

TAX-ADVANTAGED LIFE INSURANCE STRATEGIES — FOR HIGH EARNERS PREPARING FOR RETIREMENT

Do your high-earning clients' current financial plans consider taxes in retirement?

Clients saving for retirement generally have taxable and tax-deferred savings vehicles.

IRAs | 401(k)s, Other Qualified Plans | Pensions | Mutual Funds/ETFs | Stocks/Bonds | Roth IRA

Of these, only Roth IRAs are tax-free (under most circumstances). But high-earners face IRS contribution limits.

ROTH IRA — CONTRIBUTION LIMITS

- Annual Contributions — \$6,000
- Income Phase Outs — \$137,000 Single, \$203,000 Married, Filing Jointly

BENEFITS OF AN ALTERNATIVE TAX-ADVANTAGED STRATEGY WITH LIFE INSURANCE

- Retirement portfolio diversification
- Few contribution limits — can save for retirement above IRS limits for 401(k) or Roth IRA
- Idle Assets can earn interest without exposure to market loss

IUL TAX-ADVANTAGED & TAX-FREE BENEFITS

- Tax-advantaged interest growth
- Tax-free death benefit
- No required minimum distributions

FLEXIBILITY & CONTROL*

- Tax-free loans and withdrawals
- Cash value can help pay for college or other expenses
- Living benefits, including chronic and long-term care benefits

* Subject to policy limitations and conditions

LIMIT RISK & PROVIDE OPPORTUNITIES FOR GROWTH

- Index participation not exposed to market risk
- Earn more interest based on the performance of a market index
- Multiple crediting options and strategies

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Life insurance can offer some of the same tax efficiencies of a Roth IRA, with fewer limitations depending on your client's objectives.

Here is a high-earning example using indexed universal life (IUL) insurance as a retirement funding option.

CLIENT STUDY:

- 40-year old male, preferred, non-tobacco
- Annual income: \$300,000
- 10% of annual income funds IUL

CONTRIBUTIONS TO IUL POLICY:

- = \$30,000 in annual premiums
- x 20-year premium contribution outlay
- = \$600,000 in total premium outlay

RETIREMENT BENEFITS:

- \$155,000 available at age 67 for tax-free income or loans
- Approximately \$2 million death benefit*

*Based on illustrated crediting rates and current charges.

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