



ELECTION FOR DEEMED DISPOSITION AND REACQUISITION OF CAPITAL PROPERTY OF A LIFE INSURANCE SEGREGATED FUND UNDER SUBSECTION 138.1(4)

FOR DEPARTMENTAL USE ONLY

- For use by the trustee of a life insurance segregated fund trust to elect under subsection 138.1(4) of the *Income Tax Act*, where a policyholder withdraws all or part of his/her interest in a segregated fund policy.
- Each capital property of the trust in respect of which this election is made is deemed to have been disposed of by the trust on the day designated by the trustee for a designated amount, and to have been immediately reacquired by the trust at a cost equal to that amount.
- The designated amount for each property cannot exceed the greater of its fair market value and adjusted cost base, nor be less than the lesser of those two amounts, on the day designated.
- The capital gain or loss resulting from the deemed disposition of the property is to be allocated in accordance with subparagraphs 138.1(4)(d) to (g) of the *Income Tax Act*.
- One completed copy of this election is to be filed by the trustee with the Taxation Centre serving the trustee not later than 90 days from the end of the taxation year of the trust in which the election is made. It should accompany the T3 Return.

NAME OF TRUST (PRINT) _____

NAME OF TRUSTEE MAKING THIS ELECTION (PRINT) _____

ADDRESS _____

INFORMATION REQUIRED

TAXATION YEAR ENDED DECEMBER 31, 20 _____

DESIGNATED DATE OF DEEMED DISPOSITION _____

CAPITAL PROPERTY DEEMED DISPOSITION OF AND REACQUIRED					
(1)	Description	(2)	(3)	(4)	(5)
		Adjusted Cost Base on Designated Date	Fair Market Value on Designated Date	Designated Amount of Proceeds of Disposition and Reacquisition Cost	*Capital Gain (Loss) (Col. (4) less (2))

If space is insufficient attach separate schedules.

* To be allocated to withdrawing policyholder.

ELECTION

I hereby elect under subsection 138.1(4) of the *Income Tax Act* in respect of the above capital property.

Signature of trustee Date