

ADVANCED
MARKETS

The SECURE Transfer

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Underwritten by
United of Omaha Life Insurance Company
A Mutual of Omaha Company



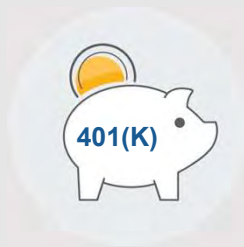
Your clients have worked hard building their retirement. Made hard choices and were smart with their finances.

You are confident that they will have enough income to cover their needs and expenses...

So, what's next?



How about making sure their family and loved ones are protected and get the most from their estate?



“I Have a 401(k)
and IRAs”

Great for accumulation, not transfer

Why?

- No step-up in basis like other capital assets
- Potential estate tax liability
- Inherit the income tax liability
- Limitations from SECURE Act (2019)



SECURE Act & Your Retirement

Wide-ranging legislative reform that helps make saving for retirement easier and more accessible to all Americans.

- Enacted in 2019, in effect in 2020
- Touches many aspects of retirement, including:
 - Repeals maximum age for traditional IRA contributions
 - Increases required minimum distribution (RMD) age for retirement accounts

But unfortunately, it may limit the distribution options from inherited IRAs for non-spouses.



SECURE Act & IRA Distributions

New IRA Beneficiary categories...

- Eligible Designated Beneficiaries (spouses, minors, disabled, not more than 10 years younger) get most leeway
- Designated Beneficiary (non-spouse, adult children, sibling, qualified trusts, grandchildren, etc.)
 - 10-year distribution
 - w RMDs if participant was taking RMDs
 - Large accounts → tax bill
- Non-Designated Beneficiary (estate, charity, trust)
 - Look to Participant's age at death in relation to RMD age...

IRAs & Income Taxes...



Qualified IRA \$300,000

Basis \$0
Gain \$300,000

TAX

Estate Tax - 40% \$120,000
Income Tax - 37% \$111,000
Total Taxes Owed **\$231,000**

Inheritance **\$69,000**



Qualified IRA. \$300,000

Basis \$0
Gain \$300,000

TAX

Estate Tax - 40% \$120,000
Income Tax - 32% \$96,000
Total Taxes Owed **\$216,000**

Inheritance **\$84,000**



Qualified IRA \$300,000


Basis \$0
Gain \$300,000

TAX

Estate Tax - 40% \$120,000
Income Tax - 24% \$72,000
Total Taxes Owed **\$192,000**

Inheritance **\$108,000**

What's Income in Respect of a Decedent (IRD)?



Estate value | \$15 Million

IRA value | \$300,000


Estate tax (40%) | \$120,000

Beneficiary would get
\$120k income tax deduction

- Income you earn but didn't receive prior to death.
- Examples include:
 - Uncollected salaries
 - Taxable distributions from IRAs
 - Interest & dividends accrued
- Why does it matter?
- Taxes!
 - If not paid upfront - your beneficiaries will owe
 - Offsetting deductions

Reminder! Make sure the beneficiaries' accountants or tax attorneys are aware.

Even if There is No Estate Tax Concern...



Qualified IRA	\$300,000
Basis	\$0
Gain	\$300,000
TAX	
Estate Tax - 40%	\$0
Income Tax - 37%	\$111,000
Total Taxes Owed	\$111,000
Inheritance	\$189,000

Passing on Your Estate to Your Loved Ones



The Solution: Life Insurance

Why?

- Tax-free benefits for beneficiaries
- No capital gains taxes
- Living benefits are there for you as well, and are also tax-free
- Can be done without lifetime of premiums

