

PRESCRIBED & INSURED ANNUITY INCOME

If you live on investment income from conservative interest-bearing investments, an insured annuity might pay a lot more than a 3.5% GIC while also preserving capital for your estate.

While it is not recommended for all, a prescribed and insured annuity can be the remedy for seniors wanting to improve their monthly cash flow, particularly if their former 8% non-registered GICs mature and roll over to renew at a significantly lower rate.

The figures quoted are frequently startling because they often show that the individual is substantially better off than if he and she had retained the original interest-bearing investments. Some seniors may shy away from annuities because they seem too good to be true.

As an example: a female, aged 70, in the top tax bracket, would receive the following:

	Term Deposit	Prescribed & Insured Annuity
Investment	\$100,000	\$100,000
Net Spendable Income	\$1,995	\$4,891
Equivalent Pre Tax Yield	3.50%	8.68%
Additional Income	-	\$2,896

November, 2001

Points to Consider:

❖ **Maximizes the Income an Individual can draw from Non-Registered Capital**

It provides excellent after tax income with security of capital as an alternative to investment in traditional interest bearing securities.

❖ **Prescribed Annuities Receive Tax Advantages**

Only a portion of the income received is taxable. The balance is treated as a return of your original capital thereby generating much more after-tax spendable income than traditional investments such as GICs, Bonds, Term Deposits, or Mortgages that are purchased to provide an income.

❖ **Capital is Returned at Death**

Your original deposit is returned at death to your beneficiaries; family, friends, or charity, etc... and could by-pass any probate fees on your estate. Individuals must meet certain health qualifications in order to receive the return of capital feature.

❖ **Secure Capital & Guaranteed Rates for Life**

This unique investment is available in any desired amount. All figures are contractually guaranteed.

For further information or to find out how the prescribed and insured annuity can work in a specific situation, please contact us at any time.

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