

IRD Planning Example



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Common IRD Assets

- IRAs
- 401Ks
- 403Bs
- Pensions and profit sharing plans
- Non-qualified stock options
- Incentive stock options
- Deferred Annuities
- Unpaid salaries, fees, commissions, or bonuses,
- Deferred compensation plan benefits,
- Accrued (unpaid) interest, dividends and rent.

See the IRD Planning Example on the Following Slides

The following slides provide an example of how IRD taxes can be minimized on distributions from annuity.

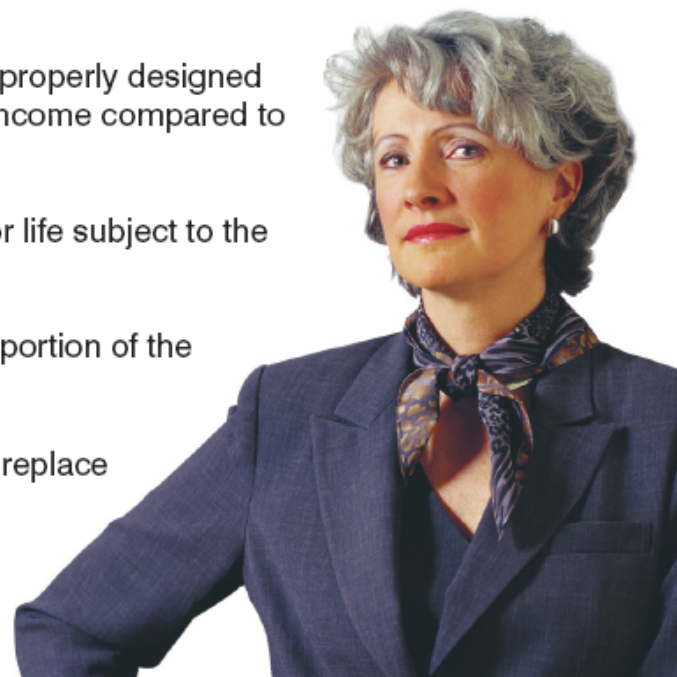
Annuity Income Maximization

OBJECTIVE: Help increase fixed income security proceeds with a strategy that offers guarantees¹ of income and principal.

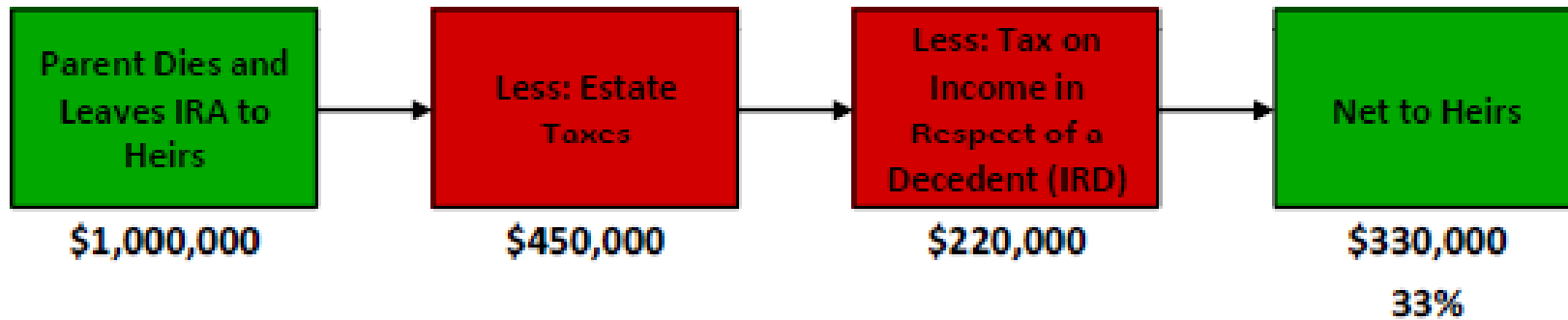
CLIENT SUITABILITY

- Individuals age 70-85
- Average or better health
- Currently invested in Fixed Income securities
- Desire to increase income
- Desire to maintain value of inheritance
- Places high value on guarantees

