0	19,433	6.51%	328,916	143,736
3	52	22,248	0	0	22,146	6.51%	373,310	163,136
4	53	22,915	0	0	25,084	6.52%	421,310	184,112
5	54	23,603	0	0	28,265	6.53%	473,177	206,779
6	55	24,311	0	0	31,706	6.53%	529,195	231,258
7	56	25,040	0	0	35,428	6.54%	589,663	257,683
8	57	25,792	0	0	39,450	6.55%	654,905	286,193
9	58	26,565	0	0	43,796	6.55%	725,266	316,941
10	59	27,362	0	0	48,489	6.56%	801,117	350,088
11	60	28,183	13,024	0	53,128	6.57%	869,405	379,930
12	61	9,676	29,451	0	56,534	6.58%	906,164	395,994
13	62	0	25,833	0	58,826	6.59%	939,157	410,412
14	63	0	26,673	0	61,048	6.59%	973,532	425,433
15	64	0	27,524	0	63,368	6.60%	1,009,376	441,097
16	65	0	33,215	0	65,633	6.61%	1,041,794	455,264
17	66	0	41,209	0	67,602	6.62%	1,068,187	466,798
18	67	0	72,326	0	68,413	6.63%	1,064,274	465,088
19	68	0	74,286	0	68,185	6.64%	1,058,173	462,422
20	69	0	76,275	0	67,811	6.65%	1,049,709	458,723
21	70	0	76,064	0	67,354	6.66%	1,040,999	454,916
22	71	0	78,110	0	66,805	6.67%	1,029,694	449,976
23	72	0	89,344	75,991	65,776	6.68%	1,006,126	439,677
24	73	0	77,348	75,258	64,703	6.69%	993,481	434,151
25	74	0	77,750	75,405	63,944	6.70%	979,675	428,118
26	75	0	78,121	75,533	63,107	6.71%	964,661	421,557
27	76	0	78,548	75,726	62,186	6.72%	948,300	414,407
28	77	0	78,926	75,769	61,175	6.73%	930,549	406,650
29	78	0	79,348	75,840	60,066	6.74%	911,268	398,224
30	79	0	115,887	75,909	57,633	6.75%	853,013	372,767
31	80	0	123,075	72,762	53,550	6.77%	783,489	342,384
32	81	0	128,079	68,555	48,765	6.78%	704,174	307,724
33	82	0	133,442	63,305	43,288	6.79%	614,020	268,327
34	83	0	163,114	56,920	36,227	6.80%	487,133	212,877
35	84	0	205,683	46,667	26,200	6.82%	307,650	134,443

RRSP / RRIF

Projected investment values

Prepared for: **Jim Smith**

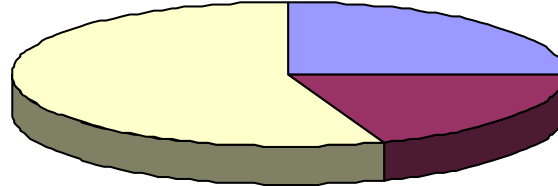
Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Annual Deposit	Annual Withdrawal	Minimum Withdrawal	Annual Growth	Weighted Return	Year End Balance	Deferred Tax
36	85	0	243,873	30,550	12,692	6.83%	76,469	33,417
37	86	0	79,094	7,899	2,625	0.00%	0	0
38	87	0	0	0	0	0.00%	0	0
39	88	0	0	0	0	0.00%	0	0
40	89	0	0	0	0	0.00%	0	0
41	90	0	0	0	0	0.00%	0	0

