

Insurance Solutions for a New Economy

Inflation and increased income taxation drive major changes in how participants view their IRAs in retirement in 2022 and beyond.

Using life insurance to fund retirement needs is not a new concept. In the late 1960s, whole-life policies were the most widely held insurance policies in the U.S., and the policies were funded to provide death benefits and supplemental retirement income.

New investment-grade life insurance policies have taken this strategy to a new level that allows participants maximum flexibility when planning for retirement.

We can help you, the agent, and your clients navigate the qualified plan landscape whether working with an IRA, 401(k), or pension asset.

Contact your BackNine marketing manager today to schedule a time to discuss your potential case with a BackNine insurance specialist.

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How does the IRA Max Plan help your clients?

	IRA	MAX PLAN
DEDUCTION ON CONTRIBUTIONS	Y	N
TAXED ON DISTRIBUTIONS	Y	N
TAXED AT DEATH	Y	N
LONG-TERM-CARE	N	Y
ERISA PROTECTIONS	Y	N
REQUIRES DISTRIBUTIONS	Y	N
USED AS COLLATERAL	N	Y
ACCESS FUNDS WHILE STAYING INVESTED	N	Y

IRA MAX PLAN™

Simply stated, the IRA Max Plan is an IRA conversion into an investment-grade life insurance policy before the retirement plan's distribution phase.

A few key takeaways are the low tax rates that you can count on today and unparalleled flexibility throughout the life of the plan.

If your client answers yes to the next four questions, then the IRA Max Plan may be an appropriate recommendation.

WITH ALL THINGS BEING EQUAL

1. If I can show you a plan where the after-tax income exceeds the projected after-tax income from your IRA, are you interested?
2. Are you interested in a plan that will increase the after-tax distribution to your heirs at death in a controlled and tax-favored manner?
3. How much do you plan to get from your IRA in LTC benefits?
4. What if this plan reimburses you 100% of your taxation costs on the distributions from your IRA when setting up this plan?

PLAN INITIATION



APPLY FOR INSURANCE COVERAGE



IRA WITHDRAWAL TO PAY PREMIUM



TAX CONSEQUENCES



PAY PREMIUM TO INSURER



PAY TAX ON IRA WITHDRAWAL



COST/BENEFIT CASH FLOW



END OF POLICY YEAR, BORROW FROM POLICY TO REIMBURSE TAXES PAID



PAYS DEATH BENEFIT TO YOUR BENEFICIARIES



PAYS LIVING BENEFITS DURING YOUR LIFETIME