

# TEMPEWICK

WEALTH MANAGEMENT

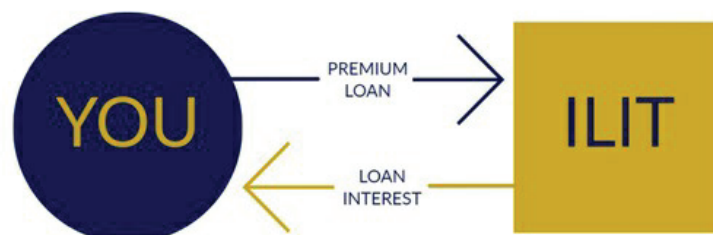


## HISTORIC ESTATE PLANNING OPPORTUNITY. IT'S TIME TO SEIZE THE DAY!

### STRIKE WHILE THE IRON IS HOT!

The May 2020 applicable Federal rates (AFRs) are at an all-time low. Now is the perfect time to use intra-family loans to purchase life insurance.

### How It Works



- You create an Irrevocable Life Insurance Trust to own the life insurance policy.
- You make a loan to the trust to pay for the insurance policy.
- The trust pays the AFR for Intra-Family loan.
- The trust pays the annual premium.
- At the end of the trust term, the trust returns the borrowed funds to you.
- The life insurance remains in the trust.

### Benefits For You

~~Gift Taxes~~ & ~~Estate Taxes~~

- No gift taxes apply to premium payments since the funds are loaned and not gifted.
- No estate taxes on the death benefit of the policy because the owner & beneficiary is the trust.
- Current low interest rates.
- No third-party loan approval process.
- No Collateral is required.

### Applicable Federal Rates for May 2020

May 2020 RATES				
	ANNUAL	SEMI-ANNUAL	QUARTERLY	MONTHLY
Short-Term	.25%	.25%	.25%	.25%
Mid-Term	.58%	.58%	.58%	.58%

The Section 7520\* rate is .8%.

## Applicable Federal Rates for May 2019

(12 Months Ago)

May 2019 RATES				
	ANNUAL	SEMI-ANNUAL	QUARTERLY	MONTHLY
Short-Term	2.39%	2.38%	2.37%	2.37%
Mid-Term	2.37%	2.36%	2.35%	2.35%
Long-Term	2.74%	2.72%	2.71%	2.70%

The Section 7520\* rate is 2.8%.

### 12-Month Change

- Short-Term AFR rate: **-89.5%**
- Mid-term AFR rate: **-75.5%**
- Long-Term AFR rate: **-58.0%**
- 7520 rate: **-71.4%**

[Full Details Here](#)



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WEALTH MANAGEMENT

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