



We are a national alliance of agents  
working together to provide mortgage,  
final expense and retirement protection  
to our clients.

**No tax, legal, or investment advice is given. Please consult a qualified advisor  
for these matters.**

# YOUR FINANCIAL PICTURE

## Name & Age

Height & Weight

Tobacco Use

Medications

Operations

How Long with Company

Income

## Name & Age

Height & Weight

Tobacco Use

Medications

Operations

How Long with Company

Income

Mortgage & Monthly Payment

401K, CDs, IRAs, Stocks, Retirement Accounts

Current Policies (Type & Face Amounts)

Criminal or Driving Record

Military Member (orders for deployment overseas)

Children? Names & Ages

# YOUR RETIREMENT SAVINGS

- How are you saving for retirement?
  - Traditional IRA
  - Roth IRA or Roth 401 (k)
  - 401 (k), 403(b), etc.
    - How much are you contributing/what percentage?
    - How much does your employer match in your 401 (k)?
- Four ways to save money
  - Free (401k match)
  - Tax-Free (municipal bonds, Roth IRA, life insurance)
  - Tax-Deferred (401k, 403b, Traditional IRA, etc.)
  - Taxable (stocks, bonds, mutual funds, etc.)

# YOUR RETIREMENT SAVINGS

- What tax-free retirement savings do you have?
- Would you rather have income in retirement that you DON'T have to pay tax on?
- What's your largest bill?
- Do you agree you should be saving at least 10% of your income for retirement?
- If you could design your own retirement savings plan, what would you like for it to do for you?