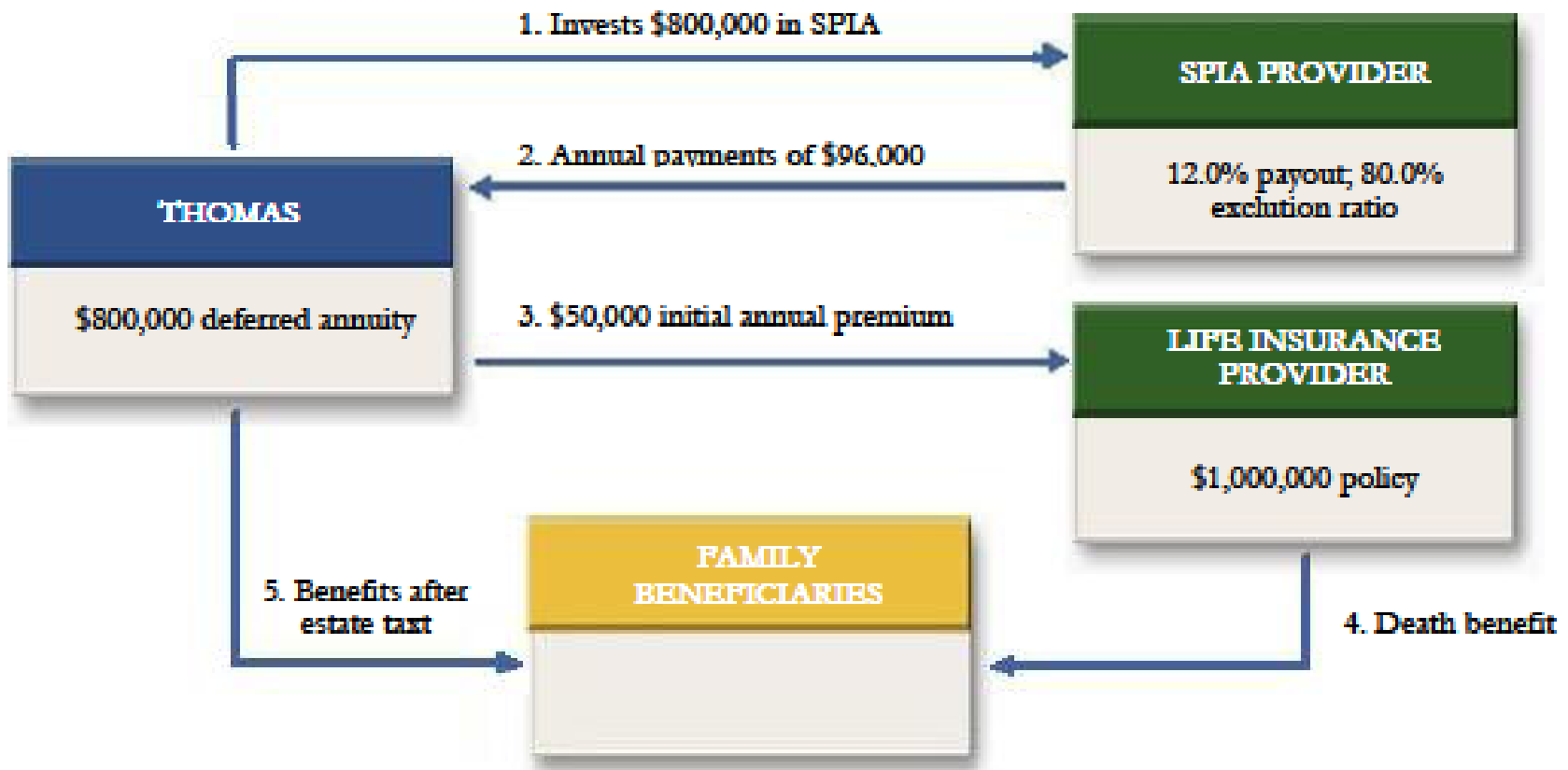
- 1 Life insurance and an immediate annuity, when properly designed and structured, may produce more spendable income compared to fixed income alternatives.
- 2 The annuity can generate guaranteed income for life subject to the claims paying ability of the issuer.
- 3 The life insurance premiums can be paid with a portion of the annuity income.
- 4 The life insurance can provide an inheritance to replace all or part of the value invested in the annuity.
- 5 The life insurance proceeds can be income and estate tax² free if owned outside the estate.



