

Armstrong

— Financial Services —

Capital Insured Annuity (CIA): Income for Life / Quebec

Our analysis compares three scenarios: **Column 1** is a 30-year GIC earning a 4% return. **Column 2** is a Capital Insured Annuity (CIA): a lifetime income annuity paired with a life insurance policy to guarantee the annuity deposit. **Column 3** builds on the CIA by assigning the life policy proceeds to charity, generating ongoing tax credits from the premiums.

GIC vs CIA / Monthly Income Analysis

	GIC	CIA	CIA + Gift
Initial Deposit	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Gross Income	\$ 16,667	\$ 31,741	\$ 31,741
Income Taxes	\$ (8,884)	\$ (2,210)	\$ (2,210)
Policy Premium	-	\$ (17,762)	\$ (17,762)
Tax Credits	-	-	\$ 9,468
Monthly Income	\$ 7,783	\$ 11,768	\$ 21,236
GIC Equivalent	4.0%	6.0%	10.9%

This comparison highlights the advantages of combining annuity income with life insurance planning, particularly where policy proceeds are directed to charity. Assumptions are a 53.31% tax rate and insurance pricing for a healthy 70-year-old male, dated Nov 2024.

Sincerely,
David E. Kakon, Math Honours B.Sc.

Armstrong Financial Services Inc.

Direct: (514) 574-0233

Email: David@ArmstrongLife.com