

COMMENT BACKGROUND



Number 235 – JANUARY / FEBRUARY 2006

TRANSFERRING A POLICY

Income Tax Act references:

- subsection 148(8) – transfer to a child
- subsection 148(8.1) – inter vivos transfer to spouse
- subsection 148(8.2) – transfer to spouse at death
- subsection 70(10) – definition of child
- subsection 74.1(2) – attribution on transfers and loans to minors

CRA technical interpretations:

- 2004 Conference for Advanced Life Underwriting, Question 6, May 4, 2004 (document number 2004-0065441C6) – transfer of a policy under which more than one child is insured
- 2005 Conference for Advanced Life Underwriting, Question 4, May 3, 2005 (document number 2005-0116681C6) – transfer of joint-last-to-die policy

PENDING CHANGES TO DIVIDENDS

Department of Finance News Release 2005-082 dated November 23, 2005
– *Minister of Finance Acts on Income Trust Issue*