

**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.

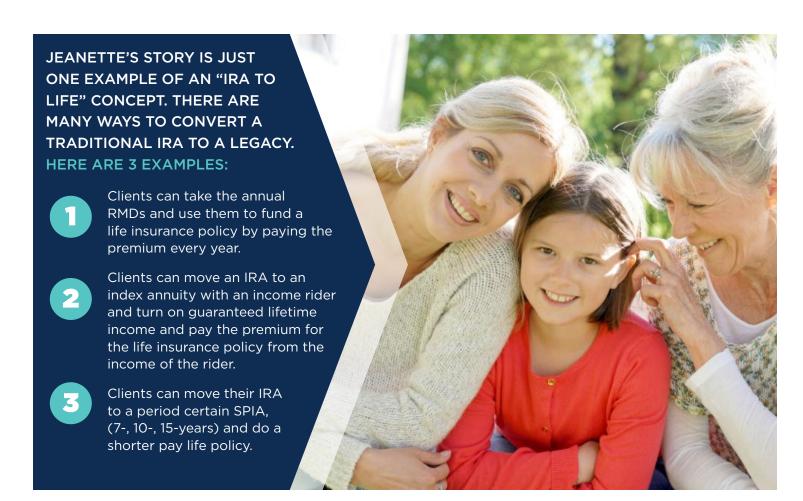
This strategy significantly increased the inheritance for her sons, much of it tax-free.

#### 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.



# 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.