Prepared for: **Carla Smith**
Prepared by: **Vince Olfert, MBA CFP**

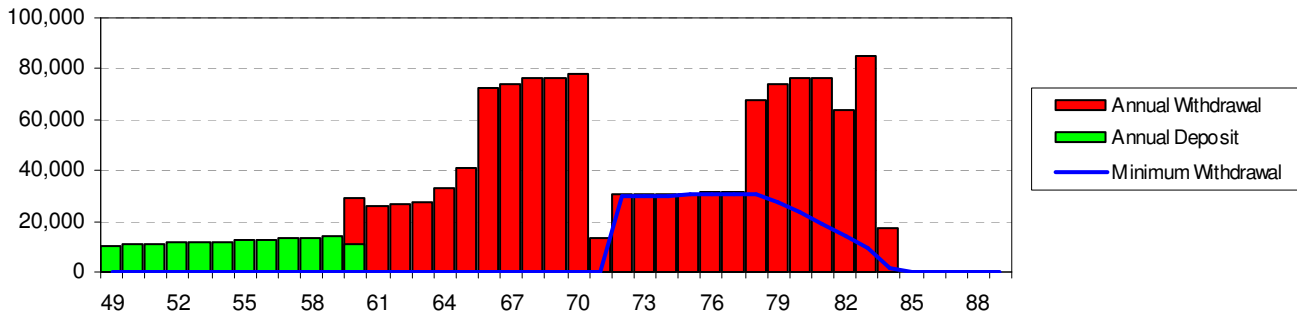
Investment Allocation

Cash:	45,000	25.00%
Bond:	35,000	19.44%
Equity:	100,000	55.56%
Total:	180,000	



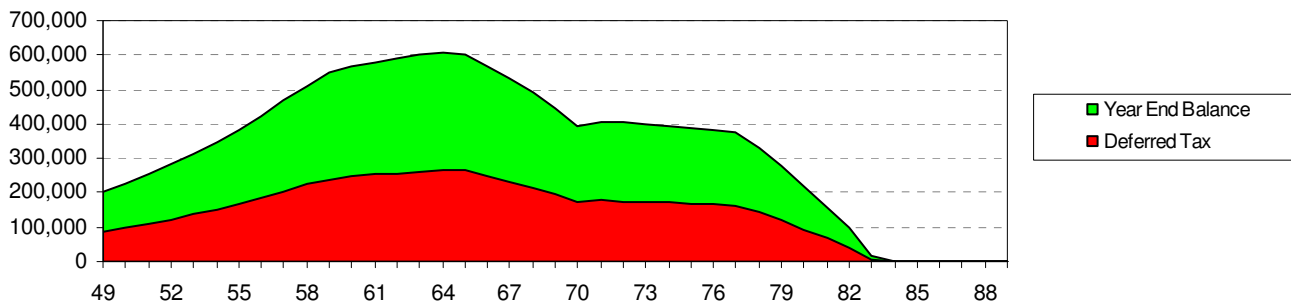
Registered Retirement Savings Plans (RRSPs) are one of the few tax shelters available to Canadians, and they should be used to the maximum extent possible. Not only do they offer an immediate tax deduction for amounts contributed into the plan, any money earned inside the plan is not taxed until it is withdrawn, presumable at retirement when one is in a lower tax bracket.

In order to maximize the value of your RRSPs you should contribute the maximum allowable each year and make each year's contribution as early in the year as possible. Ultimate accumulations also depend on how well you manage your portfolio of investments. A self-directed RRSP allows you to choose from a wide variety of investments and also take advantage of potentially lucrative foreign markets.



A RRIF offers the maximum flexibility in retirement income planning, as it allows you to maintain control over the investments held as well as the opportunity to control the level of income. You can start a RRIF at any age, but once started there is a minimum amount which must be taken into income each year. Your RRSPs must be matured no later than the year in which you turn 71, allowing you to delay the receipt of income until age 72 if you wanted to.

Although this can sometimes be advantageous, you should remember that RRSPs were designed to produce income. They are not intended to be used as an estate planning tool. Tax eventually must be paid on all RRSPs, either during retirement as the funds are drawn for income, or ultimately in the estate. Although RRSPs may be rolled over to a spouse at death, when the surviving spouse dies all remaining balances become fully taxable as income in the year of death.