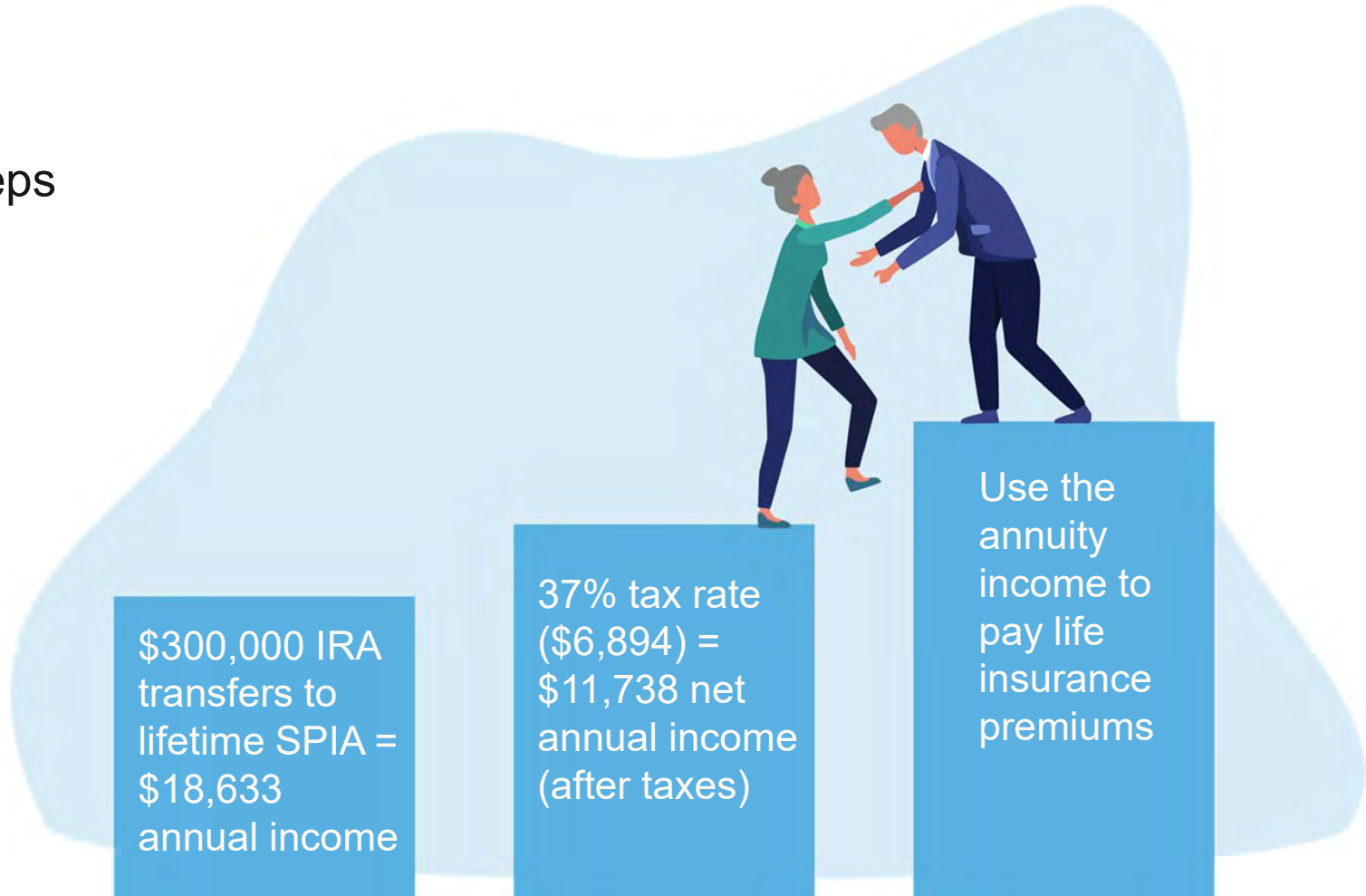


What If...

You could immediately
turn that \$300,000
taxable IRA into a
\$915,000 tax-free asset
for your loved ones...

\$300,000 IRA → \$1,000,000 Guaranteed Death Benefit

Three Steps





Low Tax Impact & Guarantees

- \$1 million tax-free death benefit
 - Terminal and Chronic Illness rider
- Guaranteed to Age 90 – (as long as you pay at a minimum the no-lapse premium)
- Protection carries out even longer with interest crediting
- Remove market risk on legacy plan

Other Considerations...

If Needs Change... Allows for Return of Premium

- On both IULs
 - Age and/or health requirements
- Flexibility to get premiums back during a 60-day window
- 50% in year 15
- 100% in years 20-25
 - 80% of the face value

Guaranteed Refund Option Benefits* (available upon surrender)	
15th Year	\$88,035
20th Year	\$234,760
21st Year	\$246,498
22nd Year	\$258,236
23rd Year	\$269,974
24th Year	\$281,712
25th Year	\$293,450

*The Guaranteed Refund Option is only available during the policy years mentioned above and only for 60 days following those years.



What About Adding LTC Protection?

\$1 million → \$830,000 face amount

- Adds \$33,200 monthly LTC benefit
- Guaranteed death benefit and LTC protection to age 90

Client can change her mind 20 years from now and get a full refund of premium, or she has ongoing LTC protection for herself and/or death benefit for loved ones ...

How is that for flexibility?

**You have also guaranteed her LTC
“premiums” until age 90...**



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Irrevocable Life Insurance Trust (ILIT)

Special Structure Required?

- Trust purchases a life policy and is the beneficiary
- Death benefit will not be included in value of estate
- Death benefit is still tax free

SECURE Transfer Planning

- SECURE Transfer Planning Seminar
- SECURE Transfer Planning Flyer
- SECURE Transfer Planning Invitation and Thank You Postcards
- SECURE Transfer Planning Video



ing your retirement. Tough choices were made and you were smart with confident that you'll have enough income to cover your needs and expenses. You want to have a plan to pass along what you have left to your family, to the most they can from your estate.

o do that? You might be surprised to find out that traditional retirement be the most tax efficient wealth transfer tools.

RE Act Affect Your Retirement?

Acting Every Community Up for Retirement Enhancement," it includes wide-ranging rule saving for retirement easier and more accessible to all Americans, but the SECURE Act options for some non-spouse beneficiaries when they inherit an IRA or qualified retirement plan. A beneficiary to take a lifetime distribution of the qualified account after the owner's death. Some non-spouse beneficiaries to draw down the account value within 30 years. This could increase income tax increase to the designated beneficiary, depending on the size of the qualified account.

What About Your IRA, 401(k) or Employer Retirement Plan?

ment assets such as these, you never pay income tax on the money contributed and that the asset tax deferred each year. So, when you receive a distribution or take income from an IRA or distribution is now subject to income tax.

If a beneficiary inherits that retirement asset, your beneficiary also inherits the tax liability you built up in your estate at death causes an estate tax liability, your estate could pay tax as well on the asset.

(continued on back)



Join us for a free educational presentation that can help you securely transfer more of your money to family.

In this presentation, you'll learn about wealth transfer planning and how to efficiently transfer and maximize the amount of money that goes to your beneficiaries. We'll discuss some traditional retirement savings vehicles like IRAs and 401(k) accounts and compare them to life insurance as wealth transfer tools. We'll discuss how to avoid double taxation and how you can make the most out of what you've worked so hard to earn.

Passing along the money you've earned is important to you and your loved ones. I can help make sure you get it right.

[Date] | [Time] | [Location]

To reserve your place, call [phone number]

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