

3 STEPS TO FUND LTC INDIVIDUAL PLANNING

The Pension Protection Act (PPA)

Reposition your client's existing annuity to protect against the cost of Long-Term Care (LTC)

FUNDING LONG-TERM CARE w/ NON-QUALIFIED ANNUITIES

Make sure your clients' nonqualified annuities are aligned with their intentions. The Pension Protection Act (PPA) allows for income tax-free withdrawals from specially designed nonqualified annuities to fund Long-Term Care (LTC) expenses, regardless of cost basis.

FACT

The main objective for annuity purchases (54%) is retirement security.
Deloitte Center for Financial services

5 QUESTIONS FINANCIAL PROFESSIONALS SHOULD ASK THEMSELVES ABOUT THEIR CLIENTS

- 1 Do you have client that own annuity contracts?
- 2 Are any of them past their surrender period?
- 3 Do any of these annuities have built-up taxable gains
- 4 Of those with gains, are any of them marked as "emergency", "rainy day" money for your clients?
- 5 Would your clients be interested in learning how they could defer the taxes on the gains and create a 2-3X multiple "pool of money" for Long-Term Care expenses?

HOW IT WORKS

Reposition your client's existing annuity to protect against the cost of LTC and reduce / eliminate income taxes on the gains when using monies to pay for LTC expenses.

CURRENT ANNUITY CONTRACT

Non-Taxable – Cost Basis
\$150,000

Taxable - Gains, \$115,000

RECOMMENDED ALTERNATIVE

Non-Taxable Funds
Accessible for LTC,
\$265,000

LTC BENEFIT W/ MULTIPLIER

Non-Taxable Funds
Accessible for LTC,
\$500,000

Note: Before any annuity exchange is made, all factors should be weighed to verify that the product is appropriate for the client.

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