RRSP / RRIF

Projected investment values

Prepared for: **Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Annual Deposit	Annual Withdrawal	Minimum Withdrawal	Annual Growth	Weighted Return	Year End Balance	Deferred Tax
1	49	10,476	0	0	12,401	6.69%	202,877	88,657
2	50	10,800	0	0	13,952	6.70%	227,629	99,474
3	51	11,124	0	0	15,632	6.70%	254,384	111,166
4	52	11,458	0	0	17,448	6.71%	283,290	123,798
5	53	11,801	0	0	19,412	6.71%	314,504	137,438
6	54	12,155	0	0	21,535	6.72%	348,195	152,161
7	55	12,520	0	0	23,828	6.72%	384,543	168,045
8	56	12,896	0	0	26,303	6.73%	423,742	185,175
9	57	13,283	0	0	28,975	6.73%	465,999	203,642
10	58	13,681	0	0	31,858	6.74%	511,538	223,542
11	59	14,092	13,024	0	34,528	6.74%	547,135	239,098
12	60	10,886	29,451	0	36,296	6.75%	564,865	246,846
13	61	0	25,833	0	37,279	6.75%	576,311	251,848
14	62	0	26,673	0	38,056	6.76%	587,694	256,822
15	63	0	27,524	0	38,830	6.77%	599,000	261,763
16	64	0	33,215	0	39,438	6.77%	605,223	264,482
17	65	0	41,209	0	39,624	6.78%	603,638	263,790
18	66	0	72,326	0	38,498	6.78%	569,810	249,007
19	67	0	74,286	0	36,172	6.79%	531,697	232,352
20	68	0	76,275	0	33,550	6.80%	488,972	213,681
21	69	0	76,064	0	30,684	6.80%	443,592	193,850
22	70	0	78,110	0	27,555	6.81%	393,037	171,757
23	71	0	13,353	0	26,346	6.82%	406,030	177,435
24	72	0	30,348	29,965	26,679	6.83%	402,361	175,832
25	73	0	30,593	30,097	26,449	6.83%	398,217	174,021
26	74	0	30,807	30,225	26,186	6.84%	393,596	172,002
27	75	0	30,988	30,346	25,892	6.85%	388,500	169,774
28	76	0	31,283	30,497	25,561	6.86%	382,778	167,274
29	77	0	31,510	30,584	25,190	6.86%	376,457	164,512
30	78	0	67,841	30,681	23,536	6.87%	332,153	145,151
31	79	0	74,344	27,668	20,293	6.88%	278,102	121,531
32	80	0	76,218	23,722	16,532	6.89%	218,416	95,448
33	81	0	76,725	19,111	12,420	6.90%	154,111	67,347
34	82	0	64,172	13,855	8,430	6.91%	98,369	42,987
35	83	0	85,346	9,119	3,854	6.92%	16,877	7,375

RRSP / RRIF

Projected investment values

Prepared for: **Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

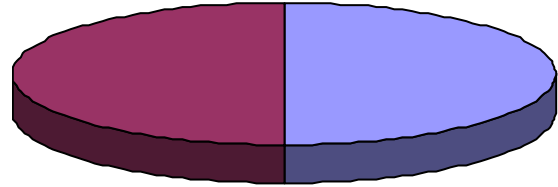
Year	Age	Annual Deposit	Annual Withdrawal	Minimum Withdrawal	Annual Growth	Weighted Return	Year End Balance	Deferred Tax
36	84	0	17,463	1,617	586	0.00%	0	0
37	85	0	0	0	0	0.00%	0	0
38	86	0	0	0	0	0.00%	0	0
39	87	0	0	0	0	0.00%	0	0
40	88	0	0	0	0	0.00%	0	0
41	89	0	0	0	0	0.00%	0	0

Corporate Holdings

Projected equity value of corporate holdings

Prepared for: **Jim and Carla Smith**
Prepared by: **Vince Olfert, MBA CFP**

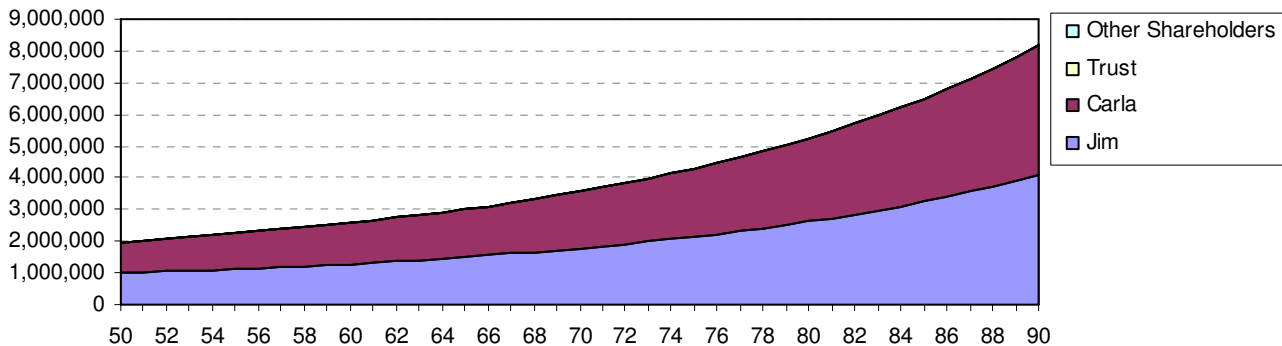
Corporate Equity	<u>Equity Value</u>	<u>Deferred Tax</u>
Jim	967,758	211,455
Carla	967,758	211,455
Trust	0	0
Other Shareholders	0	0
Total Equity	1,935,517	422,910



The chart above illustrates the total value of all corporate holdings (common and preferred shares) included in this analysis. The equity value is the current estimated Fair Market Value (FMV) of each shareholder's total ownership. The deferred tax represents the amount of tax that each shareholder would owe, based on the FMV and Adjusted Cost Base (ACB), assuming the shares were sold realizing a capital gain.

