

Qualified Funds for LTC

Sales idea: Asset Care Annuity Funding Whole Life

You probably know some clients who have IRAs, 401(k)s or 403(b) accounts.

Qualified dollars have their issues

- You can't avoid eventually paying taxes on pre-tax money that grows tax-deferred.
- Required Minimum Distributions (RMDs): Money needs to be taken out beginning at 72, whether your client wants it or not.
- When qualified money passes to heirs at death, it is taxed at the heir's current tax rate.

Our solution

- Reposition qualified money into Asset Care Annuity Funding Whole Life via direct transfer or rollover.
- The income base is credited with up to a 10% bonus.
- Annual distributions fund a 10-pay whole life policy that can be used for qualifying long-term care.
- LTC benefits can be payable for the lifetime of both insureds.
- The death benefit passes to heirs at death generally tax-free.

Even better

- Qualified money is reserved for LTC expenses — no need for your clients to deplete their portfolios at an inopportune time.
- Cover both spouses using one qualified account with no ownership issues.
- Annual distributions over 10 years count toward satisfying RMDs.
- Death benefit can help offset taxes owed on other legacy funds left to heirs.

As of 2020

Over 100 million

Number of Americans that participate in defined-contribution plans

\$8.8 trillion.¹

Total assets in defined-contribution plans

1. How America Saves 2020, Vanguard, <https://institutional.vanguard.com/ngiam/assets/pdf/has/how-america-saves-report-2020.pdf>

Contact the OneAmerica sales desk or your back office to learn more about using qualified funds to help your clients pay for long-term care.

Note: If you were age of 70½ before or on December 31, 2019, you must begin or continue withdrawing the required minimum distribution annually. If you turn 70½ on or after January 1, 2020, the age at which you must begin withdrawing required minimum distributions has been increased to age 72.

Products issued and underwritten by The State Life Insurance Company® (State Life), Indianapolis, IN, a OneAmerica company that offers the Care Solutions product suite. Asset Care Form number series: ICC18 L302, ICC18 L302 JT, ICC18 R537, ICC18 R538, ICC18 R532, ICC18 R533, ICC18 SA39 and ICC18 R540. Not available in all states or may vary by state.

Important Note: For annuities funding life insurance, the annuity values and the ability of the annuity to pay the premiums on the life insurance policy may be affected by, but not limited to, federal/state tax withholding, withdrawals, distributions, such as required minimum distributions, and other reductions of the annuity values. All factors should be weighed before replacing an existing life insurance or annuity.

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• MAY LOSE VALUE**