# HOW DO YOU GET WHAT YOU WANT?

**Liquid** – access to your cash when you need it



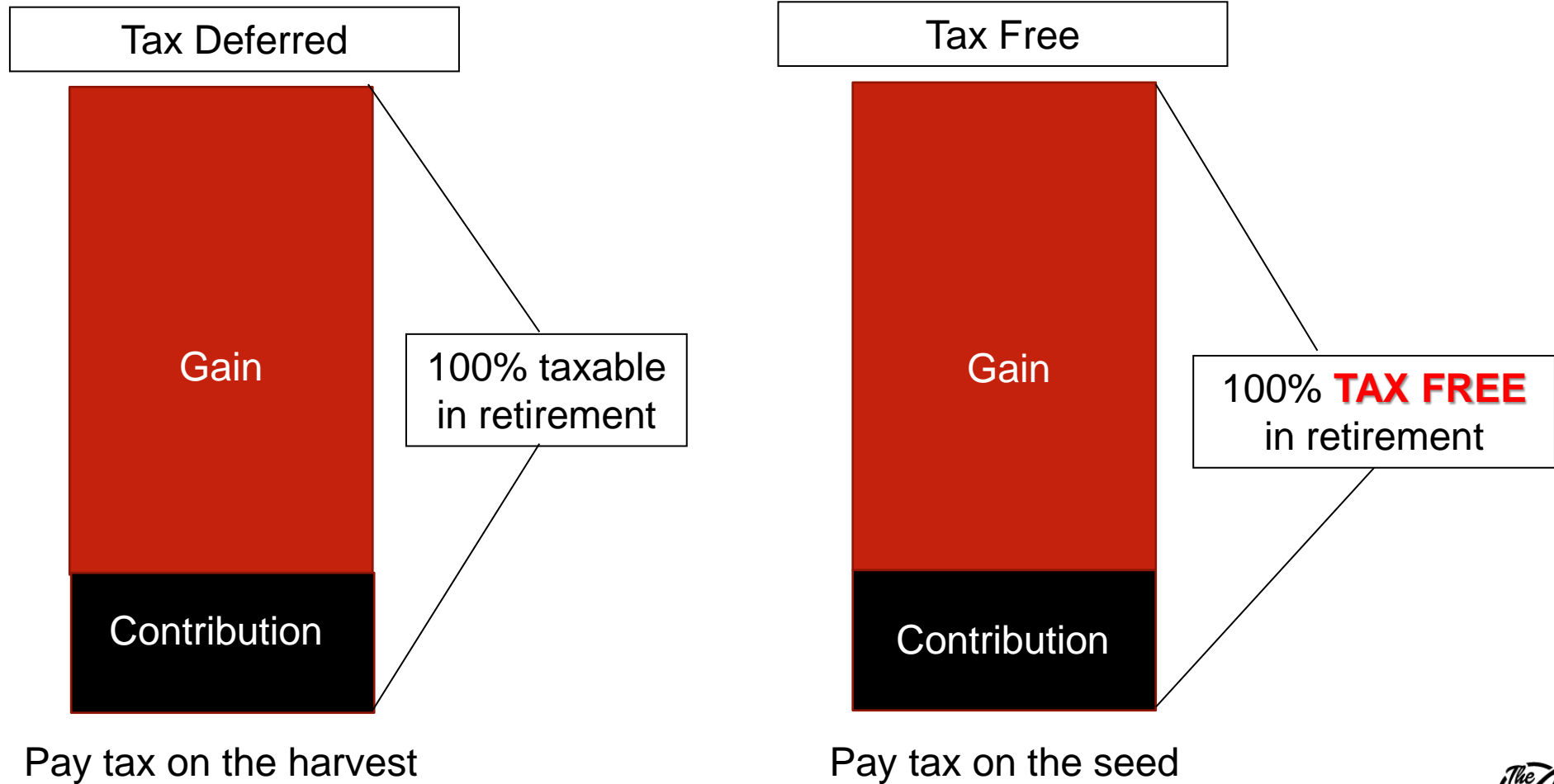
**No Limits**– on annual contributions



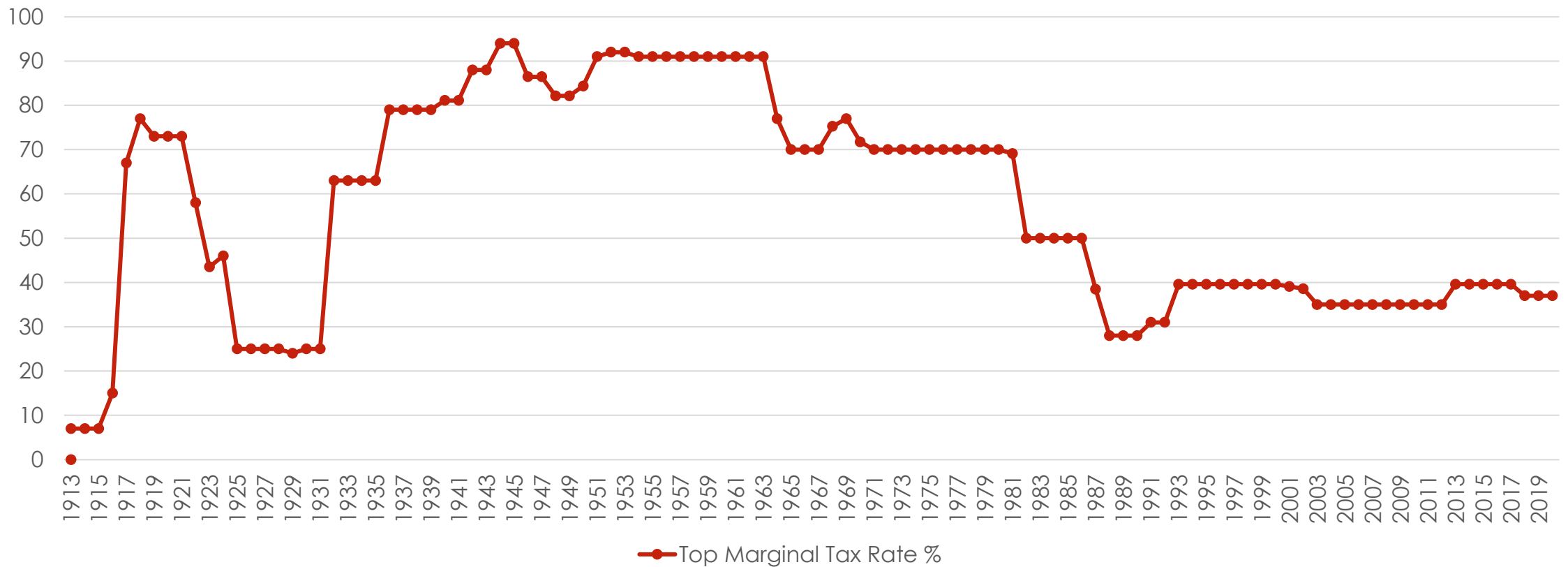
	401K	Traditional IRA	Roth IRA	IUL
Safe	Fail	Fail	Fail	✓
Good Growth	Sometimes	Sometimes	Sometimes	✓
Liquid	Fail	Fail	✓	✓
Tax Free	Fail	Fail	✓	✓
No Limits	Fail	Fail	Fail	✓
Living Benefits	Fail	Fail	Fail	✓