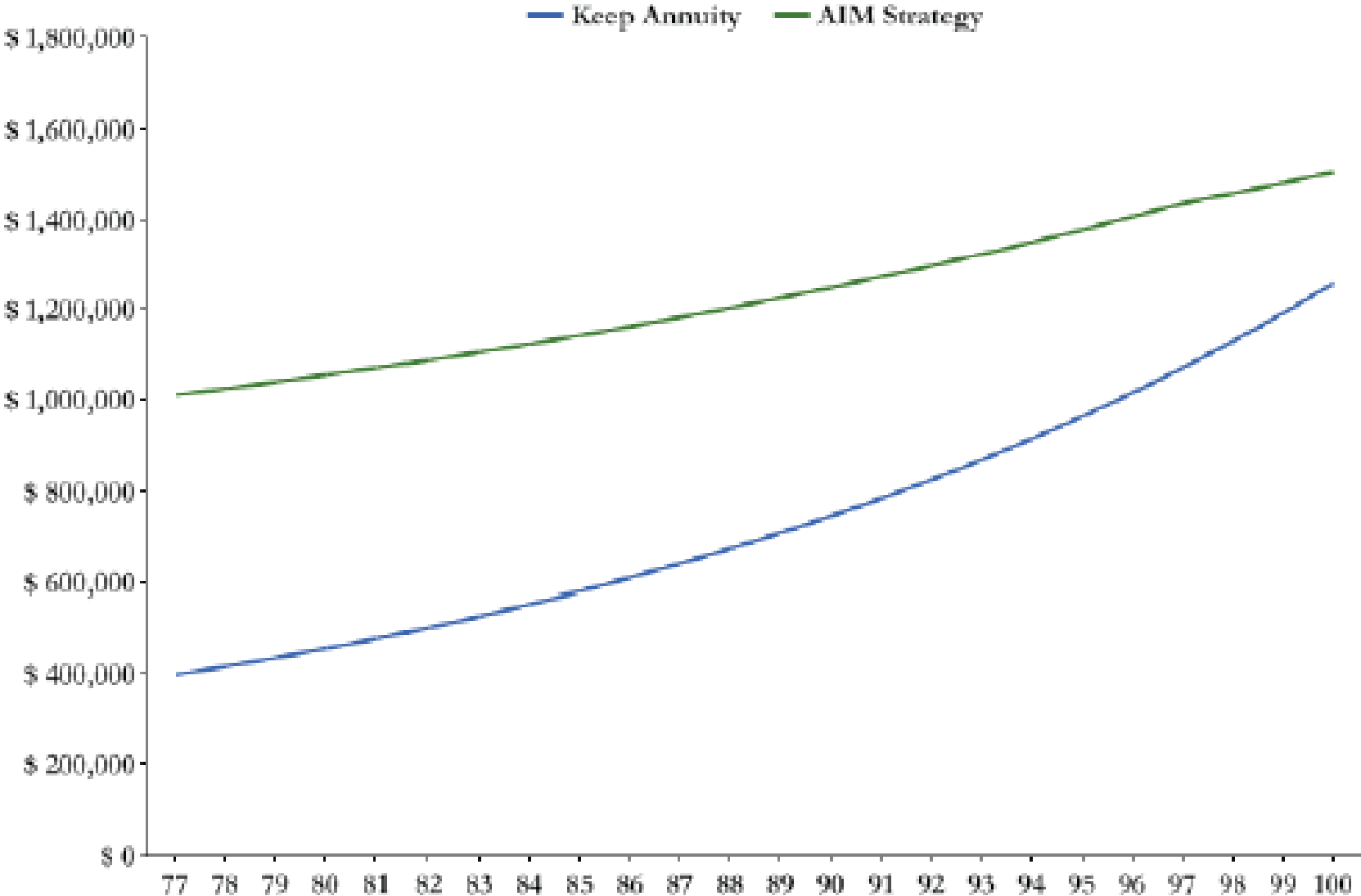
\$1 Million Annuity or IRA Value



HOW DOES ANNUITY INCOME MAXIMIZATION FOR DEFERRED ANNUITIES WORK?



HOW DO THE SCENARIOS COMPARE?



WHO SHOULD CONSIDER THIS IDEA?

- ◆ Individuals age 65-80 in fair health or better
- ◆ Confident of adequate retirement income from other sources
- ◆ Adequate personal liquidity
- ◆ Desire to preserve estate for family
- ◆ Willingness to initiate transfers now
- ◆ Suitable assets

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