

The 4 Levels Of Investment Planning

Tax Deductible Investing

401(k)
Traditional IRA / Participant IRA
Rollover IRA

(Recommended Level = Maximum Allowable)

Tax Deferred Investing

Roth IRA, Variable Annuities

Cash Value Life Insurance

529 Educational Savings Plans

(Recommended Level = Maximum Allowable For Goal & Objective)

Tax Favored Investing

Equity (Stock) Mutual Funds
Stocks, UIT's, ETP's, MLP's
Fixed Income (Bond) Mutual Funds
Corporate, Government and Municipal Bonds

(Recommended Level = \$25,000+)

Cash & Equivalents

Checking, Savings, Money Markets, Certificates of Deposit

(Recommended Level = 3 to 6 Months of Bills)

BLUE = Retirement & Educational Layers

RED = Liquidity Layers

Features And Benefits Of Each Level

- Tax deductible contributions.
- \$5,500 annual limit into an IRA (\$6,500 at age 50+)
- Principal and earnings grow tax-deferred until withdrawn.
- 10% IRS penalty for early withdrawal prior to 59 1/2
- Fully taxable upon distribution

- Contributions are not tax-deductible.
- Principal and earnings grow tax-deferred until withdrawn.
- \$5,500 annual limit into a Roth IRA (\$6,500 at age 50+)
- Unlimited contributions into Variable Annuity.
- \$14,000 annual limit per donor into 529 Plans.
- Earnings are taxable upon distribution.
- 10% IRS penalty for early withdrawal prior to 59 1/2 (earnings only).
(Earnings are taxable upon distribution except Roth IRA and 529 Plans.)

- Contributions are not tax-deductible.
- Unlimited contributions.
- No IRS penalty for early withdrawal.
- Taxable and tax-free dividend and capital gain income annually.
- Earnings are taxable upon redemption.
- Taxable interest, taxable dividends and capital gains are taxable when credited.

- Contributions are not tax-deductible.
- Unlimited contributions.
- No IRS penalty for withdrawal.
- Interest is taxable when credited.