# HOW MONEY IS TAXED



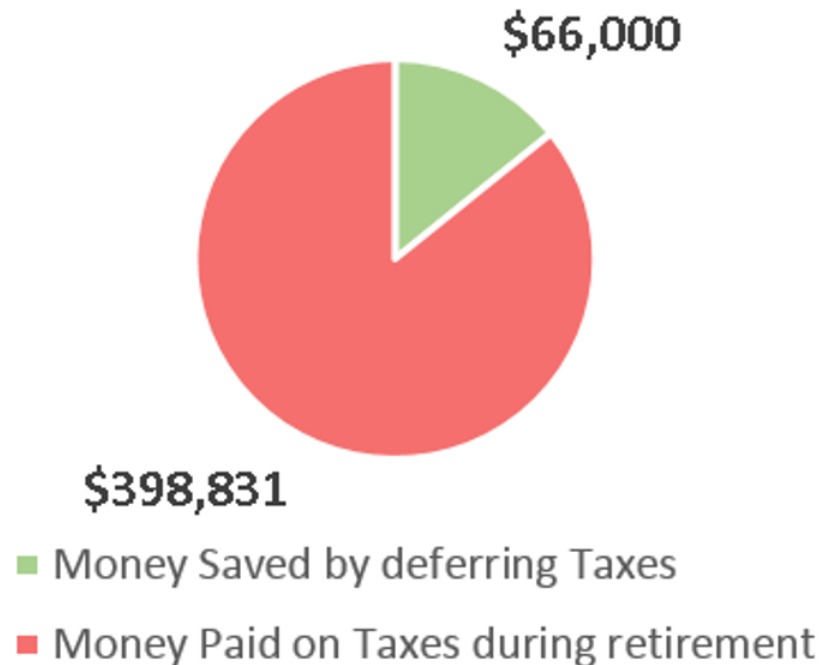
# TOP MARGINAL TAX RATE %



# COST OF DEFERRING TAXES

## Using a Tax Deferred Account

Annual Saving	\$10,000
Duration	30 years
Tax bracket	22%
Annual taxes deferred	\$2,200
Total saved @ 8%	\$1,132,832
Total Taxes deferred	\$66,000



## Retirement Income

Annual Withdrawal	\$72,514
Tax Bracket	22%
Annual taxes paid	\$15,953
Net income	\$56,560
Total Taxes paid over 25 years	\$398,831

