

Funding Education for Grand Children

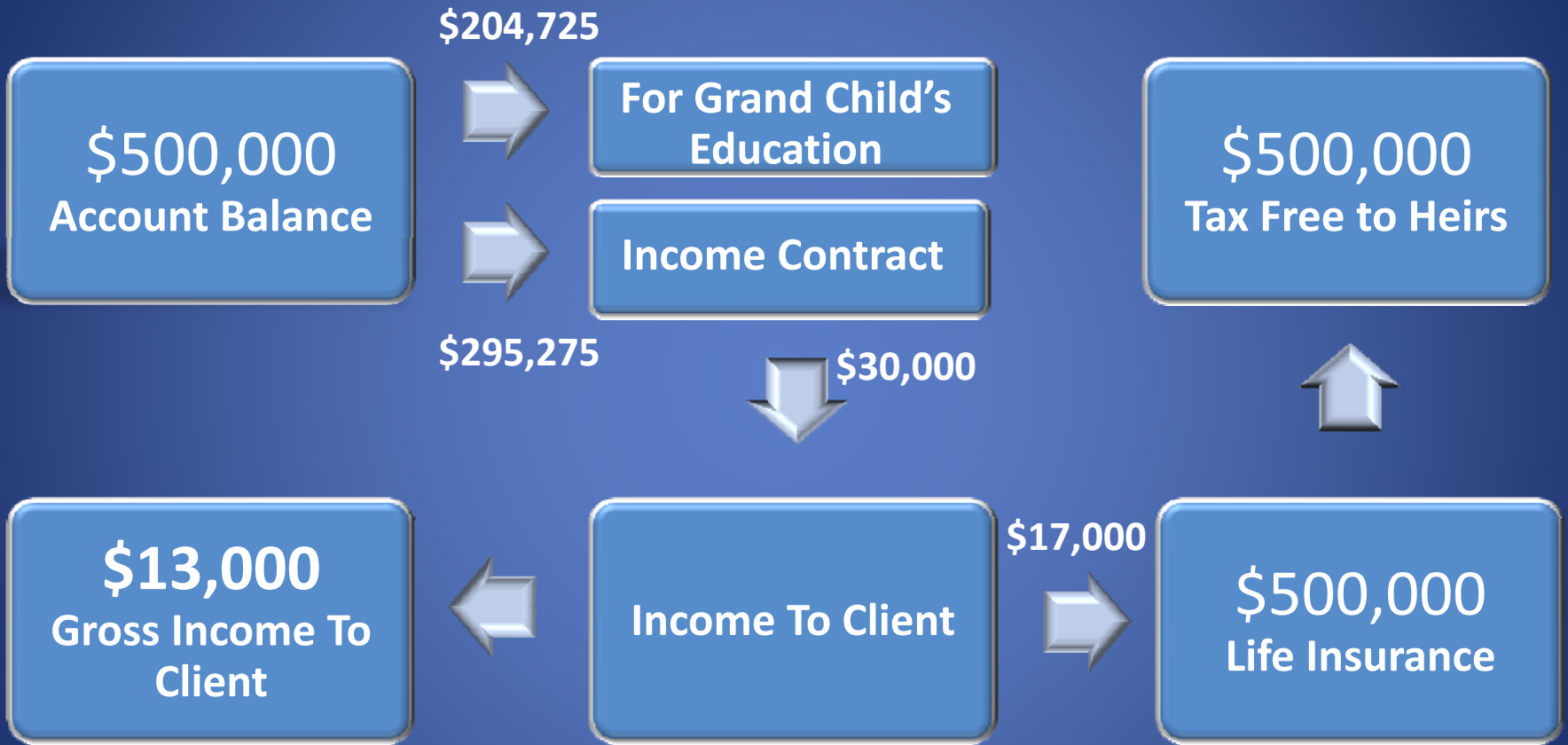
Assumptions: 70 Year Old Male

Income Tax Rate: 25%
CD Interest Rate: 2%

Combined Asset Balance	\$500,000
Assumed Gross Income From Account Balance	\$10,000
Tax Due	\$2,500
Spendable Income	\$7,500

Client Goals

- **Fund Education for Grand Children**
- **Keep the Inheritance Intact for Heirs**
- **Maintain Current Income**



The Results

	BEFORE	AFTER
Assumed Account Balance	\$500,000	\$500,000
Tax Due	\$2,500	\$2,250
Insurance Premium	\$0	\$17,000
Spendable Income	\$7,500	\$10,750
Tax Advantage to Heirs	NO	YES
Grand Children Education Fund	\$0	\$204,725
Size of Inheritance	\$250,000	\$500,000

Assumptions: 70 Year Old Male, Income Tax Rate: 25%

The “Before” CD Interest Rate: 2%, Tax Exclusion Ratio: 70%

Assumed Combined Estate Tax Liability of 50%