A PRIVATE GUIDE FOR CANADIAN BUSINESS OWNERS

You built the business.

Why are you nowhere on its balance sheet?

Your company earns the money. Taxes, expenses and lenders keep taking it. This guide shows you how to keep corporate capital working, reach it when opportunity appears, and move it to your family more efficiently.

WRITTEN BY JAYSON LOWE, CLU

This is not theory. It is our system.

Business owner. 17 companies. 80 family-owned policies. 19 years building and using the strategy inside our own group.

READ THIS BEFORE ANOTHER DOLLAR LEAVES



START WITH THE TRUTH

Revenue comes in. Money goes out.

Taxes. Payroll. Rent. Equipment. Software. Interest. Professional fees. Every payment may be necessary. Every payment is also a permanent transfer of money away from your company.

CORPORATE MONEY RECEIPT

TAXES

$

PAID. GONE. CANNOT BE REUSED.

CORPORATE MONEY RECEIPT

EXPENSES

$

PAID. GONE. CANNOT BE REUSED.

CORPORATE MONEY RECEIPT

INTEREST

$

PAID. GONE. CANNOT BE REUSED.

It cannot earn again. It cannot be used again.

PERMANENT TRANSFER

THE CHEQUE IS NOT THE WHOLE COST

The real cost is what that money can never do for you again.

MONEY THAT LEAVES CANNOT

- **Fund the next acquisition**
- **Carry the company through a hard year**
- **Buy equipment without a rigid bank schedule**
- **Protect your family when you are gone**

OPPORTUNITY COST

A note to the owner

If one corporate dollar leaves forever, you did not only lose the dollar.

You also lost every future use of that dollar, every future opportunity it could have funded, and every future dollar it could have earned.

That is the hidden cost.

LOOK AT THE BALANCE SHEET

The business owner is nowhere on it.

The most valuable person in the company is often the only major asset the balance sheet does not recognize.

SIMPLIFIED CORPORATE BALANCE SHEET

CASH	RECORDED
ACCOUNTS RECEIVABLE	RECORDED
EQUIPMENT	RECORDED
REAL ESTATE	RECORDED
INVESTMENTS	RECORDED
THE OWNER	_____

Yet the owner creates the revenue, makes the decisions, carries the guarantees and holds the relationships together.

THE MONEY DID NOT DISAPPEAR

Some of it is simply sitting in the wrong place.

Surplus cash often ends up in a corporate chequing account, a HoldCo or conventional investments. It looks safe. But interest, rent, portfolio dividends and taxable gains can create passive investment income.

01

Chequing account

Liquid, but usually doing very little.

02

HoldCo

Useful structure. Not a magic tax shelter.

03

Investments

May create taxable passive income every year.

And passive income can shrink the small business limit.

For many Canadian-controlled private corporations, the federal business limit begins to fall when adjusted investment income for the associated group exceeds $50,000 and can be eliminated at $150,000. Provincial rules and your full corporate structure matter.

TAX TODAY. LESS ROOM TOMORROW.

THEN YOU WANT TO USE THE MONEY PERSONALLY

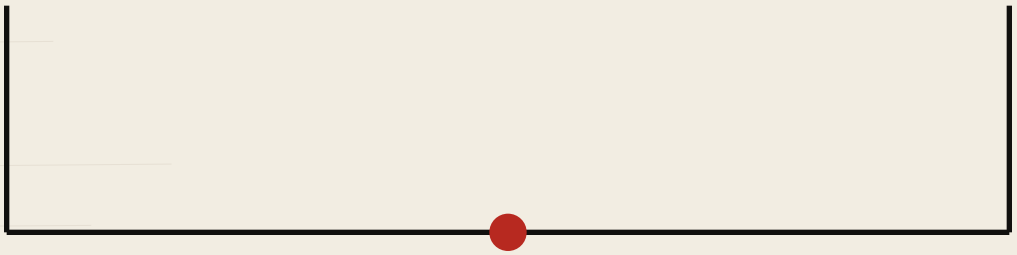
So you pay yourself.