It is also assumed that all gains would qualify for the Small Business Gains Exemption (SBGE) and any available SBGE would be utilized to reduce taxes payable.

The SBGE is available to Canadian residents up to a total of \$750,000 of capital gains from the sale of shares of a Qualified Small Business Corporation (QSBC). Assuming a top marginal tax rate of 45%, if fully utilized the SBGE can save the typical shareholder up to \$112,500 in income tax.



In order for a corporation to meet the definition of a QSBC it must be a Canadian controlled private corporation (CCPC), with at least 90% of the FMV of its assets used in an active business carried on primarily in Canada. As well as the corporation qualifying as a QSBC, the shares must also qualify for the exemption at time of disposition.

For the shares to qualify they must have been held by the taxpayer or related person for the previous 24 months. During that 24 month period, a minimum of 50% of the FMV of the assets must also have been used in an active business carried on primarily in Canada as a CCPC.

The above asset tests do not make allowances for liabilities. Where a corporation fails a test, then a process involving the "Purification" of the corporation needs to be considered. The process of purification can be complex but generally involves removing excess cash by paying dividends, eliminating debt or purchasing business use assets.

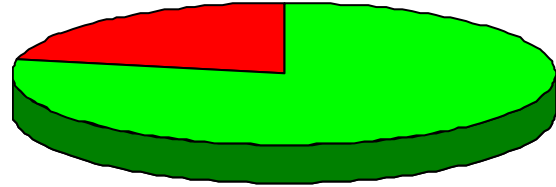
Corporate Holdings

Projected estate value of corporate holdings

Prepared for: **Jim and Carla Smith**
Prepared by: **Vince Olfert, MBA CFP**

Estate Values

After-tax Distribution	1,512,606	78.15%
Insurance (less CSV)	0	0.00%
Trust Equity	0	0.00%
Tax Payable	422,910	21.85%
Total Pre-tax Estate	1,935,517	100.00%

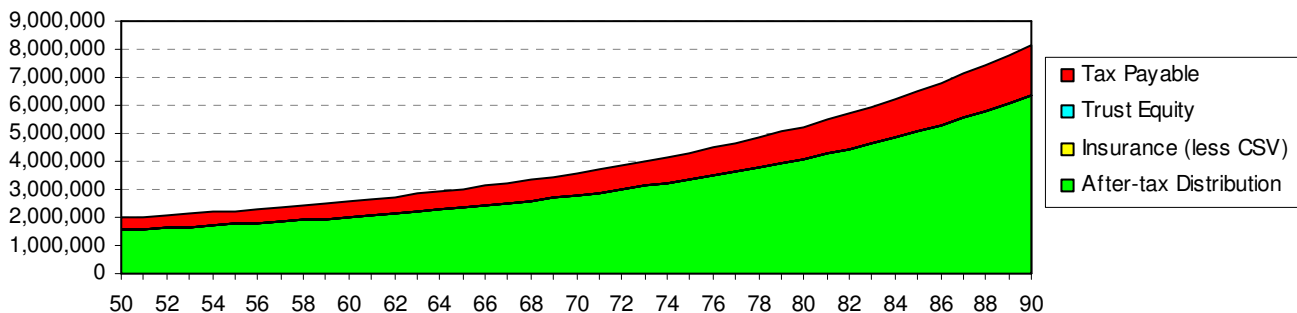


The above chart illustrates the current estate value of your corporate holdings, including the value of trust assets and life insurance benefits immediately following death. The amount of tax payable is calculated assuming all tax will be paid at the top marginal tax rate for individuals. Depending on the estate succession strategies in place, the amount of taxable capital gains and/or taxable dividends can vary greatly.

For personally owned shares, death triggers a number of events, the first being a deemed disposed of all shares to the estate at the FMV immediately prior to death, realizing any capital gains. Once the property of the estate, final distribution can be a complex and involved process, however in its simplest form there are three primary ways to dispose of the shares.

