

BUSINESS PROFILE

Diversifying assets for a more secure retirement

A retirement strategy for “pass-through” business owners

Your sales opportunity

“Pass-through” business owners wishing to:

- Create a tax-advantaged retirement strategy
- Separate personal wealth from the business
- Diversify their business assets into their personal portfolio

Many business owners only focus on the operation until it's too late, potentially making their retirement dependent on selling the business and leaving them with limited options.

Solution: business owner saver strategy

Owners of S corporations or other pass-through entities can begin to create a retirement strategy for themselves by taking some of the wealth they have tied up in the business and reallocating it to personal investments, including annuities, mutual funds and cash value life insurance. The business owner saver strategy helps your clients become independent of the business by diversifying their wealth.

Pass-through businesses

A pass-through entity is a business that passes income on to the owners and investors, avoiding double taxation of the business and the individual owners.

Four valuable life insurance features

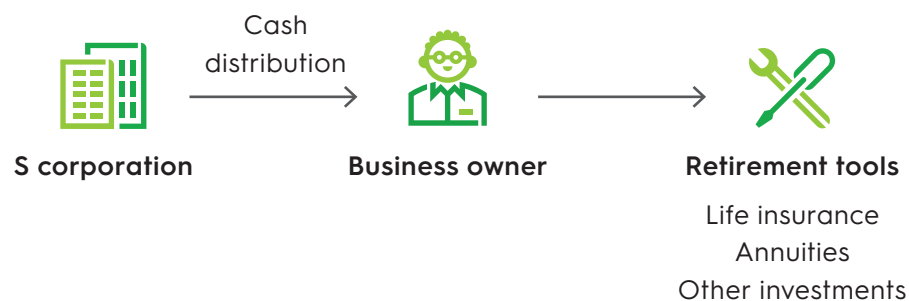
1. Death benefit for key person coverage and “stay bonus”
2. Death benefit for income replacement and legacy needs
3. Cash value as a potential source of capital for the business
4. Cash value for supplemental retirement income or in the event of disability

Target client

- S-corp owner, or owner of some other pass-through entity (e.g., LLC or sole proprietor)
- Majority of personal wealth tied up in the business
- Has a need to manage taxation of assets
- Desires portfolio diversification

How it works

- The company makes a cash distribution to the owner.
- The business owner’s tax basis may be reduced by the amount of the cash distribution.
- Business owner uses the cash to diversify his or her wealth and reduce risk with the purchase of retirement tools like life insurance, annuities or other investments.





Learn more

Do you have business owner clients who could benefit from a retirement funding strategy that also protects their families? We can help - call our Advanced Sales Team today: **1-888-413-7860**, option 3.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

Life insurance products contain fees, such as mortality and expense charges (which may increase over time), and may contain restrictions, such as surrender periods.

Policy loans and withdrawals may create an adverse tax result in the event of lapse or policy surrender, and will reduce both the surrender value and death benefit. Withdrawals may be subject to taxation within the first 15 years of the contract. Clients should consult their tax advisor when considering taking a policy loan or withdrawal.

An annuity is intended to be a long-term, tax-deferred retirement vehicle. Earnings are taxable as ordinary income when distributed, and if withdrawn before age 59½, may be subject to a 10% federal tax penalty. If the annuity will fund an IRA or other tax qualified plan, the tax deferral feature offers no additional value. Qualified distributions from a Roth IRA are generally excluded from gross income, but taxes and penalties may apply to non-qualified distributions. Please consult a tax advisor for specific information. There are charges and expenses associated with annuities, such as surrender charges (deferred sales charges) for early withdrawals.

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