National Life Group®

Legacy IRA Strategy

How to help optimize your legacy by increasing the wealth you pass on to your heirs

Under current tax law, money inherited through an Individual Retirement Account (IRA) or qualified plan may have earlier and higher tax consequences than ever before. This may result in a tax burden for your heir(s) that could take a significant cut out of your legacy. Leveraging taxable distributions from your IRA today to fund premiums on a permanent life insurance product could provide you with the opportunity to convert your IRA assets into an after-tax, and potentially larger, tax-free[1] inheritance for your heirs.

This strategy may work for you if:

- You are under 70 years old.
- You have IRA assets that you plan to leave to a child, grandchild or other non spousal heir.
- Your retirement income needs are fully met by other sources.
- You'd like to leave a more tax efficient legacy to your beneficiary.

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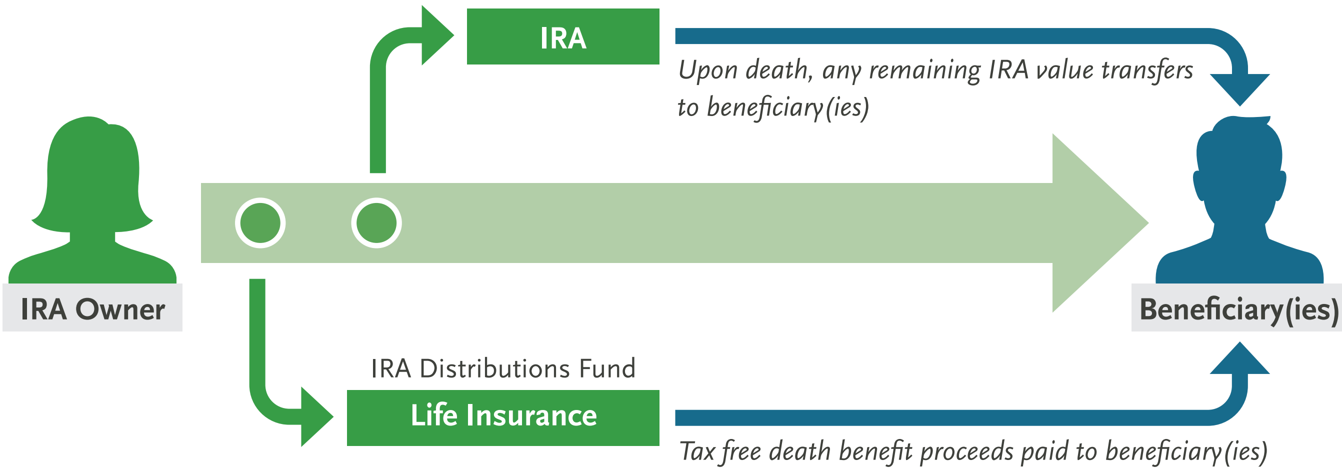
Legacy IRA Strategy Using Life Insurance



Leveraging IRA distributions to purchase a permanent life insurance policy can make your assets work even harder for you and your beneficiaries. In this scenario, distributions from an IRA or retirement account are used to fund a permanent life insurance policy to provide a tax-free legacy. What are the advantages of this strategy?

1. Life insurance death benefits are tax-free
2. Life insurance has no required distribution rules and is not subject to Required Minimum Distributions (RMDs)
3. The cash value of fixed and fixed indexed permanent life insurance policies is not subject to market risk.[2]
4. When you purchase a permanent policy from National Life Group, life insurance is more than just a death benefit; the policy comes with Living Benefits[3] and the potential to access cash value, if sufficiently funded, using policy loans and withdrawals[4]

How can you make sure your beneficiaries inherit money in the most efficient manner possible?

Speak to your National Life agent if you think this strategy could benefit you and your heirs.

1 Internal Revenue Code § 101(a)(1). There are some exceptions to this rule. Please consult a qualified tax professional for advice concerning your individual situation.

2 The “floor” provided by an indexed universal life insurance policy ensures that during crediting periods where the index is negative, that no less than 0% interest is credited to the index strategy. However, monthly deductions continue to be taken from the account value, including a monthly policy fee, monthly expense charge, cost of insurance charge, and applicable rider charges, regardless of interest crediting.

3 Living benefits are provided by riders, which are supplemental benefits that can be added to a life insurance policy and are not suitable unless you also have a need for life insurance. Riders are optional, may require additional premium and may not be available in all states or on all products.

4 Policy loans and withdrawals reduce the policy’s cash value and death benefit and may result in a taxable event. Surrender charges may reduce the policy's cash value in early years.