First you could sell the shares to a third party and pay tax on the previously realized capital gains in the estate. Second you could have the corporation redeem the shares for dividends, resulting in a capital loss offsetting the capital gains in the estate. Finally you could choose to wind-up the corporation for a deemed dividend, also resulting in a capital loss offsetting the capital gains in the estate.

With the exception of receiving tax-free capital dividends, capital gains will generally result in less tax, however without a prearranged buy-sell agreement finding a willing buyer can be a difficult task.



The above graph illustrates how the position of the estate is likely to develop in the future based on the projected values of the various corporate assets and the share structure in place. The projected tax payable is dependant on the methods used in the succession plan and do not include any tax payable on the assets of a trust.

Where there is a trust the life insurance proceeds will remain in the corporation increasing the value of the trust's shares. To the extent there is any remaining Capital Dividend Account (CDA) the insurance proceeds can then be paid to the trust as a tax free capital dividend.

Corporate Holdings

Projected asset and deferred tax of corporate holdings

Prepared for: **Jim and Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Jim		Carla		Trust		Other
		Asset Value	Deferred Tax	Asset Value	Deferred Tax	Asset Value	Deferred Tax	Asset Value
1	50	990,462	216,416	990,462	216,416	0	0	0
2	51	1,014,263	221,616	1,014,263	221,616	0	0	0
3	52	1,039,223	227,070	1,039,223	227,070	0	0	0
4	53	1,065,407	232,791	1,065,407	232,791	0	0	0
5	54	1,092,883	238,795	1,092,883	238,795	0	0	0
6	55	1,121,724	245,097	1,121,724	245,097	0	0	0
7	56	1,152,008	251,714	1,152,008	251,714	0	0	0
8	57	1,183,815	258,664	1,183,815	258,664	0	0	0
9	58	1,217,233	265,965	1,217,233	265,965	0	0	0
10	59	1,252,353	273,639	1,252,353	273,639	0	0	0
11	60	1,289,274	281,706	1,289,274	281,706	0	0	0
12	61	1,328,099	290,190	1,328,099	290,190	0	0	0
13	62	1,368,938	299,113	1,368,938	299,113	0	0	0
14	63	1,411,907	308,502	1,411,907	308,502	0	0	0
15	64	1,457,130	318,383	1,457,130	318,383	0	0	0
16	65	1,504,740	328,786	1,504,740	328,786	0	0	0
17	66	1,554,874	339,740	1,554,874	339,740	0	0	0
18	67	1,607,682	351,278	1,607,682	351,278	0	0	0
19	68	1,663,320	363,435	1,663,320	363,435	0	0	0
20	69	1,721,956	376,247	1,721,956	376,247	0	0	0
21	70	1,783,766	389,753	1,783,766	389,753	0	0	0
22	71	1,848,940	403,993	1,848,940	403,993	0	0	0
23	72	1,917,677	419,012	1,917,677	419,012	0	0	0
24	73	1,990,189	434,856	1,990,189	434,856	0	0	0
25	74	2,066,702	451,574	2,066,702	451,574	0	0	0
26	75	2,147,456	469,219	2,147,456	469,219	0	0	0
27	76	2,232,706	487,846	2,232,706	487,846	0	0	0
28	77	2,322,721	507,515	2,322,721	507,515	0	0	0
29	78	2,417,791	528,287	2,417,791	528,287	0	0	0
30	79	2,518,219	550,231	2,518,219	550,231	0	0	0
31	80	2,624,331	573,416	2,624,331	573,416	0	0	0
32	81	2,736,471	597,919	2,736,471	597,919	0	0	0
33	82	2,855,008	623,819	2,855,008	623,819	0	0	0
34	83	2,980,329	651,202	2,980,329	651,202	0	0	0
35	84	3,112,850	680,158	3,112,850	680,158	0	0	0

Corporate Holdings

Projected asset and deferred tax of corporate holdings

Prepared for: **Jim and Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Jim		Carla		Trust		Other
		Asset Value	Deferred Tax	Asset Value	Deferred Tax	Asset Value	Deferred Tax	Asset Value
36	85	3,253,011	710,783	3,253,011	710,783	0	0	0
37	86	3,401,280	743,180	3,401,280	743,180	0	0	0
38	87	3,558,154	777,457	3,558,154	777,457	0	0	0
39	88	3,724,164	813,730	3,724,164	813,730	0	0	0
40	89	3,899,872	852,122	3,899,872	852,122	0	0	0
41	90	4,085,875	892,764	4,085,875	892,764	0	0	0

