



Global Atlantic
FINANCIAL GROUP



TAX-READY RETIREMENT

Complement your retirement assets

If you're saving for retirement, you are most likely accumulating dollars in one or more of the assets (buckets) on the following page. It's important to consider how long you may need this money to last. Today, a male and female in good health who reach age 65 can expect to live to age 84 and 86, respectively.¹ Keep in mind those are just averages. One in four 65 year-olds today will live past age 90.² Making the most of your retirement savings is important to maintaining your standard of living throughout retirement. Your money needs to keep working for you even when you no longer can.

One factor that can significantly impact the amount of money you have available in retirement is taxes.³ Each of the buckets on the following page treats taxes a little differently. Here we'll take a look at how your money is taxed at key ages before and after retirement.

The purpose of this material is to discuss the value and versatility of permanent cash value life insurance as a potential source of supplemental income to meet a variety of lifetime contingencies and needs. It is not intended to suggest that life insurance is necessarily superior to other assets designed to provide retirement income, nor is it intended to recommend the liquidation of existing retirement accounts in order to fund a life insurance policy. Rather, it is to suggest that life insurance can be used to complement and supplement traditional sources of retirement income.

Consider the impact taxes have on your Retirement

TAX PROVISION	SINGLE FILER	JOINT FILER	2021 TOP TAX RATES
Taxable Income	\$523,600+	\$628,300+	37%
Medicare payroll tax: additional surcharge	\$200,000	\$250,000	0.90%
Capital gains tax: long-term capital gains and dividends	\$445,850	\$501,600	20%
Unearned Income Medicare Contribution Tax (UIMCT):	\$200,000	\$250,000	3.8%
Standard deduction	\$12,550	\$25,100	
SALT deduction: state and local taxes	\$10,000	\$10,000	previously unlimited
Personal exemption	\$0 in 2021	\$0 in 2021	



Did You Know?

Social Security benefits could be taxed up to 85% if you exceed Modified Adjusted Gross Income (MAGI) limits.



Don't forget about Medicare Part B

Future Medicare premiums are also impacted by income. As income rises, so do Medicare premiums. Premiums can increase to \$504.90 per month for income above \$500,000 for single filers and above \$750,000 for joint filers.

¹ www.ssa.gov/planners/lifeexpectancy

² www.ssa.gov/planners/lifeexpectancy

³ www.letsmakeaplan.org. A reference list of tax changes.

Life insurance provides important death benefits for your family to replace income that would be lost upon your death. What you may not realize is that permanent life insurance, especially cash value life insurance, can provide an extra layer of versatility to complement the income you receive from traditional retirement assets.

Is life insurance right for you?

Talk to your life insurance agent today.

Benefits of Global Atlantic's Cash Value Life Insurance

- Income tax-free death benefit for your beneficiaries
- Tax-deferred growth on cash values
- Flexible source of supplemental income or emergency funds
- Suite of living benefits to provide additional funds in the event of:
 - Disability, critical, chronic or terminal illness.*
- Wellness for Life® Rider that provides cost of insurance reductions for practicing healthy habits.*

* Availability varies by state.



Life insurance distributions do not impact your:

- Income tax bracket⁴
- Medicare premiums
- Medicare surtax
- Social Security tax
- Capital gains tax
- MAGI

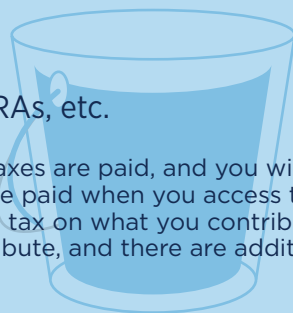
IMPORTANT TAX ASPECTS TO CONSIDER BEFORE AND DURING RETIREMENT

**PRIOR TO
AGE 59½**

Pre-Tax/Tax Deferred

401(k), pensions, traditional IRAs, etc.

Dollars are contributed BEFORE taxes are paid, and you will not pay taxes as the money grows. Taxes will need to be paid when you access these funds, ideally in retirement. Because you don't pay tax on what you contribute to this bucket, there are limits on how much you can contribute, and there are additional tax penalties if you withdraw the money prior to 59½.

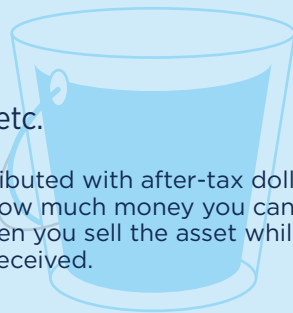


You pay ordinary income tax and a 10% penalty⁵ on withdrawals.

After-Tax/Taxable

Stocks, bonds, mutual funds, etc.

The assets in this bucket are contributed with after-tax dollars. Because taxes have been paid, there are no limits on how much money you can contribute to this bucket. Any appreciation will be taxed when you sell the asset while any dividends or interest will be taxed in the year they are received.



Taxes on growth are generally payable upon the sale of the asset; dividends or interest generally taxed in the year received at either ordinary income or capital gains rates.

After-Tax/Tax Deferred

Non-qualified annuities

The assets in this bucket are contributed with after-tax dollars. However, you will not pay taxes as the money grows.

