

Q U A L I F I E D S P L I T F U N D E D

Let's rethink how to
get the most out of
your retirement assets



THE PINNACLE GROUP
ADVANCED PLANNING

Qualified plans are often used to fund retirement or transfer wealth, but not without confiscatory taxes.

So why not use leverage to refund the tax cost?

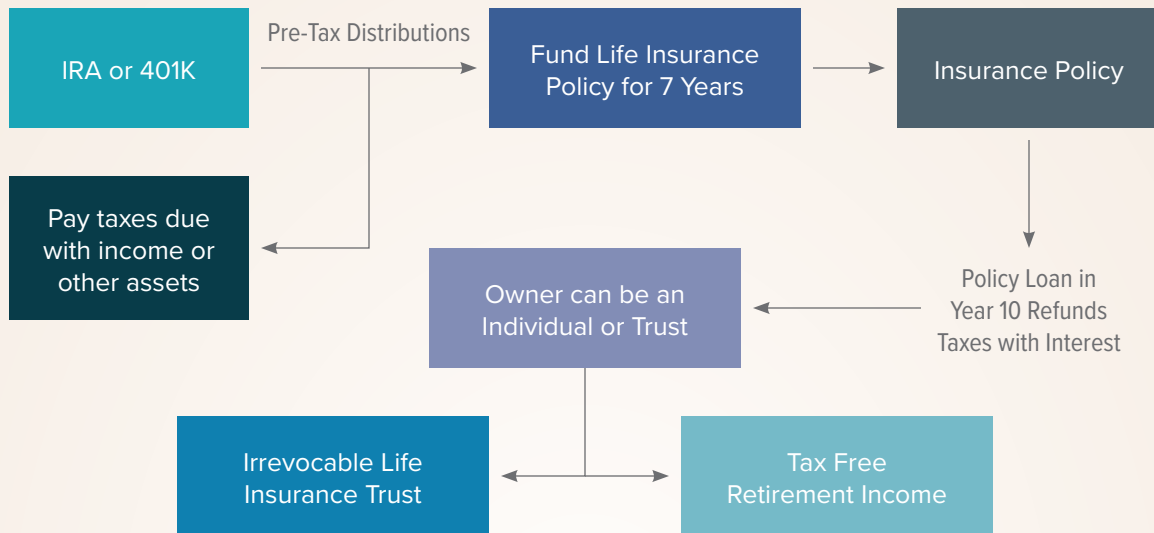
If you have sufficient liquidity, qualified split funded (QSF) can provide the leverage you need to generate tax-free income streams, create security for loved ones, and fulfill charitable intentions.

How?

By allowing you to purchase a life insurance policy using plan distributions, and by reimbursing you the cost of tax conversion.



Let's take a closer look



1. Plan participant distributes pre-tax dollars from qualified plan.
2. Participant pays taxes in the year of the distribution using after-tax dollars.
3. After-tax distributions are used to fund a life insurance policy that is owned outside of the qualified plan.
4. Participant is reimbursed the total cost of taxes at the end of the 10th policy year.
5. Both death benefit and retirement income can be received income tax free.

Distributions taken prior to age 59 1/2 are subject to a 10% excise penalty for early withdrawal in addition to the anticipated income tax. Using leverage, this cost can be refunded as well. However, additional calculations must be made to determine whether paying a penalty tax would be economical.

Let's look at a healthy, 60-year-old man and see how qualified split funded and a traditional plan stack up.

TRADITIONAL PLAN		QUALIFIED SPLIT FUNDED
\$200,000	10-Year Annual Distribution	\$200,000
\$2,000,000	Initial Death Benefit	\$2,177,837
\$560,000	Net Taxes Paid	\$0
\$1.3M	Cash Value (Age 74)	\$1.7M
\$106,678	Tax-Free Annual Income (Age 75)	\$154,996
\$1.2M	Death Benefit (Age 85)	\$1.6M

This table is a hypothetical example, numbers are subject to change.

Funding will be achieved without the use of bank loans, interest rate risk or collateral requirements. Our team specializes in taking a conservative approach to leverage. We structure your policy in a way that minimizes the risk and prioritizes efficiency and security.

Qualified Split Funded allowed this individual to purchase a policy with a substantially larger annual income and death benefit for the same after-tax contribution.

Talk with our team today to see if
Split Funded Insurance is the right fit for you.