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Yuanta Bank Advises to Utilize Investment Tools in Estate Planning

With the deadline for filing 2018 individual income tax return approaching, Yuanta Bank would like to remind all taxpayers to promptly complete the tax return filing and make the tax payment to avoid penalty for non-filing. As there are changes to Individual Income Tax calculation which are taking effect this year, and with integrated housing and land tax, estate and gift tax rate increase, CFC rules (Controlled Foreign Company), and the global trend for CRS (Common Reporting Standard), selecting the right investment tools to safeguard, add value, and transfer assets has become an important issue for high income and high net worth families. To these high income and high net worth families with a demand for estate planning, Yuanta Bank suggests customers should do an inventory of all the assets they own and conduct estate planning according to the total value and type of the assets. If the wish is to leave the properties to take care of someone, and in consideration of controlling rights, insurance is one of the most suitable tools to safeguard and transfer the estate.

Effective utilization of insurance products can not only decrease the amount of inheritance and transfer wealth, but also provides protection for the insured and the surviving family members. Yuanta Bank suggests high income and high net worth customers can utilize the gift tax exemption for each person each year of NT\$2.2 million. By providing insurance premium as a gift every year to purchase insurance products for their children, they can transfer the wealth and decrease the amount of estate to be inherited. Additionally, they can use a portion of their assets to purchase insurance coverage with themselves as the applicant, the insured and the beneficiary of survival benefits. According to the taxation laws,

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if the person is not involved in the evasion of relevant taxes, where the insurance applicant and the beneficiary of survival benefits are the same person, no income tax needs to be paid on the one lump sum payment from maturity benefits, or scheduled payments from annuities or endowment benefits. In case there is a designated beneficiary at the time of death, the death benefits are not considered as part of the inheritance and do not need to be included for estate tax calculation. As for the beneficiary collecting on the death benefits, for every taxpaying household, if there insurance benefits claimed do not exceed NT\$33.3 million, there is no need to include it in the basic income for the calculation of alternative minimum tax.

Yuanta Bank has a full and complete line of investment tools, which can meet the demands of customers to secure, add value and transfer their assets and can provide professional advice and service on estate planning, taxation law and risk management to customers according to what is currently appropriate. For wealth management and estate planning services, Yuanta Bank would be glad to provide custom-made planning recommendations and service for customers to take advantage of the opportunity to create more prosperity. (For business locations, please visit: <https://www.yuantabank.com.tw/bank/spotMap/list.do>)