



Tax-Free Retirement¹



Example for Female Age 70

When accounts are reviewed, it is determined that client has IRA accounts not needed for her own retirement. When asked what they are for, the answer is either "to pass them on to my heirs/family" or else they have no intended purpose.

Question to ask: "If I could show you a way to multiply this money by two or three times, and still give you full access² and control over this account, would you be interested?"

Scenario at death WITHOUT IRA Rescue

\$100,000 in an IRA

- At death, beneficiaries might receive approximately \$65,000 (in a state with no state income tax) – assuming \$100,000 less 35% federal income tax.

IRA Rescue Strategy

Increasing money passed on by 2X+

- Withdraw either \$4,969 or the client's Required Minimum Distribution, whichever is more, from the \$100,000 + growth annually. At a 35% tax bracket, the client will net \$3,230. (If the IRA is earning 5% or more, these withdrawals won't reduce the principal)
- \$3,230 should buy a 70 year old female at standard, non-tobacco rates, \$100,000 of UL insurance that will run to age 120.³

Scenario at death WITH IRA Rescue

- \$65,000 from the original IRA (\$100,000 less \$35,000 in federal tax at death – if you were able to use only the gain for annual premiums and all \$100,000 is still in the IRA account.)
- \$100,000 from the life insurance (income tax-free)

Total of \$165,000 = 2.5X original \$65,000

¹ The use of cash value life insurance to provide a tax-free resource for retirement assumes that there is first a need for the death benefit protection. Policy loans and withdrawals reduce the policy's cash value and death benefit and may result in a taxable event. Withdrawals up to the basis paid into the contract and loans thereafter will not create an immediate taxable event, but substantial tax ramifications could result upon contract lapse or surrender. Surrender charges may reduce the policy's cash value in early years.

² Withdrawing funds from the IRA in excess of those needed for premiums could substantially reduce the effectiveness of this strategy.

³ All figures shown are hypothetical, for illustrative purposes only, and do not reflect any particular insurance policy. National Life Home Office: One National Life Drive, Montpelier, Vermont 05604 • (888)297-3990 • www.nationallife.com. National Life Group® is a trade name of National Life Insurance Company and its affiliates.

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