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## Insuring For Capital Gains Tax Liabilities KEEPING THE HOME FIRES BURNING

If you own a private company, you may find that talking about your estate is as difficult as planning it. The Canadian Association of Family Enterprises (CAFE) indicates that 95% of businesses do not even have a succession plan in place. Perhaps that is why 90% of businesses do not survive a transition to the third generation, while only 70% survive to the second.

Planning the succession of a family-owned business may make it possible to provide for several children, even if only one of them is competent to take over the business. Alternatively, you may feel that the family should simply sell the business. Whether it is sold or transferred to a child, there may be a large income tax bill on capital gains if your company has grown substantially. Consider taking out enough life insurance to cover any taxes due on the capital gain of your interest in the business. The insurance proceeds are paid at

## Practical Wealth Creation Ideas

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precisely the time cash is needed for a smooth transition. If you want to keep the business in the family, you can also take out enough life insurance on yourself to equalize your estate, paying a benefit to children who will not be active in the business.

***Stress can stifle our business creativity and drain personal lives of enjoyment.***

Try to be organized and retain a sense of perspective when juggling the demands of office and family.

If you work from home, declare your business space “off limits” to your kids. Work in the early mornings or late evenings so you have family time to enjoy. Set up routine family events—swimming, skating and so on—and don’t let work intrude. Exercise regularly—a minimum of 20 minutes three times a week.

Be disciplined and don’t over-commit your time. Set priorities. Make to-do lists. Book appointments with yourself so you can prepare for important meetings. Don’t procrastinate.

Avoid frustration by delegating unpleasant tasks.