

QUALIFIED RESET: TRANSITION A TAX TIME BOMB INTO A TAX MIRACLE



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Qualified Plans are excellent for deferring taxes, however, those taxes eventually must get paid. With tax rates as high as 50%, pushing this liability too deep into retirement when you may need it most is a risky proposition. What if there was a way OUT of this future tax time bomb that required little or no out-of-pocket tax costs? Our "Retirement Reset" could very well be the answer.

CURRENT PLAN IRA with \$1,000,000, 7.13% growth (1.5% fees), Income after age 65

RETIREMENT RESET PLAN \$250,000 4-pay IUL, 7.13%, policy distributions "pay" Uncle Sam

Beginning of the Year Balance	IRA				Age	RETIREMENT RESET				
	Distribution	Tax	Net Distribution	Net to Beneficiaries		IRA Distribution	Tax Due (Paid by Policy Loan)	End of Year Cash Value	Net Distribution	Net to Beneficiaries
\$1,000,000	\$0	\$0	\$0	\$700,000	60	\$250,000		\$73,283	\$0	\$3,395,736
\$1,056,300	\$0	\$0	\$0	\$739,410	61	\$250,000	\$75,000	\$230,068	\$0	\$3,552,521
\$1,115,770	\$0	\$0	\$0	\$781,039	62	\$250,000	\$75,000	\$397,714	\$0	\$3,720,167
\$1,178,588	\$0	\$0	\$0	\$825,011	63	\$250,000	\$75,000	\$576,895	\$0	\$3,899,347
\$1,244,942	\$0	\$0	\$0	\$871,459	64	\$0	\$75,000	\$813,961	\$0	\$3,806,742
\$1,315,032	\$0	\$0	\$0	\$920,523	65	\$0	\$0	\$875,171	\$0	\$902,663
\$1,389,049	\$100,721	\$30,216	\$70,505	\$972,348	66	\$0	\$0	\$944,118	\$70,505	\$864,594
\$1,466,881	\$100,721	\$30,216	\$70,505	\$952,617	67	\$0	\$0	\$955,142	\$70,505	\$804,171
\$1,531,107	\$100,721	\$30,216	\$70,505	\$931,775	68	\$0	\$0	\$942,136	\$70,505	\$781,213
\$1,599,654	\$100,721	\$30,216	\$70,505	\$909,789	69	\$0	\$0	\$926,981	\$70,505	\$735,519
\$1,666,434	\$100,721	\$30,216	\$70,505	\$886,504	70	\$0	\$0	\$907,015	\$70,505	\$717,556
\$1,731,343	\$100,721	\$30,216	\$70,505	\$861,940	71	\$0	\$0	\$883,660	\$70,505	\$684,252
\$1,794,275	\$100,721	\$30,216	\$70,505	\$835,993	72	\$0	\$0	\$859,006	\$70,505	\$648,221
\$1,855,121	\$100,721	\$30,216	\$70,505	\$808,584	73	\$0	\$0	\$831,179	\$70,505	\$609,140
\$1,913,762	\$100,721	\$30,216	\$70,505	\$779,633	74	\$0	\$0	\$804,347	\$70,505	\$566,735
\$1,070,076	\$100,721	\$30,216	\$70,505	\$749,052	75	\$0	\$0	\$418,911	\$70,505	\$520,810
\$1,023,928	\$100,721	\$30,216	\$70,505	\$716,750	76	\$0	\$0	\$404,426	\$70,505	\$514,205
\$975,183	\$100,721	\$30,216	\$70,505	\$682,428	77	\$0	\$0	\$391,056	\$70,505	\$509,300
\$925,494	\$100,721	\$30,216	\$70,505	\$646,586	78	\$0	\$0	\$378,982	\$70,505	\$506,310
\$869,306	\$100,721	\$30,216	\$70,505	\$608,514	79	\$0	\$0	\$368,382	\$70,505	\$505,444
\$811,856	\$100,721	\$30,216	\$70,505	\$568,299	80	\$0	\$0	\$359,459	\$70,505	\$507,012
\$753,171	\$100,721	\$30,216	\$70,505	\$525,820	81	\$0	\$0	\$352,377	\$70,505	\$511,140
\$687,070	\$100,721	\$30,216	\$70,505	\$480,949	82	\$0	\$0	\$347,311	\$70,505	\$518,136
\$619,260	\$100,721	\$30,216	\$70,505	\$433,552	83	\$0	\$0	\$344,437	\$70,505	\$528,166
\$547,838	\$100,721	\$30,216	\$70,505	\$383,487	84	\$0	\$0	\$343,921	\$70,505	\$541,473
\$472,289	\$100,721	\$30,216	\$70,505	\$330,602	85	\$0	\$0	\$345,812	\$70,505	\$558,156
\$392,487	\$100,721	\$30,216	\$70,505	\$274,741	86	\$0	\$0	\$350,140	\$70,505	\$578,319
\$308,192	\$100,721	\$30,216	\$70,505	\$215,734	87	\$0	\$0	\$356,955	\$70,505	\$602,007
\$219,151	\$100,721	\$30,216	\$70,505	\$153,406	88	\$0	\$0	\$366,058	\$70,505	\$629,134
\$125,097	\$100,721	\$30,216	\$70,505	\$87,548	89	\$0	\$0	\$377,222	\$70,505	\$659,503
\$25,748	\$25,748	\$7,724	\$18,024	\$18,024	90	\$0	\$0	\$390,205	\$70,505	\$692,923
\$0	\$0	\$0	\$0	\$0	91	\$0	\$0	\$411,560	\$70,505	\$671,390
\$0	\$0	\$0	\$0	\$0	92	\$0	\$0	\$444,364	\$70,505	\$653,594
\$0	\$0	\$0	\$0	\$0	93	\$0	\$0	\$492,549	\$70,505	\$642,462
\$0	\$0	\$0	\$0	\$0	94	\$0	\$0	\$561,132	\$70,505	\$641,795
\$0	\$0	\$0	\$0	\$0	95	\$0	\$0	\$655,855	\$70,505	\$655,855
\$0	\$0	\$0	\$0	\$0	96	\$0	\$0	\$766,756	\$70,505	\$766,756
\$0	\$0	\$0	\$0	\$0	97	\$0	\$0	\$895,612	\$70,505	\$895,612
\$0	\$0	\$0	\$0	\$0	98	\$0	\$0	\$1,044,174	\$70,505	\$1,044,174
\$0	\$0	\$0	\$0	\$0	99	\$0	\$0	\$1,214,373	\$70,505	\$1,214,373
\$0	\$0	\$0	\$0	\$0	100	\$0	\$0	\$1,409,281	\$70,505	\$1,409,281
TOTAL	\$2,443,062	\$732,919	\$1,710,144				\$300,000		\$2,467,675	

SUMMARY:

- Total taxes incurred under Current Plan = \$732,919 vs \$300,000 (\$0 out of pocket) with Retirement Reset
- Total spendable income under Current Plan = \$1,710,144 vs \$2,467,675 with Retirement Reset
- Policy loans used to pay Uncle Sam continue to accumulate index credits
- Reset plan ends up similar to a ROTH Conversion but without the out-of-pocket costs
- Reset plan is guaranteed against market losses and "locks in" gains each year – unlike the IRA
- Reset plan income is essentially immune from tax hikes (Non-reportable income!)