Corporate Holdings

Projected estate value of corporate holdings

Prepared for: **Jim and Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Estate Distribution	Capital Gains	Dividend Payments	Tax Payable	Insurance (Less CSV)	Trust Equity	Total Estate
1	50	1,980,923	1,980,923	0	432,832	0	0	1,548,092
2	51	2,028,526	2,028,526	0	443,233	0	0	1,585,293
3	52	2,078,446	2,078,446	0	454,141	0	0	1,624,306
4	53	2,130,814	2,130,814	0	465,583	0	0	1,665,231
5	54	2,185,766	2,185,766	0	477,590	0	0	1,708,176
6	55	2,243,449	2,243,449	0	490,194	0	0	1,753,255
7	56	2,304,015	2,304,015	0	503,427	0	0	1,800,588
8	57	2,367,630	2,367,630	0	517,327	0	0	1,850,303
9	58	2,434,465	2,434,465	0	531,931	0	0	1,902,535
10	59	2,504,706	2,504,706	0	547,278	0	0	1,957,428
11	60	2,578,548	2,578,548	0	563,413	0	0	2,015,135
12	61	2,656,198	2,656,198	0	580,379	0	0	2,075,819
13	62	2,737,875	2,737,875	0	598,226	0	0	2,139,650
14	63	2,823,814	2,823,814	0	617,003	0	0	2,206,810
15	64	2,914,261	2,914,261	0	636,766	0	0	2,277,495
16	65	3,009,479	3,009,479	0	657,571	0	0	2,351,908
17	66	3,109,748	3,109,748	0	679,480	0	0	2,430,268
18	67	3,215,363	3,215,363	0	702,557	0	0	2,512,806
19	68	3,326,640	3,326,640	0	726,871	0	0	2,599,769
20	69	3,443,911	3,443,911	0	752,495	0	0	2,691,417
21	70	3,567,533	3,567,533	0	779,506	0	0	2,788,027
22	71	3,697,880	3,697,880	0	807,987	0	0	2,889,893
23	72	3,835,353	3,835,353	0	838,025	0	0	2,997,329
24	73	3,980,378	3,980,378	0	869,713	0	0	3,110,665
25	74	4,133,404	4,133,404	0	903,149	0	0	3,230,255
26	75	4,294,912	4,294,912	0	938,438	0	0	3,356,474
27	76	4,465,412	4,465,412	0	975,692	0	0	3,489,719
28	77	4,645,443	4,645,443	0	1,015,029	0	0	3,630,414
29	78	4,835,581	4,835,581	0	1,056,575	0	0	3,779,007
30	79	5,036,438	5,036,438	0	1,100,462	0	0	3,935,976
31	80	5,248,662	5,248,662	0	1,146,833	0	0	4,101,829
32	81	5,472,943	5,472,943	0	1,195,838	0	0	4,277,105
33	82	5,710,015	5,710,015	0	1,247,638	0	0	4,462,377
34	83	5,960,658	5,960,658	0	1,302,404	0	0	4,658,254
35	84	6,225,700	6,225,700	0	1,360,315	0	0	4,865,384

Corporate Holdings

Projected estate value of corporate holdings

Prepared for: **Jim and Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Estate Distribution	Capital Gains	Dividend Payments	Tax Payable	Insurance (Less CSV)	Trust Equity	Total Estate
36	85	6,506,021	6,506,021	0	1,421,566	0	0	5,084,456
37	86	6,802,559	6,802,559	0	1,486,359	0	0	5,316,200
38	87	7,116,309	7,116,309	0	1,554,913	0	0	5,561,395
39	88	7,448,328	7,448,328	0	1,627,460	0	0	5,820,869
40	89	7,799,743	7,799,743	0	1,704,244	0	0	6,095,499
41	90	8,171,750	8,171,750	0	1,785,527	0	0	6,386,223