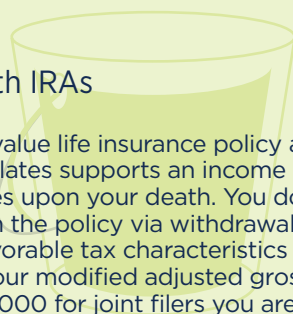


Withdrawals from deferred annuities are taxable to the extent of gain (earnings) on the contract at the time of the withdrawal and are subject to a 10% penalty. Withdrawals in excess of the gain in the contract are a non-taxable recovery of basis.

After-Tax/Tax Favored

Cash Value Life Insurance, Roth IRAs

The premiums you pay into a cash value life insurance policy are paid with AFTER-tax dollars. The cash value that accumulates supports an income tax-free death benefit that will be received by your beneficiaries upon your death. You do not pay tax on the growth of the cash value. Distributions from the policy via withdrawals and loans are generally not income taxable.⁴ Roth IRAs have favorable tax characteristics but also limits on how much can be contributed. In addition, if your modified adjusted gross income (MAGI) exceeds \$140,000 for single filers and \$208,000 for joint filers you are ineligible for a Roth IRA.



You can access cash values on a tax-favored basis without penalty. Withdrawals up to cost basis are non-taxable. Policy loans are non-taxable as long as the policy remains in force until death.⁴

⁴ Assumes the policy is not classified as a modified endowment contract (MEC) under IRCS7702A. Withdrawals in excess of cost basis (generally cumulative premiums paid minus any previous withdrawals) are taxable. Policy loans are generally non-taxable as long as the policy remains in force until death.

⁵ A 10% penalty is applicable for taxable withdrawals from qualified plan and IRA accounts before age 59½.

**AFTER
AGE 59½**

Any tax-deferred (pre-tax) assets become taxable at ordinary income tax rates.

Taxes on growth are generally payable upon the sale of the asset; dividends or interest generally taxed in the year received at either ordinary income or capital gains rates.

Withdrawals from deferred annuities are taxable to the extent of gain (earnings) on the contract at the time of the withdrawal. Withdrawals in excess of the gain in the contract are a non-taxable recovery of the basis. Upon annuitization, annuity payments received are partially taxable based upon the applicable "exclusion ratio."

You can access cash values on a tax-favored basis to supplement your retirement income. Withdrawals up to cost basis are non-taxable. Policy loans are non-taxable as long as the policy remains in force until death.⁴

AGE 62

If distributions cause you to exceed modified adjusted gross income (MAGI) limits, up to 85% of Social Security benefits are taxed.⁶

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If taxable distributions cause you to exceed MAGI limits, up to 85% of Social Security benefits are taxed.⁶

Non-taxable distributions from a life insurance policy DO NOT impact Social Security benefits.

AGE 65

Medicare Part B premiums could increase to \$504.90/month if MAGI exceeds limits.⁷

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No impact to Medicare Part B premiums.

AGE 72

Required to take minimum distributions from tax-deferred assets. This will increase your taxable income.

No Required Minimum Distributions.

No Required Minimum Distributions.

There are no Required Minimum Distributions for cash value life insurance and cash values can continue to accumulate.

⁶ MAGI above \$34,000 for single filers; above \$44,000 for joint filers.

⁷ MAGI above \$500,000 for single filers; above \$750,000 for joint filers.

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Global Atlantic Financial Group

Global Atlantic Financial Group, through its subsidiaries, offers a broad range of retirement, life and reinsurance products designed to help our customers address financial challenges with confidence. A variety of options help Americans customize a strategy to fulfill their protection, accumulation, income, wealth transfer and end-of-life needs.

Global Atlantic was founded at Goldman Sachs in 2004 and separated as an independent company in 2013. Its success is driven by a unique heritage that combines deep product and distribution knowledge with leading investment and risk management, alongside a strong financial foundation.

Life insurance is issued by Accordia Life and Annuity Company, 215 10th Street, Des Moines, Iowa.

The availability of cash value from the life insurance policy assumes that the policyholder has paid sufficient premiums over time to build cash value and received a certain amount of interest on the policy's account value. It's also important to understand that the cash value of a universal life policy supports the internal charges of the policy. If the cash value falls to a point where it cannot support policy charges, the policy may lapse and the policyholder could lose insurance coverage. It's always important to keep track of the policy's account value, especially if you expect to take out a policy loan. Outstanding loan amounts may be taxable upon lapse or surrender of the policy.

The material contained therein is for informational purposes only.

Neither the company nor its agents give legal or tax advice. You should always seek the opinion of your own legal or tax advisor prior to any transaction. Information presented is based on our understanding of current tax laws and regulations, which is subject to change. This material is not intended to be used and cannot be used to avoid tax penalties. It was prepared to support the promotion or marketing of the matter addressed in this document.

The intent of this piece is NOT to suggest liquidating retirement assets to fund a life insurance policy but to demonstrate how a permanent life insurance policy can serve as a versatile complement to other retirement assets and savings vehicles.

Global Atlantic Financial Group, through its subsidiaries, offers a broad range of retirement, life and reinsurance products designed to help our customers address financial challenges with confidence.

Wellness for Life® rider is not available in all states.

Endorsement form: ULWFL-E14.

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