

IRA Arbitrage

**TAXES DUE ON IRA'S OR OTHER
RETIREMENT PLANS BASED ON THE
PRESENTLY SCHEDULED ESTATE TAX
RATE OF ESTATES OVER \$3.5 MILLION***

Estate Tax	45%
IRD Tax	19%

***Currently repealed, pending legislation.**

If a 70 year old male decides to keep his current IRA, lives another 20 years, and receives a 5% fixed rate of return – here's what his heirs might receive upon his death.

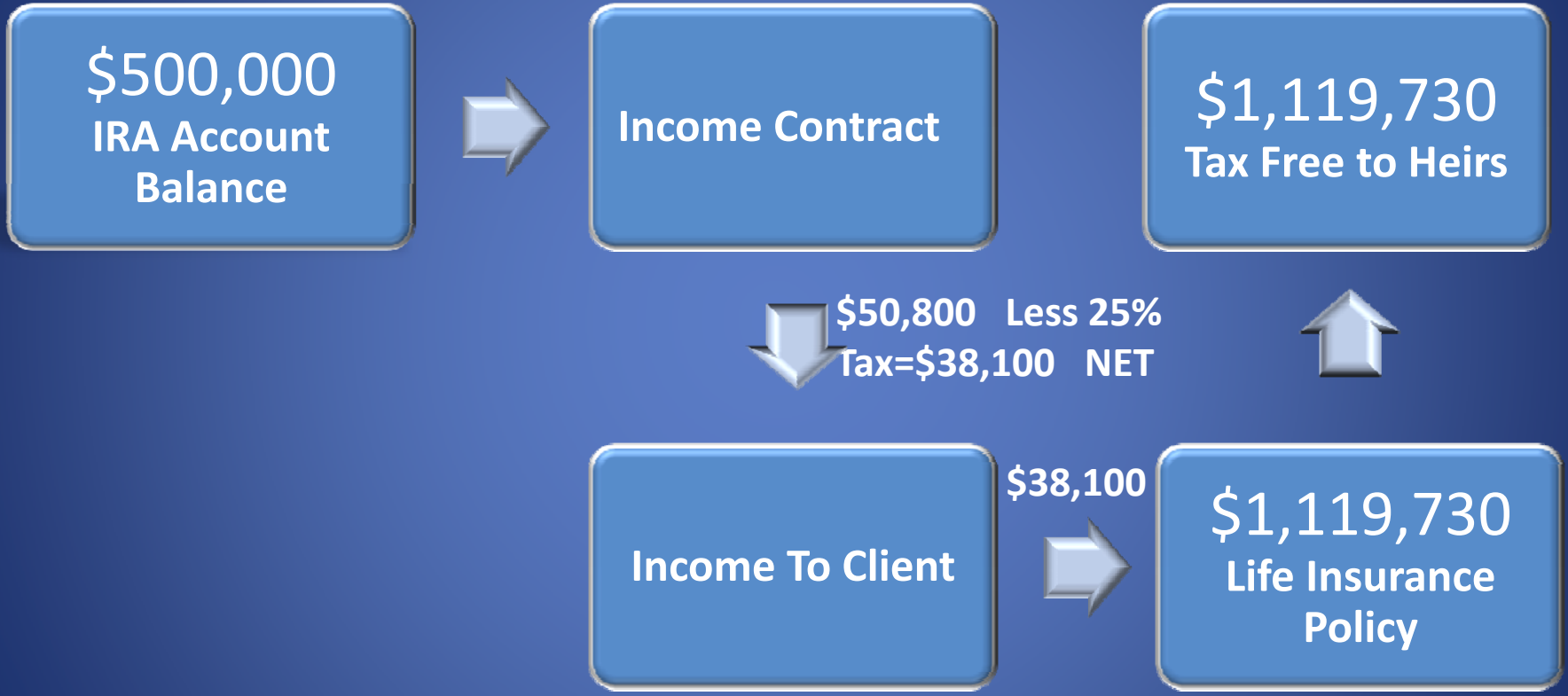


(This is a hypothetical illustration and does not represent any specific product.)

Instead of passing a potential IRA Tax along to your heirs, there is an option that may be used to more tax-efficiently pass the value of your IRA to your heirs.

Client Goals

- **Does Not Need Income**
- **Maximize Inheritance For Heirs**
- **Reduce Taxes Paid**



The Results

	BEFORE	AFTER
Assumed Account Balance	\$500,000	\$500,000
Assumed Growth Rate	5% for 20 Years	
Account Balance – 20 Years	\$1,326,649	
Tax Advantage Inheritance to Heirs?	NO	YES
Size of Inheritance	\$464,327	\$1,119,730

Assumptions: 70 Year Old Male, Estate Tax Rate: 45%

IRD Tax Rate: 19%, Assumed Income Tax Rate: 25%