T4 salary

Employment income. Personal tax.

Dividends

Dividend income. Personal tax.



The same dollar meets another tollbooth.

The corporation paid tax as it earned and invested money. The owner can pay tax again when value is taken out as salary or a taxable dividend. That is the double-tax trap we want to plan around.

EARN IT. TAX IT. EXTRACT IT. TAX IT.

THEN THE BUSINESS NEEDS CAPITAL TO GROW

Now go ask the bank.

You want to expand, add equipment, upgrade technology, hire great people or acquire another company. The opportunity is yours. The money and the rules belong to someone else.

The lender file

Corporate financial statements

Corporate and personal tax returns

Personal net-worth statement

Personal guarantees

Credit and underwriting review

Repayment terms and covenants chosen by the lender

How many owners love the process of accessing someone else's money?

EXACTLY.

SAME COMPANIES. TWO DIFFERENT FUTURES.

Meet Alex and Jordan.

Alex kept doing what worked.

Surplus cash stayed in the company and conventional investments.

When capital was needed, Alex sold assets or borrowed on the lender's schedule.

More passive income created more tax pressure.

At death, the family still had to solve the corporate extraction problem.

A successful company.
A costly exit.

Jordan changed the structure.

Part of long-term surplus funded corporate-owned participating whole life.

Cash value grew inside the exempt policy.

Capital was available when opportunity appeared.

At death, insurance proceeds created room for tax-free capital dividends.

The same success.
More control.

Which future do you want to recognize as your own?

ONCE YOU UNDERSTAND THE PROBLEM, THE SOLUTION BECOMES CLEAR AND YOU'LL KNOW EXACTLY WHAT TO DO

What if one corporate dollar could do more than one job?

1. **Grow without annual tax on the internal buildup while the policy remains exempt?**

2. **Stay available as a source of capital when the business needs it?**

3. **Protect the people whose value never appears on the balance sheet?**

4. **Create a more efficient path for corporate wealth at death?**

The structure

Corporate-owned dividend-paying whole life insurance is designed to solve all four problems in one permanent contract.

ONE CONTRACT. FOUR JOBS.

Build. Multiply. Access. Transfer.

01 BUILD

Inside a qualifying exempt policy, the corporation is not taxed annually on the internal cash value buildup.

02 MULTIPLY

Declared policy dividends can buy paid-up insurance, adding cash value and death benefit with no extra premium and generally no immediate taxable event.

03 ACCESS

The corporation has ready access to capital on demand, on the business owner's terms, when capital is needed.

04 TRANSFER

At death, net insurance proceeds can create a Capital Dividend Account credit for tax-free capital dividends.

CASH VALUE AND DEATH BENEFIT MEET AT AGE 100

WHEN THE OPPORTUNITY DOES NOT WAIT

The owner controls the repayment schedule.

Policy loan control sheet

Access Available against eligible policy value under the contract.

Payments No fixed principal repayment schedule.

Timing You decide when and how principal is repaid.

Cost Interest accrues and must be managed.

At Death An unpaid policy loan reduces the net death benefit.

This does not make capital free. It makes the terms controllable.

The asset keeps following the policy contract while the loan is outstanding. The loan, interest and tax treatment must be reviewed before money moves.

MY FIRST POLICY WAS PURCHASED IN 2008

This is my family's own system.



Jayson Lowe, CLU
Entrepreneur. Policy owner. Client.

OWNED BY OUR FAMILY GROUP

17	businesses in our group
80	policies we own
27	lives insured, including key people
$1.6M	premiums we pay each year
$7M	cash value rising daily
$53M	total death benefit

WHAT OUR POLICIES HELP US FINANCE

Equipment. Technology. People. Acquisitions. Family opportunities. High-calibre investments that do not wait for a convenient time.

These are not policies I sold to someone else. This is a system we built with our own money and use across our own companies.

I AM THE CLIENT.

