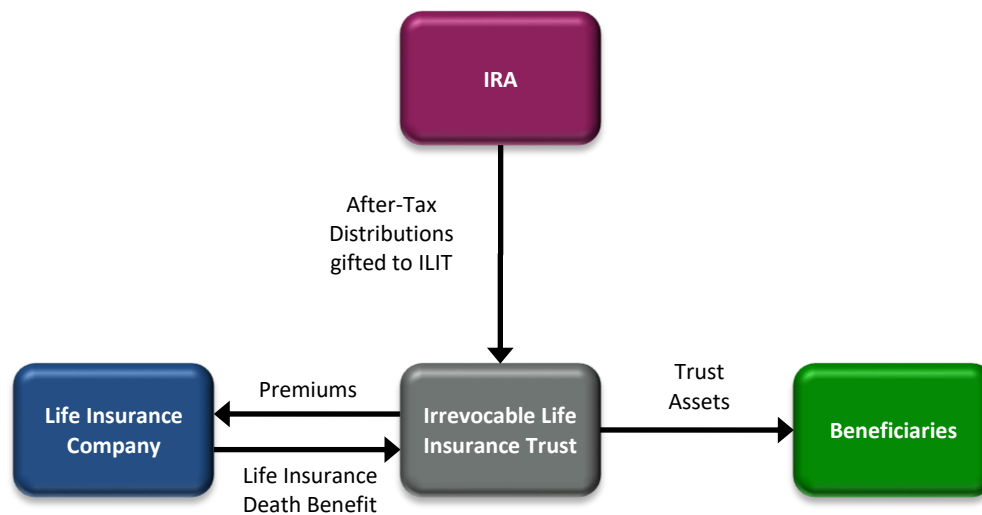


Capitas Financial: IRA Maximization

Strategy: A strategy designed to maximize the after-tax amount left to beneficiaries by using some, or all, of the after-tax distributions from an IRA that are no longer needed for income in order to maintain the current standard of living.

Qualified retirement plans such as 401(k)s and traditional IRAs are an excellent way to save for retirement. However, because these assets were not taxed during life, they can be taxed twice at death: by income taxes in respect of a decedent (IRD Taxes) and by estate taxes. Fortunately, there is a way to use qualified plan assets to help increase the amount of money left to beneficiaries.

How It Works



*Example shown for illustrative purposes.

Potential Advantages:

- Life insurance can increase the amount left to heirs.
- If properly structured, life insurance cash values grow tax deferred.
- If the life insurance is properly owned by an Irrevocable Life Insurance Trust (ILIT), the death benefit proceeds are generally income and estate tax-free.

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