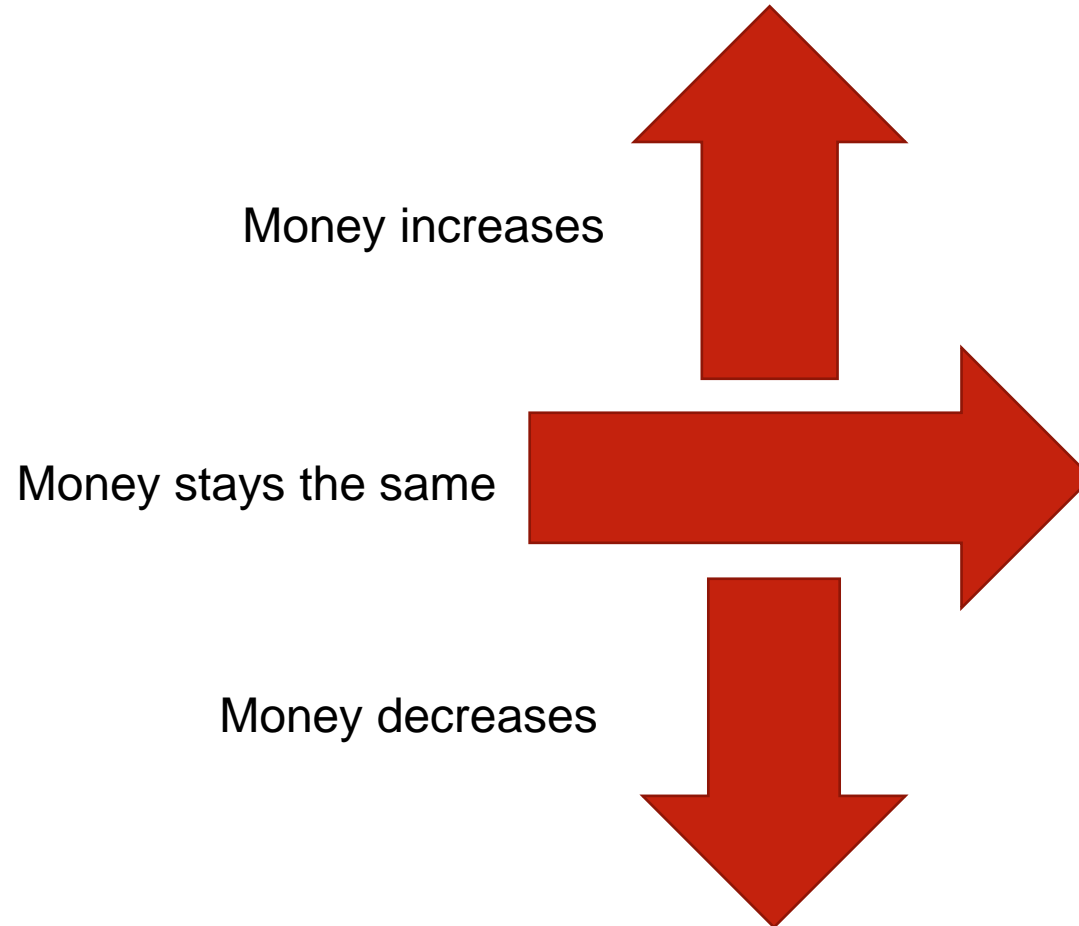
**Deferring \$66,000 in taxes to pay \$398,831 during retirement...**

Assuming an 8% interest rate for 30 years. During retirement, assuming a 4% interest rate



# HOW INDEXING WORKS

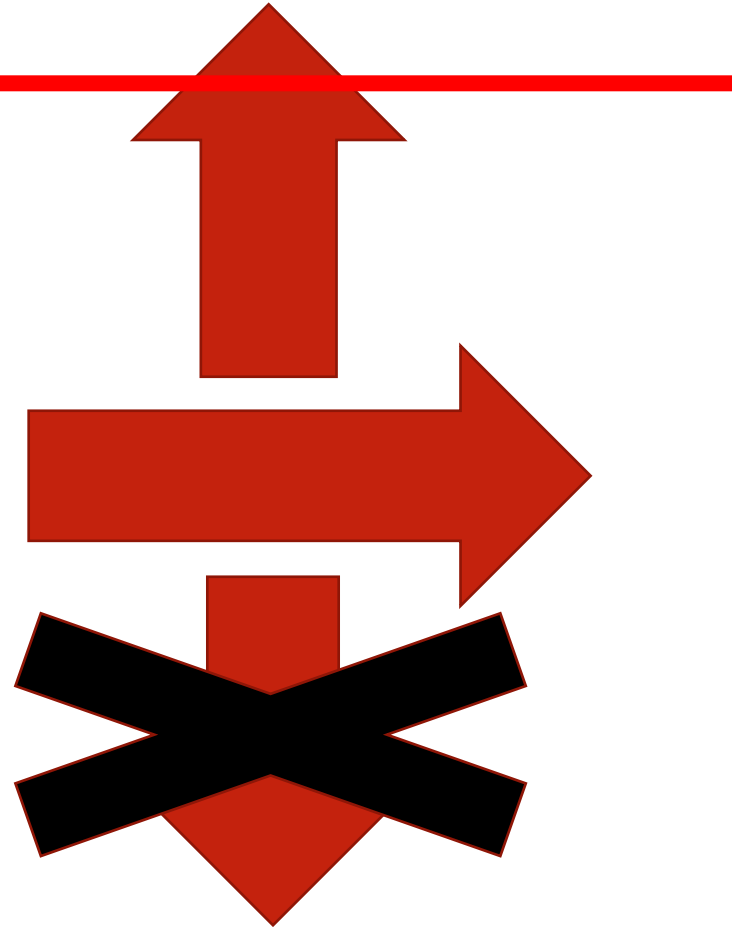
3 Things your money can do:



