

**Are You 70 1/2 or older?  
Do you want to minimize taxes?  
Do you want to maximize wealth transfer?**

**Profile:**

A large IRA Account (\$100k minimum)  
Do not need their IRA distributions to maintain your lifestyle  
Estate taxes may significantly reduce the amount of the IRA passed to your heirs  
Heirs will be required to pay significant income tax on IRA distributions at your death  
Age between ages 59 1/2 and 85, and are in good health

**Issues or Objectives:**

Desire to provide an inheritance to your heirs  
May want to provide financial support to your favorite charity  
Would like to reduce estate tax liability

**Strategies:**

If you are taking RMD's and these are not required for current living or lifestyle needs, we can transfer these funds after tax into the purchase of life insurance owned by an ILIT.  
If you designates your favorite charity as beneficiary of current IRA, then their attorney creates an ILIT. Client then gifts distributions from IRA to ILIT.  
At death, the life insurance policy purchased by ILIT should pass income, estate and gift tax-free to heirs.

**Sample Illustration:**

Assumes 100K IRA no other assets and a 35% income tax bracket.  
Using after tax RMD and purchasing a guaranteed life insurance policy owned by your ILIT  
A sample qualified plan distribution analysis:

**Estate Distributions at Death Comparison**

*With and Without Gifts for New Life Insurance*

Year	Age	Qualified Plan + Other Assets <b>No New Insurance</b>			Qualified Plan + Other Assets <b>With Gifts for New Insurance</b>		
		Total Estate	Taxes	Net to Heirs <sup>1</sup>	Total Estate	Taxes	Net to Heirs <sup>1</sup>
2006	71	102,226	35,779	66,447	99,694	34,893	241,493
2007	72	104,367	36,528	67,839	99,369	34,779	241,282
2008	73	106,403	37,241	69,162	99,025	34,659	241,058
2009	74	108,317	37,911	70,406	98,661	34,531	240,822
2010	75	110,086	38,530	71,556	98,274	34,396	240,570
2011	76	111,687	39,090	72,597	97,864	34,252	240,304
2012	77	113,120	39,592	73,528	97,430	34,101	240,022
2013	78	114,335	40,017	74,318	96,970	33,940	239,723
2014	79	115,332	40,366	74,966	96,482	33,769	239,405
2015	80	116,084	40,629	75,455	95,965	33,588	239,069
2016	81	116,564	40,797	75,767	95,416	33,396	238,712
2017	82	116,741	40,859	75,882	94,835	33,192	238,335
2018	83	116,584	40,804	75,780	94,219	32,977	237,934
2019	84	116,057	40,620	75,437	93,566	32,748	237,510
2020	85	115,179	40,313	74,866	92,858	32,500	237,050
2021	86	113,921	39,872	74,049	91,844	32,145	236,391
2022	87	112,255	39,289	72,966	90,501	31,675	235,518
2023	88	110,151	38,553	71,598	88,805	31,082	234,415
2024	89	107,581	37,653	69,928	86,732	30,356	233,068
2025	90	104,599	36,610	67,989	84,328	29,515	231,505
2026	91	101,190	35,417	65,774	81,580	28,553	229,719
2027	92	97,340	34,069	63,271	78,477	27,467	227,702
2028	93	93,041	32,564	60,477	75,010	26,254	225,449
2029	94	88,399	30,940	57,459	71,268	24,944	223,016
2030	95	83,424	29,198	54,226	67,257	23,540	220,409

