Qualified Client Case Study

A common assumption among those who have assets in qualified accounts is that they actually own them all. Because these funds are 100% taxable a person may own only 60-70% of them. Uncle Sam owns the rest!!

Fortunately, there is an option. In the comparison below you can see that by cashing out the qualified account then putting the cash in a LegacyTree Foundation LegacyPlan the owner could receive almost $180,000 more over the term of 20 years than if they just paid taxes on the withdrawn money.

	IRS Option Complete Liquidation	5-Year Deferred 20-Year Term Certain LegacyPlan
Qualified Asset Amount	**$500,000**	**$500,000**
Income Tax Deduction	**N/A**	**$190,657**
Income Tax Savings	**N/A**	**$63,557**
Income Tax Owed Due to Qual Withdrawal	**$126,378**	**$62,821**
Less Cash for Tax Bill	**N/A**	**$75,000**
Asset Transferred to LTF	**N/A**	**$425,000**
Monthly Income	**N/A**	**$2,040**
Annual Income	**N/A**	**$24,477**
Total Income Payout	**$500,000**	**$489,540**
Total Benefit	**$373,622**	**$553,097**

- ✓ **No RMD penalties. Ever.**
- ✓ **Tax bill paid in full**
- ✓ **Income-tax deduction can be used to reduce client's Adjusted Gross Income (AGI) by up to <u>60%</u>, with a five-year carry forward.**
- ✓ **Client may recommend a charity(s) to receive an immediate grant of $20,000.**
- ✓ **Tax deduction noted is the amount in which client estate is reduced.**
- ✓ **Income to client or heirs is received in a tax-favored manner.**
- ✓ **Each year the tax-free Portion of the income increases.**
- ✓ **All LegacyPlans are insured by a highly-rated insurance company.**

This is an unaudited educational illustration only and is not intended to be legal, tax or financial advice. Only preselected factors have been presented; additional factors may affect the outcome. Consult your legal, tax or financial advisor about your specific situation. Payout rates and other variables are reflected at a specific time and are subject to change. Not all LTF LegacyPlans are available in all states.

LegacyTree Foundation is a 501(c)(3) non-profit organization established in 1999 and is not an insurance company, broker dealer, or financial institution. A LegacyPlan is a charitable planned giving transaction as outlined in the IRS code and is not an investment. This example is not a contract. It is an unaudited educational illustration only. It is not intended to be legal, tax or financial advice. Consult your legal, tax or financial advisor about your specific situation. The numbers in this example reflect payout rates and other variables at a specific time and are subject to change. Not all LTF LegacyPlans are available in all states.

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