



MAVWEALTHCO

The Corporate Wealth Structure

*A Canadian business owner's guide to turning corporate income
into generational wealth.*

A FREE GUIDE FROM MAVWEALTHCO

INTRODUCTION

Your Corporation Is More Than a Business Structure

Most incorporated business owners in Canada are leaving significant wealth on the table — not because they aren't working hard, but because no one has shown them how to use their corporation as a wealth-building vehicle rather than just a way to run a business.

Here is the shift that changes everything. An employee earns, is taxed, and spends what's left. A corporation earns, deducts its real costs first, and is taxed on what remains — and it can hold and invest those dollars at a lower rate, for years, before any money ever reaches you personally. That difference, in both the order of operations and the tax rate, is the entire foundation of corporate wealth.

Wealth isn't built on income. It's built on what your income is allowed to become.

This guide walks through the structure that lets your corporation do that work: how to keep more inside the company, how to pay yourself efficiently, and how to turn retained profit into real estate, insurance, and long-term assets. Think of it as the map — a starting point for a real conversation, not personalized advice.

THE FRAMEWORK

The Corporate Wealth Structure

Every dollar that flows through your business can follow a deliberate path. Most owners stop at the second step — they earn, they pay tax, they take it home. The structure below is what separates a business that simply produces income from one that quietly builds wealth in the background.



The goal was never to avoid tax. It's to control *when* and *how* you're taxed — and to let your money compound on a larger base for years before it ever does.

PILLAR ONE

Retained Earnings

When your corporation earns active business income, the first portion — up to the small-business limit — is taxed at Canada's low small-business rate, well below top personal rates. Money you don't need to live on can stay inside the company and be invested, compounding on a much larger after-tax base than if you'd drawn it out personally first. This deferral is one of the most powerful, and most underused, advantages of being incorporated. (Rates and the small-business limit change with each budget and vary by province — confirm current figures with your accountant.)

PILLAR TWO

Salary vs. Dividends

How you pay yourself matters as much as how much. Salary is deductible to the company and creates RRSP room and CPP contributions; dividends are simpler and skip payroll, but build no RRSP room. The right mix depends on your income needs, your province, and your long-term goals — there is no universal answer, which is exactly why it deserves planning rather than defaulting to whatever you did last year.

PILLAR THREE

Real Estate Through Your Corporation

Retained earnings can be deployed into real estate held within your corporate structure, letting you invest with dollars taxed at the lower corporate rate rather than your personal rate. There are real nuances — passive investment income can affect your small-business limit, and how a property is owned has tax consequences — so this is a place to plan deliberately with professionals, not to improvise.

PILLAR FOUR

Corporate-Owned Insurance

Permanent life insurance owned by your corporation can grow on a tax-advantaged basis and, on death, can flow to your estate efficiently through the capital dividend account. Used well, it is both protection and a quiet, tax-efficient wealth vehicle — not just a policy sitting in a drawer.

THE CAPSTONE

The Holding Company

A holding company sits above your operating business and owns your investments. Profits can often move up to it between connected Canadian corporations efficiently, it adds a layer of creditor protection, and it keeps the wealth you've built separate from the day-to-day risks of running your business.



YOURNEXTSTEP

Start the Conversation

You don't need to implement all of this at once. You need a clear picture of where you are today and the one or two moves that matter most for your situation. That's exactly what a strategy conversation is for.

1 Book a Call

A no-pressure introductory consultation about your current structure and goals.

2 Strategic Assessment

We identify the key opportunities within your corporation you may be missing.

3 Personalized Roadmap

A clear, actionable plan tailored to your structure and wealth goals.

[Book a consultation](#) → wealthco.org

Or reach us directly at mtameta@wealthco.org

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