

A MT is a wide-ranging employee benefit program customized for each client. The MT utilizes various provisions in the Income Tax Act to provide deductible expenses to an employer and non-taxable benefits for its employees. The resulting MT may include one or more components such as a Group Accident & Sickness Plan (Critical Illness, Disability, Long Term Care insurance), an Employee Life & Health Trust, a Health and Welfare Trust, and a Private Health Services Plan.

Highlights

Uses Pre-Tax Dollars

A MT uses pre-tax dollars to pay for expenses that would normally be paid with after-tax dollars, yet remains a non-taxable benefit to the trust beneficiaries

Acceptable Benefits

Accidental Death and Dismemberment, Wage Loss Replacement Plan, Salary Top Up/Continuation, Long Term Care, and Provincial Health Service premiums are several of the many benefits that can all be expensed through the trust

Increase Cash Flow

Higher premiums result in larger savings; current customers typically experience 50% savings on costs incurred to provide acceptable benefits

Ability To Roll-in Existing Components

The MT can be set up to hold existing insurance policies and health services, such as a Private Health Services Plan (PHSP)

Flexibility

Eligible benefits are allocated by class of employee

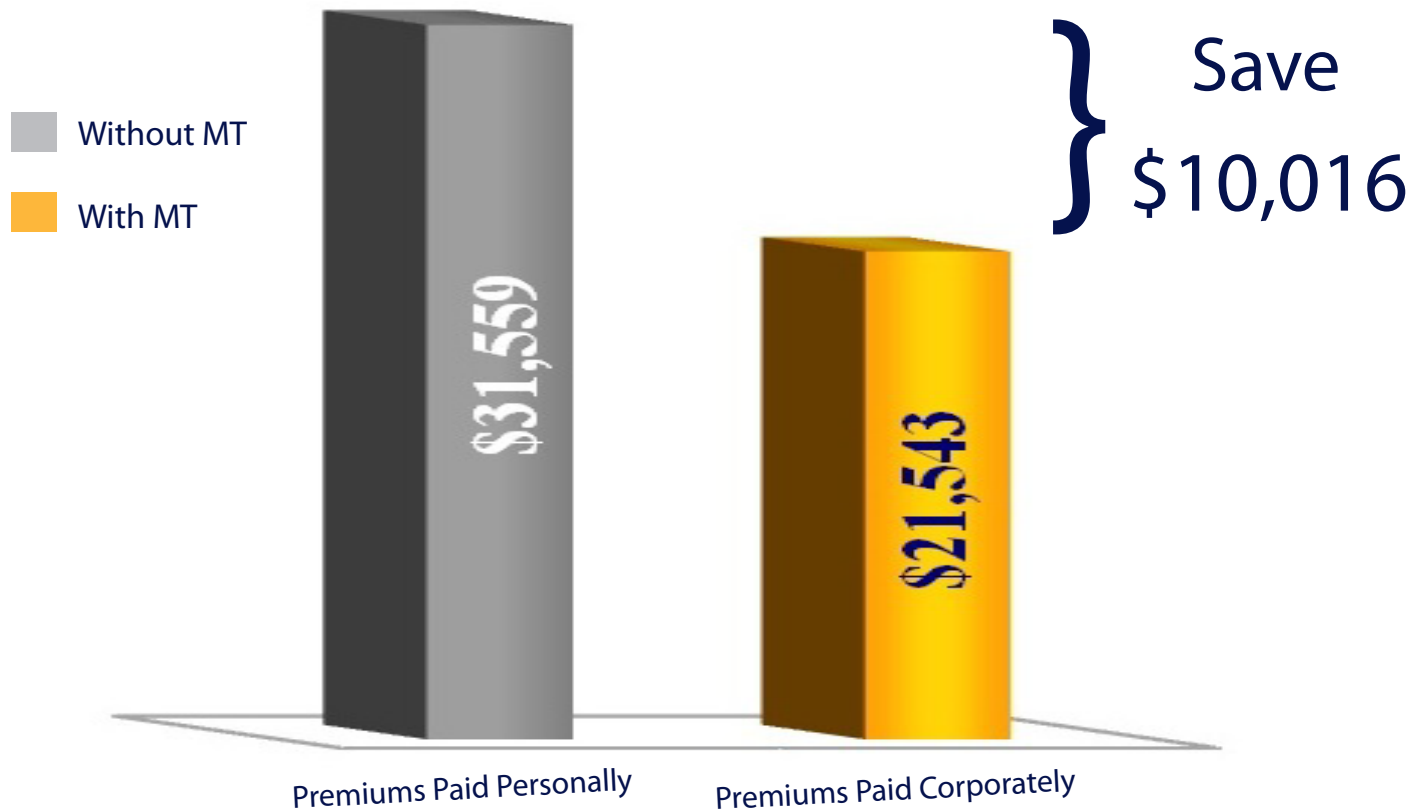
Benefit Protection

Under current legislation, Critical Illness and Long Term Care benefits remain tax free to the beneficiary even though premiums are being paid by the trust

Medical Trust (MT) Premium Comparison

A business owner is at the personal top marginal tax bracket and has CI and DI policies for themselves and their spouse. Benefits received from CI policies are non-taxable to the individual in both cases. Benefits received from DI policies are taxable if premiums are paid corporately.

Personally Paid (No MT) vs. Corporately Paid (MT In Effect)



Medical Trust (MT) Provision Features

	Group A&S	PHSP	ELHT	HWT
Single Participant <small>* some exceptions</small>	No	Yes	Yes*	No
Past & Retired Employees	Yes	Yes	Yes	No
Critical Illness	Yes	No	Yes	Yes
Disability	Yes	No	Yes	Yes
Return of Premium	ROP is outside the Medical Trust agreement. Speak to your Financial Advisor for further details.			