



REFINANCING
RETIREMENT

MAXIMIZING INHERITANCE BY CONVERTING A TRADITIONAL IRA

JEANETTE IS
INTERESTED IN
CONVERTING HER
TRADITIONAL IRA
INTO A LEGACY.

SHE ALSO HATES
THE IDEA OF RMDs
ERODING AN
INHERITANCE.

DO YOU SEE
HER AMONG
YOUR CLIENTS
& PROSPECTS?

THE JEANETTE STORY

“IS THERE A BETTER ALTERNATIVE?”

Jeanette attended a seminar about IRA conversions to benefit her heirs. She learned that a Roth conversion would provide tax-free proceeds and eliminate the need for RMDs.

With an IRA valued at \$177,000, the Roth conversion would leave \$138,000 tax-free to her two kids, projected to grow to \$253,000 in 10 years.

Seeking a better strategy, we proposed using a combination of life insurance and an annuity.

The client accepted the plan, using proceeds to fund the life insurance premiums.

After four years, the life insurance provides a tax-free death benefit of \$300,000 guaranteed, and the annuity had an account value of \$136,000, with a taxable death benefit of \$154,000.

This strategy significantly increased the inheritance for her sons, much of it tax-free.

THE PROFILE

JEANETTE (69)

- ✓ 2 adult children
- ✓ Traditional IRA worth \$177,000
- ✓ Wants to ensure her heirs receive the maximum possible inheritance
- ✓ Wants to avoid RMD complications

Jeanette is a fictional client based on consumer research.

JEANETTE'S STORY IS JUST ONE EXAMPLE OF AN "IRA TO LIFE" CONCEPT. THERE ARE MANY WAYS TO CONVERT A TRADITIONAL IRA TO A LEGACY.

HERE ARE 3 EXAMPLES:

1

Clients can take the annual RMDs and use them to fund a life insurance policy by paying the premium every year.

2

Clients can move an IRA to an index annuity with an income rider and turn on guaranteed lifetime income and pay the premium for the life insurance policy from the income of the rider.

3

Clients can move their IRA to a period certain SPIA, (7-, 10-, 15-years) and do a shorter pay life policy.



TALKING WITH JEANETTE

Connect with clients on an emotional basis. Research shows financial professionals can better engage with clients by showing them they understand where they're coming from — starting with what they value and then explaining what solutions best fit their needs.

DISCOVERY QUESTIONS

- ✓ Are there any specific aspects of the Roth conversion strategy that appealed to you?
- ✓ How do you envision your financial situation evolving over the next 5 to 10 years?
- ✓ Can you tell me more about your family and your relationship with your heirs?
- ✓ Have you considered or are you aware of any strategies to minimize the tax burden on your estate?

THE APPROACH

- ✓ Acknowledge their results so far & optimistic aspirations for the road ahead.
- ✓ Focus on the benefits of an annuity review & potential outcomes.
- ✓ Conduct a portfolio review through the lens of retirement income. Discussion should address preparedness for adversity along the way & options for risk mitigation.
- ✓ Discuss changes in personal circumstances or goals that might affect their retirement strategy.

EVERY CLIENT SITUATION IS DIFFERENT. CONSULT WITH YOUR DMI VICE PRESIDENT FOR YOUR CLIENT'S BEST OPTIONS.