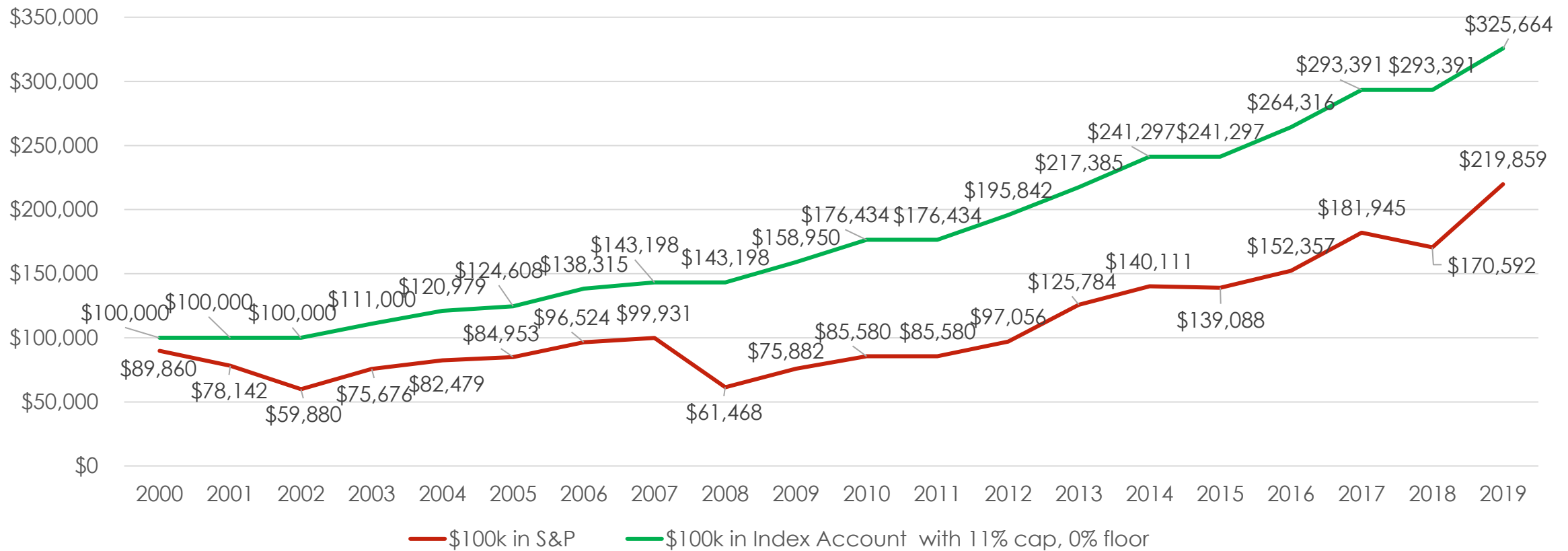
# HOW INDEXING WORKS

Maximum interest rate  
(varies)

Minimum interest rate  
is 0%  
ZERO IS YOUR  
HERO



# \$100,000 CASH VALUE IN AN INDEX ACCOUNT VS THE S&P 500



How do you get what you WANT?

