

PROVIDE A LEGACY
THEY CAN LIVE WITH.



HERITAGE PROVIDER

LEAVE MORE FOR THE ONES YOU LOVE.

Heritage Provider is a combination single-premium immediate annuity (SPIA) and 10-pay whole life policy. This allows your clients to increase their estate without out-of-pocket expenses while decreasing their current tax situation, as well as the taxes their heirs would have to pay.

WHY HERITAGE PROVIDER?

Heritage Provider is for investments that incur large one-time tax consequences. For example, if you have a non-qualified annuity with a large gain, you or your heir may be pushed into a higher tax bracket. Heritage Provider allows you to avoid this scenario by spreading taxable income over the life of the annuity (up to 10 years).

FUNDING THE PLAN

The SPIA is typically funded with the transfer or rollover of a non-qualified deferred annuity or another qualified fund that's not necessary for your daily living expenses. This turns out to be a much better solution than either a CD or a Money Market.

ELIGIBILITY

Heritage Provider is offered for persons aged 50–80 (qualified funds) and persons age 50–85 (non-qualified funds) in premium amounts of \$5,000 and above.

ACCELERATED BENEFITS RIDER

There is an accelerated benefit rider available subject to qualifying medical and living conditions.

WILLIAM'S STORY

William, a 65-year-old male non-smoker will leave his grandson a \$75,000 non-qualified annuity and \$100,000 in CDs and money market funds. His annuity includes \$30,000 of gain, tax deferred. He receives a 1099 each year for the taxable income from the CDs and money market funds, but not receive annual 1099s with respect to the annuity. His grandson will be responsible for the income tax on the gain.

William did not need the annuity for living expenses and transferred it to the Heritage Provider, naming his grandson as beneficiary. The \$75,000 annuity converted to a policy worth \$116,986 – an immediate increase to his estate of \$41,986. William will receive annual 1099s for the SPIA payouts for the life of the annuity. Had he cashed the non-qualified annuity, he would have owed tax on the entire amount of the gain. Instead, his grandson will receive the full \$116,986 tax-free life insurance benefit.

AN REPRESENTATIVE FINANCIAL ESTATE

HERITAGE PROVIDER		PREVIOUS ESTATE	
Life Insurance	\$116,986	Non-Qual. Annuity (includes \$30,000 gain)	\$75,000
CDs, Money Market Funds	\$100,000	CDs, Money Market Funds	\$100,000
ESTATE AT DEATH	\$216,986	ESTATE AT DEATH	\$175,000

WILLIAM: 1099 on annual annuity payouts used to pay life insurance premiums.

GRANDSON: tax-free insurance benefits of \$116,986 from Heritage Provider.

WILLIAM: Annual 1099 on CDs and money market funds.

GRANDSON: May be responsible for income tax on \$30,000 gain.



INVESTORS HERITAGE

InvestorsHeritage.com

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Investors Heritage has operated since 1960 with the idea that people deserve respect, loyalty, and follow-through. As a result, we've offered the highest level of personable service paired with new technologies and new products to bring peace of mind, comfort, and dependability to our customers. It was a simple idea and the right idea that has stood the test of time.

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