

other **BENEFITS**

Life insurance proceeds are not subject to probate, which keeps your wealth transfer private. Also, premiums used to purchase a policy with a charity as the owner may qualify as a tax deduction.

If you do not qualify for, or don't want to pay for, long term care insurance, you may be able to access the funds inside a life insurance policy to pay for home health care or nursing home confinement.

income **TAX FREE**

If you die with an estate over the current estate tax exemption, taxes can be as high as 40 percent for a larger estate. Your heirs are responsible for this estate tax. But with life insurance, the estate can go to your heirs virtually intact.

An insurance plan could substantially increase the amount of money you leave to your heirs. It is guaranteed and passes income tax free.

2015 Guide To Tax Free Inheritance



You Have Two Beneficiaries In Your Estate: Your Heirs And the IRS.

Transferring your wealth to the next generation is passing a legacy. Many affluent consumers say two of the most important financial concerns are preserving wealth for heirs and reducing estate tax liability.

extra **ASSETS**

You may have accumulated savings in various financial vehicles. You may also own non-financial assets, such as houses, land, and personally owned businesses. You may want to give some of these assets to loved ones or special charities.

You may not need some of these assets for your retirement income. You may decide these assets will eventually be given to your heirs or charity. Your assets fall into one of three classes: taxable, tax deferred and tax-sheltered.

transfer **TAXES**

Some assets used for accumulating interest and dividends are generally not effective in saving taxes when you transfer them to your beneficiary. A significant portion may go to estate taxes.



Those assets may be productive for you, but increase the tax burden to your heirs.

Income taxes must be paid on the gain in the value of the annuity. Additionally, estate tax can also reduce the value of the annuity when transferred to your beneficiary. Certain annuities offer riders to reduce the tax burden to your heirs.

transfers **TAX FREE**

There is a great way to use an insurance policy to immediately increase the amount of assets you plan to pass along to your heirs.

This method applies cost effective life insurance that **PAYS THE ESTATE TAX** for pennies on the dollar and provides your heirs a significant discount to pay for your estate transfer.

Life insurance is a powerful tool to help meet wealth transfer needs. There is no other financial vehicle that can replace the estate tax liability quite as well.

In addition, income tax is not paid on the increase in asset value of a life insurance policy.

In contrast, an inherited CD may have its value increased up to 50% or more and income tax will have to be paid on that gain.

