



# 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.<sup>1</sup> 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

<sup>1</sup>. <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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