Corporate Cash Flow

Projected income and other cash flow resulting from share liquidation

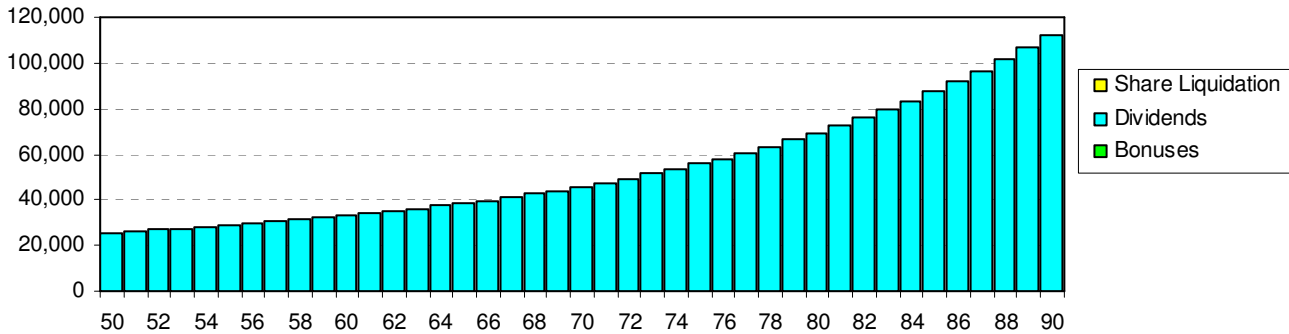
Prepared for: **Jim and Carla Smith**
Prepared by: **Vince Olfert, MBA CFP**

The following graph projects the total of all future cash flows paid to the shareholders broken down by type of income. Although no breakdown of the source of funds is provided here, a review of the corporate Equity Values documents will provide the necessary information.

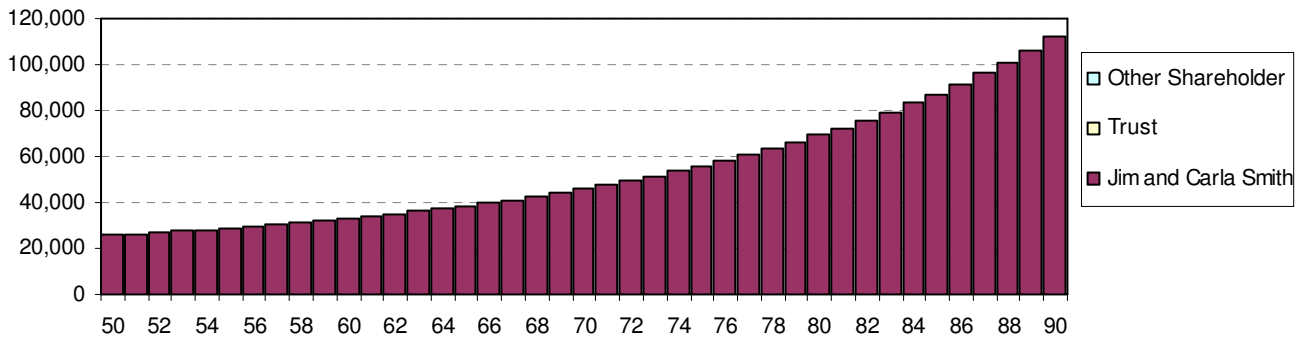
Bonuses are assumed to be paid out of the general revenues of the business and are fully taxable as earned income of the shareholder. Normally the shareholder must be actively involved in the day to day operation of the business to receive bonuses.

Dividends can be declared for a number of reasons, the most common being the distribution of business income. Another reason to declare dividends is to distribute investment income earned by the corporation from an investment portfolio. Tax-free capital dividends representing the non-taxable portion of capital gains and taxable dividends to fully utilize any Refundable Dividend Tax On Hand (RDTOH).

Share Liquidation represents the value of any shares sold by one shareholder to another (whether an existing or new shareholder). The portion of the sale representing the Adjusted Cost Base (ACB) is received tax-free, while any capital gain (amounts above the ACB) is included in income at the rate of 50%.



The graph below illustrates the portion of the above total cash flows that are projected to be paid to the various of shareholders.



