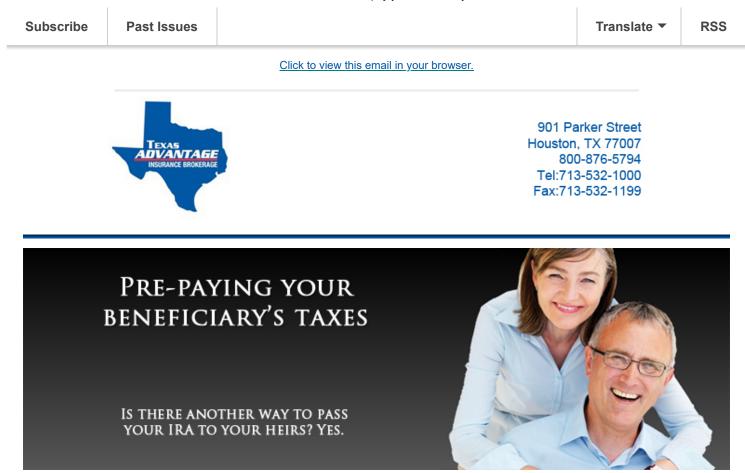
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You have saved well and built up your retirement funds with qualified plans such as individual retirement accounts (IRAs). Now, you are thinking you won't need all of it for retirement — and you are considering passing some funds to the next generation.

Is there another way to pass your IRA to your heirs? YES.

Passing on qualified assets can be challenging. But by being prepared and pre-paying your beneficiary's taxes, you can do it efficiently. First, let's explore some of the pitfalls when transferring IRAs.

# The 4 problems with IRA transfers

## 1. Distributions from IRAs are income taxed

Because IRAs are funded with pre-tax dollars, distributions from these accounts are subject to individual income taxation.

## 2. IRAs can be subjected to estate tax

IRA assets remain in your estate upon your death, subjecting them to possible estate taxes. Even if you're not currently subject to estate tax, tax laws can change — making individuals with even modest estates potentially subject to estate tax.

## 3. Stretch IRA laws have changed

With passage of the Setting Every Community up for Retirement Enhancement (SECURE) Act,

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Prior to this law, beneficiaries inheriting these accounts were able to stretch the required distributions over their lifetime — reducing the annual distributions and lowering taxes due.

#### 4. Your heirs may be in their highest tax bracket

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Typically, when a beneficiary inherits an IRA from a parent, they're often older and in their peak earning years — putting them in high tax brackets. Coupled with having to deplete an account within 10 years, the tax impact can be significant.

## Solution: Pre-pay your beneficiary's taxes

Allow your heirs the flexibility to enjoy their inherited IRA most efficiently by funding a life insurance policy with a tax-free death benefit. This gives them options with inherited IRAs: take a lump sum distribution or stretch over 10 years — and pay the tax with the death benefit.

#### CLICK HERE FOR ADDITIONAL INFORMATION

Call Jeff, Eleanor, or Frank today to discuss how you may benefit from pre-paying your beneficiary's taxes.

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