# INDEXED UNIVERSAL LIFE INSURANCE (IUL)

What you WANT	IUL	IUL
Safety	<b>YES!!</b>	Guaranteed minimum interest rate of at least 0%
Tax-free	<b>YES!!</b>	Through using policy loans & making sure the policy doesn't lapse (Section 7702 of Internal Revenue Code)
Good growth	<b>YES!!</b>	Past average annual returns of 6-8%
Liquid	<b>YES!!</b>	As long as there is cash value, you have access (no 10% penalty for taking money out prior to age 59 ½)

# WHAT'S THE CATCH?

- You have to qualify medically
- You need 10-20 years to let the cash value grow depending on the plan
- Maximum on annual interest rate growth
- Insurance charges (are much less than the cost of taxes)



# RESOURCES

# What do the numbers look like?

30 yr old male, non smoker, \$1 million at retirement (age 65)

	Tax-Deferred (IRA, 401k, etc)	Tax-Free IUL
Beginning Balance	\$1,000,000	\$1,000,000
- Taxes (28%)	<u>- \$280,000</u>	<u>- \$0</u>
Remaining Balance	\$720,000	\$1,000,000
Est. Lifetime income/yr @ 65 to age 120	\$69,742	\$69,742
Income will last	10 years 3 months/age 75	Lifetime
Est. Total income in retirement @ age	\$720,000 @ age 75 \$0 @ age 79 \$0 @ age 89	\$767,162 @ age 75 \$1,046,130 @ age 79 \$1,743,550 @ age 89
Est. Tax-Free death benefit @ age	\$0 @ age 75 \$0 @ age 79 \$0 @ age 89	\$792,309 @ age 75 \$617,255 @ age 79 \$181,756 @ age 89

# What do the numbers look like?

30 yr old male, non smoker, \$500,000 at retirement (age 65)

	Tax-Deferred (IRA, 401k, etc)	Tax-Free IUL
Beginning Balance	\$500,000	\$500,000
- Taxes (28%)	<u>-\$140,000</u>	<u>- \$0</u>
Remaining Balance	\$360,000	\$500,000
Est. Lifetime income/yr @ 65 to age 120	\$34,788	\$34,788
Income will last	10 years 4 months/age 75	Lifetime
Est. Total income in retirement @ age	\$360,000 @ age 75 \$0 @ age 79 \$0 @ age 89	\$382,668 @ age 75 \$521,820 @ age 79 \$869,700 @ age 89
Est. Tax-Free death benefit @ age	\$0 @ age 75 \$0 @ age 79 \$0 @ age 89	\$393,858 @ age 75 \$305,743 @ age 79 \$90,832 @ age 89

# What do the numbers look like?

50 yr old male, non smoker, \$500,000 at retirement (age 65)

	Tax-Deferred (IRA, 401k, etc)	Tax-Free IUL
Beginning Balance	\$500,000	\$500,000
- Taxes (28%)	<u>- \$140,000</u>	<u>- \$0</u>
Remaining Balance	\$360,000	\$500,000
Est. Lifetime income/yr @ 65 to age 120	\$34,148	\$34,148
Income will last	10 years 6 mo/age 75	Lifetime
Est. Total income in retirement @ age	\$360,000 @ age 75 \$0 @ age 79 \$0 @ age 89	\$375,628 @ age 75 \$512,220 @ age 79 \$853,700 @ age 89
Est. Tax-Free death benefit @ age	\$0 @ age 75 \$0 @ age 79 \$0 @ age 89	\$375,197 @ age 75 \$286,096 @ age 79 \$87,198 @ age 89

# What do the numbers look like?

50 yr old male, non smoker, \$300,000 at retirement (age 65)

	Tax-Deferred (IRA, 401k, etc)	Tax-Free IUL
Beginning Balance	\$300,000	\$300,000
- Taxes (28%)	<u>- \$84,000</u>	<u>- \$0</u>
Remaining Balance	\$216,000	\$300,000
Est. Lifetime income/yr @ 65 to age 120	\$20,256	\$20,256
Income will last	10 years 8 mo/age 75	Lifetime
Est. Total income in retirement @ age	\$216,000 @ age 75 \$0 @ age 79 \$0 @ age 89	\$222,816 @ age 75 \$303,840 @ age 79 \$506,400 @ age 89
Est. Tax-Free death benefit @ age	\$0 @ age 75 \$0 @ age 79 \$0 @ age 89	\$225,743 @ age 75 \$173,390 @ age 79 \$51,130 @ age 89