

# LIFE INSURANCE WITH QUALIFIED PLANS

## *The Facts:*

- Client's Profit Sharing Plan currently has approx. \$3,000,000.
- Client is 65 and RMD's will start at age 70 1/2.
- Client does not need the income and would prefer to transfer this asset to his heirs in an estate and income tax efficient manner.
- Client has not used up lifetime exemptions. For this example, we are assuming that exemptions will be used elsewhere.
- Client's projected age at demise is 90.

## *The Plan:*

- Plan purchases life insurance on participant.
- Prior to age 70 1/2, Plan sells the policy to a trust outside of Client's estate at its discounted fair market value.

## *The Benefit:*

<b>Do Nothing:</b>	<b>Benefit to Heirs</b>	<b>\$2,143,348</b>	<b>Net of Taxes</b>
<b>Implement Plan:</b>	<b>Benefit to Heirs</b>	<b>\$7,740,553</b>	<b>Net of Taxes and Costs</b>

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Numbers used are for illustrative purposes only. Actual numbers and benefit will vary by client.  
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