

Which legacy would your clients rather leave?

Annuity Maximization Strategy

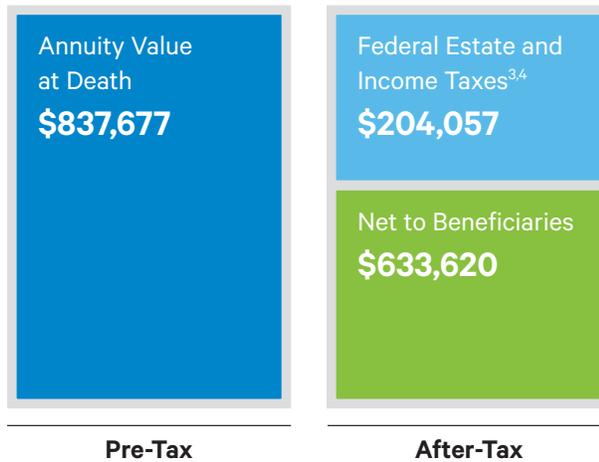
How annuity maximization works



The potential tax impact of annuities

In this hypothetical scenario, we assume a 70-year-old owns a nonqualified annuity currently valued at \$500,000. Assuming death occurs at age 85, this chart estimates how much the beneficiaries might receive if the assets are left in the annuity versus repositioning those assets inside an irrevocable life insurance trust (ILIT).⁴

Repositioning the \$500,000 nonqualified annuity assets to purchase life insurance inside an ILIT would potentially **give the beneficiaries 61% more** than if left in the annuity.



The Result:
The beneficiaries receive notably less than the annuity's value at death: **just 76%.**

Call us for an illustration and see how Symetra Protector IUL could potentially help your clients leave more to their beneficiaries.

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Guarantees and benefits are subject to the claims-paying ability of Symetra Life Insurance Company.

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Symetra reserves the right to add, modify or remove any index strategy or crediting method. If any index is discontinued or if the calculation of any index is changed substantially, Symetra reserves the right to substitute a comparable index.

An index does not include the payment or reinvestment of dividends in the calculation of its performance.

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¹ This scenario assumes a 70-year-old female annuitizes her \$500,000 nonqualified annuity contract. Electing the "life only" option provides annual, pre-tax income of \$35,952, which is guaranteed to continue as long as she lives (note: the amount shown is hypothetical and not based on a specific product). Annuity income consists of principal and interest and a portion of each payment will be income taxable at 32%. The taxable portion of the annuity is determined by the applicable annuity exclusion percentage. Excess annuity payments above the exclusion percentage are considered ordinary income. Annuity carriers offer specific rules and should be contacted for more information regarding distributions.

² The annual gift tax exclusion applies to gifts to each donee. In this scenario, we assume the owner has beneficiaries to whom she can gift up to \$15,000 per year, per recipient (2020). (Source: "What's New - Estate and Gift Tax." IRS, accessed January 2020: <https://www.irs.gov/businesses/small-businesses-self-employed/whats-new-estate-and-gift-tax>).

³ Based on the hypothetical client in this scenario, annual premiums of \$28,447 years 1-16 and \$24,447 year 17 and later will provide a \$1,022,541 death benefit (based on a 70-year-old female in the Symetra Protector IUL "Standard Plus Non-Nicotine" rate class). Illustrated at a 5% initial crediting rate, JPMorgan ETF Efficiente® 5 Index 1 year point-to-point Core Index strategy, current policy charges. Policy remains in-force to age 119 with a no-lapse guarantee benefit for 20 year or to age 89. Please check current index cap and participation rate information. The premium and death benefit shown are current as of March 2020, but subject to change without notice. Please check current index cap and participation rate information. Please check for current tax rate information based on the individual situation. A tax professional should be consulted.

⁴ Assumes the annuity's cost basis is \$200,000 (i.e., the after-tax premium payments not subject to federal income taxes). The \$837,677 value at death assumes the annuity grew at a hypothetical average annual interest rate of 3.5% over 15 years.

⁵ The applicable federal estate tax exemption amount (indexed for inflation) is \$11.58 million per individual in 2020. The estate tax is unified with the federal gift tax and generation-skipping transfer tax such that in 2020 the lifetime exemptions for the gift tax and generation-skipping transfer tax are \$11.58 million (indexed for inflation) and the maximum tax rate for both of these taxes will be 40%. (Source: "What's New—Estate and Gift Tax," IRS, accessed January 2020: <https://www.irs.gov/businesses/small-businesses-self-employed/whats-new-estate-and-gift-tax>). Please check for current rate information based on the individual situation. A tax professional should be consulted.

⁶ Assumes the annuity's proceeds (after estate taxes, if applicable) were paid as a lump sum to the beneficiaries, and, therefore, further reduced by income in Respect of a Decedent (IRD) by \$204,057 (based on each beneficiary's assumed federal income tax rate of 32%). (IRC Sec. 691[a]). A tax professional should be consulted for more information.



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