evinson & Associates

Mary Read Tax Savings/ Retirement planning bullet points

Short Bio

Mary Read CPC, QPA, CPFA, National Director of Pension and Protection Planning at Pentegra Retirement Services! Mary was the Vice President for an A+ rated life insurance company among other prestigious positions in her tenured past! She has also authored and published 3 award-winning books! A leading authority in qualified retirement plans with over 30 years of experience, Mary has an extensive background in plan design and development, experience as a marketing executive, financial professional, pension analyst, and pension compliance manager for an international company. She's a frequent speaker on qualified plans for insurance professionals nationwide.

Sales Strategy - Sales Concept

1. Tax Savings, Reduce Taxes Significantly
2. Tax free benefits
3. Retirement Planning
4. Wealth Creation Tool
5. Legacy Creator
6. Peace of Mind
7. Leverage their money
8. No loss of benefits
9. Significant increase in monetary benefits while living and cash benefits to their beneficiaries
10. Adds Living Benefits, LTC

Value Added Benefits

Sage Scholarship Program- child or grandchild gets up to 1-year free tuition, in an approved college, with any of these products for this strategy.

Target Prospects

1. White collar Professionals
2. Business owners
3. Financial Advisors?
4. CPAs
5. Estate Planning Atty

Specific Products

- IUL with Living Benefits as a way to provide for retirement.
    - Only 2 products work.
        - Needs to be able to put a lot of cash up front without MEC'ing the policy.
        - We need to pay for the policy in a short amount of time, 5-7 years max.
        - Needs an attractive taxable value.

- Needs an insurance company that stands behind the policy with PERP value and support it.
- No downside risk.

1. National Life - Life of the Southwest, IUL - Peak Life, no downside risk, may be limited to upside potential, has living benefits
2. Whole Life - Lafayette Life, has no risk, has living benefits

Both come with a 1 year scholarship - free tuition

Must Have

Qualified Plan, IRA, 401K, 403B, Defined Benefits Plan, SEP Plan, Simple Plan, $500K on the low end, typically looking for $1 Million or more), Prospect must be insurable, Must have active income and generate $5K a yr earned income for a Sched C.

The sweet spot, age-wise, is 55-70. If before 67, we can get this done before RMD hits. A lot of people in their 70's. Youngest is 35, the oldest is 88.
The average target premium is $175K.

Your legacy on your own terms.
32 Trillion dollars sitting in qualified accounts.
The Secure Act – lets clients wait to make money until age 72.
When an account is inherited now, it has to be fully distributed within 10 years.

Example 1 – 75 yr old, w/ $1 Mil in a qualified acct, has a 40 yr old child who is in his peak earning years. He could take a little each yr or let it grow and take it all out in yr 10. He will pay 40%-60% in taxes.
Remove the RMD from the equation. Move the money from the RMD to the client's control.

Example 2 – 55 yr old, has $1 Mil in qual acct minus what they owe the IRS whenever they take it out, assume 4% annualized compounding rate. Option #1 - at 72 they take req RMD for 18 yrs, passed away at 90, taxes for ea time they take an RMD and taxes paid at dist of money = $1.3 Mil based
on current tax rates. Total benefits are $1 Mil. Option #2 – They could do a ROTH conversion. Grow $1 Mil at 4%, convert 5 yrs out, the client's tax bill is $514K. Total benefits are $1.8 Mil. Option #3 – IUL Distribution Model – tax bill is $384K. Total benefits are $3.3 Mil.
Or if they wanted to use it for income, they could take $93K a year starting at age 65. Total proceeds if they died at 90 would be $2.8 Mil. This is going to save you $1 Mil dollars. You need to do this. This is called the okay sale because clients always say the same thing, "Okay".

Use a policy that uses the Safe Harbor calculation. Rollover money into a 401K or a Profit Sharing Plan. Use money inside that too but the insurance. Pay for premium for IUL over 5 years. After 5 yrs the policy is fully paid for. Then dist money from 401K to client, change ownership. That triggers taxation based on the Safe Harbor calculation eliminating $130K in tax. Everything after this will be tax-free through IUL loans, death benefits, no more RMD's, and they've added living benefits i.e. LTC.

What is your plan for getting the money out of your plan?

Nobody w/ a qual plan has a plan on how to get their money out w/o paying significant taxes.

We have a plan that will help you move that money out, get the tax exposure down, and increase the benefits for your beneficiaries tax-free, would you be interested in looking at that?

Example #3 – 35 yr old makes $5 Mil a yr, has 250Kin 401K, laddering a new IUL every 5 years,

Example #4 – 88 yr old, insurance is more expensive, more health issues, can use the money to buy-ins on themselves or anyone they have an insurable interest in, spouse, children, business partner,

Example #5 – 3 sibs own a business, 5th generation, grown children in business w/them, the tax rate in CA is ab 57%, parents-kids don't need the money,
already rich, used their 401K in IUL strategy to ensure their children, full access to policy till their death should they need it, then kids own policy, access to money in acct, the death benefit goes to grandchildren tax-free,

Example #6 – Client has 4 kids, 300K acct, owner 64, a kid is 27, Option #1 – RMD, a parent dies at 85, kid pays taxes after 10 yrs, receives $417K. Acct all told paid $600K in taxes. Option #2 – 300k for IUL on a kid, $2.8 Mil death benefit, tax savings are significant, the cash value is $1.1 Mil tax-free cash, or $2.8 Mil death benefit, or if they live to age 85 their kid gets over $6 Mil,

If it's so great why haven't I seen it before? You need the right product to make this happen. Mary has looked at 100's of products. Only 2 that work

Risk

IRA or ROTH - in the market RMDs

This all starts with a tax conversation.
You have this money in a qualified plan, but have you thought about how you're going to get it out? You have this tax bill coming, and we can help with that. This does not affect their cash flow. This is just a repositioning of an asset they already have that is highly taxable to put it in a better tax-advantaged place.

Money going to charities, do I get paid off of CPA's clients, Peter Jeppson? What questions can I ask without saying too much? Referral comm's, is there any info I can hand out to people I know, some people will trust me implicitly, others somewhat, others I will have to convince. How is this different from a normal IUL, many rich people already have a guy or think they know it all, Min $500 K is best, what is the minimum? LinkedIn, Facebook, other insurance agents, is there a chart which shows which states pay the highest taxes on inherited qualified money? Can I get a copy of the chart that shows the tax bill from exam 2, and how healthy does the prospect need to be?

How do I prevent CPAs or others from going around Mary and me?