



The WealthUSA Retirement Planning Solution

A Tax Free Benefit Plan





Learn how you can protect your family with a life insurance policy, **paying NO taxes when you retire** and how to be able to deduct the payment of your premiums from your company taxes.

“The WealthUSA Retirement Solution”



The WealthUSA Retirement Planning Solution

- A fully funded life insurance policy
- Payable in 5 to 8 years
- Premiums financed
- Interest paid by the policy owner or capitalized
- Loan paid off from the policy cash values
- Collateral (the difference between the loan balance and policy cash value must be 100% collateralized)
 - Stand By Letter of Credit
 - Cash or equivalent
 - Real Estate
 - Brokerage Account



Life Insurance Advantages

Life insurance is the only vehicle that accomplishes your goals. *Why?*

- Premiums could be deducted from your corporate taxes
- Cash values grow Tax-Free
- Cash values extractions could be Tax-Free
- Death benefit is free from Federal Estate Taxes (if properly arranged)
- Cash value is protected against any lawsuit



Leverage & Arbitrage

Leverage

Is an investment strategy of using borrowed money, "the use of other people's money"

Arbitrage

Arbitrage means the exchanging of one thing for another in order to take advantage of price differences in two markets, hence earning a profit.



Who Is Behind Our Plan?

- A 150 year old US company
- \$158 Billion in Assets

Ratings

- A.M. Best A+
- Standard & Poor's AA-
- Moody's A1
- Fitch A+



Who is Eligible?

- US citizens & Permanent residents
- Foreign nationals residing in the US or in their country of origin
- Premium financing available for high net worth individuals, professionals & business owners as an alternative to paying cash for large insurance premiums.
- Typical premium \$100,000 per year



Vehicles to Save for Retirement

- After Tax: Private savings accounts (CD)
- Tax - Deferred: Annuities
- Pre -Tax: Traditional IRA, Qualified Plans (401-k)
- Tax - Free: permanent life insurance, Roth IRA, municipal bonds



Client Male 52 Death Benefit \$10,000,000

	1 Year	5 Years	10 Years	20 Years	30 Years
Death Benefit	\$ 10,427,054	\$ 12,788,276	\$ 12,378,249	\$ 21,673,889	\$ 40,783,904
Premium Financed	\$ 601,458	\$ 3,007,290	\$ 4,811,664	\$ 4,811,664	\$ 4,811,664
Total Interest Cost	\$ 27,889	\$ 418,333	\$ 883,711	\$ 883,711	\$ 883,711
Collateral Required	\$ 414,389	\$ 446,942	\$ -	\$ -	\$ -
Outstanding Loan	\$ 601,458	\$ 3,007,290	\$ -	\$ -	\$ -
Cash Surrender Value	\$ 187,069	\$ 2,704,281	\$ 6,058,867	\$ 13,686,758	\$ 31,520,721
Accumulation Value	\$ 427,054	\$ 2,788,276	\$ 6,058,867	\$ 13,686,758	\$ 31,520,721



Premium Payments

- Premiums are paid in 5 to 8 years
- The premiums are financed by a loan
- The interest on the loan is paid by the client or it can be capitalized
- Loan is paid off from the 6th to the 10th year or in year 11
- The loan must be collateralized 100%. The collateral will be the cash value of the policy plus a standby letter of credit or any other liquid asset



Peace of Mind

Protect your family by creating an immediate patrimony Tax-Free when you die, and Tax-Free at retirement for the rest of your life.

WealthUSA can help you achieve all this and more!





Home Mortgage vs. Retirement Leverage

If families finance their biggest assets, such as their homes, and business people as well as professionals finance most of their working assets, **why not consider financing their biggest and most expensive need, RETIREMENT.**

We are all going to be retired for approximately 20 to 30 years, then why don't we consider financing our retirement?

WealthUSA gives you the opportunity to finance your retirement at a very low interest cost.

The next slide will show the advantages of financing your entire, or supplemental retirement during your lifetime, and at your death, the retirement benefits will be paid to your family.





Home Mortgage vs. Retirement Leverage

Home Mortgage

- Usually 30 years mortgage
- Interest & principal
- You may lose your home if you are unable to pay-off the mortgage
- Equity in your home cannot be used to pay the mortgage
- Equity cannot be used for retirement
- Market growth cannot be predicted

Leverage Retirement

- 5 to 8 years payments
- Interest only
- Interest can be capitalized
- Policy cash value could be used to pay off the loan
- Policy cash value could be used for retirement
- An index will be used to predict growth



Income Tax Savings

There is a big difference when you pay any kind of expenses or when you make an investment using non-tax \$Dollars versus using after tax \$Dollars.

For example: If you are buy a car for \$100,000 and you are on a 30% tax bracket, the real cost of would be \$142,857, but if your are using non-tax \$Dollars your cost would be \$100,000, a difference of \$42,857.

When you use the cash values of your policy, you are paying with non-tax \$Dollars and if you are on a 30% tax bracket you are saving over 42% in income taxes.



Estate Tax Savings

When you do your estate planning, the life insurance should always be an Irrevocable Life Insurance Trust (ILIT) as the owner and beneficiary of the policy. This will keep the policy proceeds out of the estate.

With a properly designed trust, you would be able to borrow from the trust (hence from the policy CSV). At the time of your death, the full amount of the loan will be deducted from the taxable estate.

Example: assuming that a deceased have a taxable estate, after deducting the Applicable Exclusion, of \$20,000,000 and he has \$15 Million in loans, the loans will be deducted from the taxable estate.

Results: \$20MM at 40% equals \$8 Million in estate tax vs \$5MM times 40% = \$2MM in estate taxes. A estate tax savings of \$6MM



Can You Qualify?

Yes, you can qualify!

Let us help you achieve your retirement goal, Tax-Free!

Oswaldo R. Morales,
JD, MSFS, ChFC, CLU
President & CEO
Cell: 786.282.8787
seminars@wealthusa.com

