

Qualified Funds for LTC

Asset Care Annuity Funding Whole Life

You probably know some clients who have IRAs, 401(k)s or 403(b) accounts.

Qualified dollars have their issues

- You can't avoid eventually paying taxes on pre-tax money that grows tax-deferred.
- Required Minimum Distributions (RMDs): Money needs to be taken out beginning at 72, whether your client wants it or not.
- When qualified money passes to heirs at death, it is taxed at the heir's current tax rate.

Our solution

- Reposition qualified money into Asset Care Annuity Funding Whole Life via direct transfer or rollover.
- The income base is credited with up to a 20% bonus.
- Annual distributions fund a 10-pay whole life policy that can be used for qualifying long-term care.
- LTC benefits can be payable for the lifetime of both insureds.
- The death benefit passes to heirs at death generally tax-free.

Even better

- Qualified money is reserved for LTC expenses — no need for your clients to deplete their portfolios at an inopportune time.
- Cover both spouses using one qualified account with no ownership issues.
- Annual distributions over 10 years count toward satisfying RMDs.
- Death benefit can help offset taxes owed on other legacy funds left to heirs.

Contact the OneAmerica sales desk or your back office to learn more about using qualified funds to help your clients pay for long-term care.

Note: If you were age of 70 ½ before or on December 31, 2019 you must begin or continue withdrawing the required minimum distribution annually. If you turn 70 ½ on or after January 1, 2020 the age at which you must begin withdrawing required minimum distributions has been increased to age 72.

As of
2019

Over 100 million

Number of Americans that participate in defined-contribution plans

\$7.5 trillion.¹

Total assets in defined-contribution plans

1. How America Saves 2019, Vanguard, <https://institutional.vanguard.com/iam/pdf/HAS2019.pdf>

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