

IRA RescueTM

Example for Female Age 70

Question to ask: “If I could show you a way to multiply this money by two, three, or four times, but still give you full access and control to this account, would you be interested?”

Scenerio WITHOUT IRA Rescue:

\$100,000 in an IRA

- At death, beneficiaries will receive approximately \$65,000 (in a state with no state tax) – \$100,000 – 35% federal income tax
- \$56,000 (in a state with a 9% state tax) – \$100,000 – 35% federal income tax – 9% state income tax

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- **Scenerio 1: Increasing money passed on to by 2X**
 - \$100,000 in IRA
 - Use 4.5% of the \$100,000 – \$4,500 (possibly less than annual growth)
 - This should buy a 70 year old female at non-tobacco rates \$100,000 of UL insurance that will run to age 100.
 - At death the beneficiaries receive:
 - \$65,000 from the original IRA
 - \$100,000 from the life insurance (income tax free)
 - **Total of \$165,000 = 2.5X original \$65,000**

- **Scenerio 2: Increasing money passed on to by 3X**
 - \$100,000 in IRA
 - Cost of \$150,000 UL for a 70 year old female at non-tobacco rates is approximately \$6,500 per year
 - Possible sources of premium are:
 - IRA gain and/or RMD (Required Minimum Distribution.)
 - Current income above monthly need
 - Other asset accounts
 - At death the beneficiaries receive:
 - \$65,000 from the original IRA
 - \$150,000 from the life insurance (income tax free)
 - **Total of \$215,000 = 3.3X original \$65,000**
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- **Scenerio 3: Increasing money passed on to by 4X**
 - \$200,000 in IRA
 - Cost of \$200,000 UL for a 70 year old female at non-tobacco rates is approximately \$8,500 per year
 - Possible sources of premium are:
 - IRA gain and/or RMD (Required Minimum Distribution.)
 - Current income above monthly need
 - Other asset accounts
- At death the beneficiaries receive:
 - \$65,000 from the original IRA
 - \$200,000 from the life insurance (income tax free)
 - **Total of \$265,000 = 4X original \$65,000**