Corporate Cash Flow

Projected income and other cash flow paid to Jim and Carla Smith

Prepared for: **Jim and Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Shareholder Bonus	Taxable Dividend	Capital Dividend	Share Redemption	Crystallize Value	Share Liquidation	Capital Gain/(Loss)
1	50	0	11,888	1,969	0	0	0	0
2	51	0	12,108	2,087	0	0	0	0
3	52	0	12,340	2,212	0	0	0	0
4	53	0	12,584	2,346	0	0	0	0
5	54	0	12,842	2,489	0	0	0	0
6	55	0	13,114	2,640	0	0	0	0
7	56	0	13,401	2,801	0	0	0	0
8	57	0	13,704	2,973	0	0	0	0
9	58	0	14,024	3,155	0	0	0	0
10	59	0	14,362	3,350	0	0	0	0
11	60	0	14,719	3,557	0	0	0	0
12	61	0	15,097	3,777	0	0	0	0
13	62	0	15,497	4,011	0	0	0	0
14	63	0	15,920	4,261	0	0	0	0
15	64	0	16,368	4,527	0	0	0	0
16	65	0	16,841	4,809	0	0	0	0
17	66	0	17,343	5,110	0	0	0	0
18	67	0	17,875	5,431	0	0	0	0
19	68	0	18,438	5,772	0	0	0	0
20	69	0	19,035	6,135	0	0	0	0
21	70	0	19,667	6,522	0	0	0	0
22	71	0	20,338	6,933	0	0	0	0
23	72	0	21,049	7,371	0	0	0	0
24	73	0	21,804	7,838	0	0	0	0
25	74	0	22,604	8,335	0	0	0	0
26	75	0	23,454	8,863	0	0	0	0
27	76	0	24,355	9,426	0	0	0	0
28	77	0	25,312	10,026	0	0	0	0
29	78	0	26,328	10,664	0	0	0	0
30	79	0	27,407	11,343	0	0	0	0
31	80	0	28,552	12,066	0	0	0	0
32	81	0	29,769	12,836	0	0	0	0
33	82	0	31,061	13,656	0	0	0	0
34	83	0	32,434	14,529	0	0	0	0
35	84	0	33,892	15,459	0	0	0	0

Corporate Cash Flow

Projected income and other cash flow paid to Jim and Carla Smith

Prepared for: **Jim and Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Shareholder Bonus	Taxable Dividend	Capital Dividend	Share Redemption	Crystallize Value	Share Liquidation	Capital Gain/(Loss)
36	85	0	35,443	16,449	0	0	0	0
37	86	0	37,090	17,502	0	0	0	0
38	87	0	38,841	18,624	0	0	0	0
39	88	0	40,702	19,819	0	0	0	0
40	89	0	42,680	21,091	0	0	0	0
41	90	0	44,783	22,445	0	0	0	0

Corporate Cash Flow

Projected income and other cash flow paid to Trust and Other Shareholders

Prepared for: **Jim and Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Shareholder Bonus	Taxable Dividend	Capital Dividend	Share Redemption	Crystallize Value	Share Liquidation	Capital Gain/(Loss)
1	50	0	0	0	0	0	0	0
2	51	0	0	0	0	0	0	0
3	52	0	0	0	0	0	0	0
4	53	0	0	0	0	0	0	0
5	54	0	0	0	0	0	0	0
6	55	0	0	0	0	0	0	0
7	56	0	0	0	0	0	0	0
8	57	0	0	0	0	0	0	0
9	58	0	0	0	0	0	0	0
10	59	0	0	0	0	0	0	0
11	60	0	0	0	0	0	0	0
12	61	0	0	0	0	0	0	0
13	62	0	0	0	0	0	0	0
14	63	0	0	0	0	0	0	0
15	64	0	0	0	0	0	0	0
16	65	0	0	0	0	0	0	0
17	66	0	0	0	0	0	0	0
18	67	0	0	0	0	0	0	0
19	68	0	0	0	0	0	0	0
20	69	0	0	0	0	0	0	0
21	70	0	0	0	0	0	0	0
22	71	0	0	0	0	0	0	0
23	72	0	0	0	0	0	0	0
24	73	0	0	0	0	0	0	0
25	74	0	0	0	0	0	0	0
26	75	0	0	0	0	0	0	0
27	76	0	0	0	0	0	0	0
28	77	0	0	0	0	0	0	0
29	78	0	0	0	0	0	0	0
30	79	0	0	0	0	0	0	0
31	80	0	0	0	0	0	0	0
32	81	0	0	0	0	0	0	0
33	82	0	0	0	0	0	0	0
34	83	0	0	0	0	0	0	0
35	84	0	0	0	0	0	0	0

Corporate Cash Flow

Projected income and other cash flow paid to Trust and Other Shareholders

Prepared for: **Jim and Carla Smith**

Prepared by: **Vince Olfert, MBA CFP**

Year	Age	Shareholder Bonus	Taxable Dividend	Capital Dividend	Share Redemption	Crystallize Value	Share Liquidation	Capital Gain/(Loss)
36	85	0	0	0	0	0	0	0
37	86	0	0	0	0	0	0	0
38	87	0	0	0	0	0	0	0
39	88	0	0	0	0	0	0	0
40	89	0	0	0	0	0	0	0
41	90	0	0	0	0	0	0	0