



Repurpose Inherited IRA Funds

It's estimated that nearly 45 million U.S. households will transfer \$68 trillion of wealth from Individual Retirement Accounts (IRA) over the next 25 years.¹ Most of these funds will generally be taxable and repurposed within 10 years of the IRA owner's death.

Target clients

IRA beneficiaries interested in long-term care (LTC) are those that:

- Likely are in the height of their earning years
- May not need extra current income and are looking to repurpose inherited funds
- May have experienced death of a parent following a LTC event
- Likely have LTC concerns of their own

Asset Care Annuity Funding Whole Life (AFWL) may be a suitable option

- 10-pay configuration satisfies the distribution rules of the SECURE Act
- Tax is spread over 10 years, and there is immediate death benefit and LTC protection
- Pre-59½ additional tax on early distributions from qualified retirement accounts does not apply
- Annuity portion of the product enjoys a 25% bonus on transferred funds at policy issue

1. <https://www.cnn.com/2021/07/12/the-great-wealth-transfer-has-a-big-tax-impact-how-to-reduce-the-bite.html>

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**Father's
401(k) balance**

\$250,000



**Asset Care
Inherited IRA Annuity**

\$312,500
for LTC premium
(\$250,000 + 25% bonus)

10 Annual
Payments

**Asset Care
Joint life policy
w/ lifetime COB**

\$9,968
monthly for LTC
\$332,270
death benefit

**Repurposing inherited dollars to Annuity Funding
Whole Life (AFWL)**

Sam (male, age 52) and Sarah (female, age 51) are a working, married couple, both contributing to retirement plans through their respective employers. After more than a year in a skilled nursing facility, Sam's father, age 70, recently passed away. At his time of death, Sam's father had a 401(k) balance of \$250,000, and Sam is named as the beneficiary of this plan. The couple doesn't need the extra income but is highly sensitive to their possible future LTC needs.

Repurposing to AFWL accomplishes the following:

- Tax-free death benefit for heirs: \$332,270
- Monthly LTC benefit for Sam: \$9,968
- Monthly LTC benefit for Sarah: \$9,968
- Lifetime LTC protection with Continuation of Benefits rider that has 3% inflation protection²

2. Asset Care Annuity Funding Whole Life, effective 2/24/23 for sale in Indiana, Male and Female standard, non-smoker rating, 20 year inflation. This is not an offer of coverage.

Reach out to your Care Solutions Sales Representative to help develop an AFWL strategy for your client.

Note: Products issued and underwritten by the State Life Insurance Company® (State Life) Indianapolis, IN, a OneAmerica company that offers the Care Solutions product suite. Asset Care form numbers: ICC18 L302, ICC L302 SP, ICC 18 L302 JT, ICC18 L302 SP JT, ICC18 SA39; ICC18 R537, ICC18, R538, ICC18 R540 and L302, L302 SP, L302 JT, L302 SPJT, SA30; R537, R538, R540. Not available in all states or may vary by state • Provided content is for overview and informational purposes only and is not intended as tax, legal, fiduciary, or investment advice • All numeric examples and any individuals shown are hypothetical and were used for explanatory purposes only. • **NOT A DEPOSIT • NOT FDIC INSURED • NOT BANK OR CREDIT UNION GUARANTEED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY • MAY LOSE VALUE**

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