



ANNUITY MAXIMIZATION STRATEGY

How to significantly increase the value of an Annuity to children, grandchildren and/or favorite charity.

IDEAL PROSPECT FOR ANNUITY MAXIMIZATION STRATEGY

- Over age 59 ½
- Does not need the annuity to maintain lifestyle
- Insurable

FACTS OF THE CASE:

Client/Clients Vitals	<u>Male 68 preferred non tobacco</u>
Current Annuity Value	<u>\$550,000</u>
Annuity Basis	<u>\$400,000</u>
Annuity assumed growth rate	<u>4%</u>
Client/Clients tax rates	<u>40% combined federal and state</u>
Do the client/clients need any of the annuity value or its earnings to maintain their lifestyle?	<u>NO</u>

PRESENTATION	Current	Annuity Max
Current Value of Annuity	<u>\$550,000</u>	<u>\$550,000</u>
Annuity Basis	<u>\$400,000</u>	<u>\$400,000</u>
Annuitized Amount	<u>-</u>	<u>\$550,000</u>
Annual Annuitized Income	<u>-</u>	<u>\$40,495</u>
Projected Tax on Annuitized Amount	<u>-</u>	<u>\$7,354</u>
After Tax Income	<u>-</u>	<u>\$33,141</u>
Projected Annuity Value Year 10	<u>\$814,134</u>	<u>-</u>
Projected Annuity Tax Year 10	<u>\$165,654</u>	<u>-</u>
After Tax Value of Annuity Year 10	<u>\$648,480</u>	<u>-</u>
Life Insurance Premium	<u>-</u>	<u>\$33,141</u>
Life Insurance Proceeds	<u>-</u>	<u>\$1,478,111</u>
Projected Total Value Transferred At Death	<u>\$648,480</u>	<u>\$1,478,111</u>

OVERVIEW ITEMS

1. Life insurance policy has a long-term care rider included.
2. Current value of annuity is 1035'd into a SPIA.
3. Projected Total Value Transferred At Death under current does not take into consideration estate tax liability