YOU WILL NOT HAVE TO TRANSLATE YOUR WORLD FOR ME

I am one of you.

I own and operate businesses. I make payroll. I read the financials. I sign guarantees. I decide when to hire, where to invest, what to buy and when to say no.

I have had banks ask for another document while an opportunity kept moving. I have watched taxes and expenses permanently carry money away. I have felt the weight of knowing that families and employees depend on the decisions I make.

THE CONVERSATION BEGINS WITH

- **Your cash flow**
- **Your opportunities**
- **Your key people**
- **Your family**
- **Your definition of control**

Dear Fellow Business Owner,

You are not looking for another product. You are looking for more control.

You want capital ready when the business moves. Less dependence on lenders. Protection for the people who matter. And a cleaner way to move what you built to your family.

That is the life I am building too. Before my team talks about a policy, we talk about your business.
If that is the future you want,
we already speak the same language.

BUSINESS FIRST. POLICY SECOND.

THE ADVANTAGE ALMOST NOBODY UNDERSTANDS

The insurance can unlock more than the insurance.

Think of the Capital Dividend Account as a tax-free doorway. It is not a bank account and it does not hold cash. It is a record on the company's tax return showing how much money may be paid to Canadian shareholders without personal tax.

1. **$10M** — The policy pays the holding company when the insured owner dies
2. **-$5M** — The outstanding loan is cleared
3. **$5M** — Cash remains inside the holding company
4. **$10M** — The company may still gain up to $10 million of room to pay tax-free dividends if the policy has no remaining tax cost and the structure qualifies

The unmatched advantage

The family receives the $5 million of insurance cash. The same tax-free doorway may move another $5 million of existing assets to the family without personal tax. The policy creates cash and can unlock other corporate wealth.

The exact result depends on who owns the policy, who receives the payment, how the loan is arranged, the policy's remaining tax cost and filing the required form.

TUESDAY MORNING

A high-calibre opportunity appears.

By Friday, your capital is ready to move.

- **No asset sale.**
- **No fixed principal schedule.**
- **No interruption to the plan you built.**
- **No begging a banker to understand your timing.**

Now picture the other side

The same system is still working at death, helping your family move corporate wealth through the CDA instead of leaving them a tax problem to untangle.
That is what control feels like.

DO NOT BEGIN WITH A PRODUCT

Begin with your company.

We look at the cash already inside your corporate group, what the business needs, who should be insured, and what you want the money to accomplish during your life and after your death.

BRING FIVE NUMBERS

1. **ANNUAL CORPORATE PROFIT**
2. **CASH AND INVESTMENTS IN THE GROUP**
3. **ANNUAL SURPLUS AFTER REINVESTMENT**
4. **CURRENT BUSINESS DEBT**
5. **EXISTING LIFE INSURANCE**

BOOK A PRIVATE STRATEGY CONVERSATION

retainyourearnings.com

Clear limits. This is general education, not legal, tax, accounting, investment or insurance advice. Policy dividends are not guaranteed. Loans charge interest. Policy and CDA results depend on the contract, ownership, beneficiary, ACB, loan documents, election and tax law in force.

PRIMARY TAX REFERENCES

Canada Revenue Agency: T2 Corporation Income Tax Guide; Small Business Deduction Rules; Income Tax Folio S3-F2-C1 Capital Dividends; Capital Dividend Accounts; IT-430R3 Life Insurance Proceeds Received by a Private Corporation.

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YOU HAVE BEEN THERE. DONE THAT. GOT THE T-SHIRT.

You will always be busy. Make time for what matters.

If this has you thinking differently about the money already moving through your company, give yourself one conversation. You do not need to decide anything today. You only need to understand what may be possible.

1

TEXT

Text the word MEET to

780-809-4599

2

EMAIL

Send a note to

meet@AscendantFinancial.com

3

VISIT

Go to the website and click the button to choose a convenient day and time.

RetainYourEarnings.com

Choose the easiest path now.

A conversation creates clarity. What you decide to do next remains entirely yours.