Wealth Management Strategies

Why Leave Your Heirs A Liability
When You Can Leave
Them A Windfall?

Potentially Triple Your IRA in 5 Weeks

During the past 23 years, we have acquired many clients with an IRA account from which they take distributions only because they have to. Our typical successful retired persons have pension income, rental income, Social Security sufficient for their expenses, and no mortgage. They live well within their means, give generously to their church or favorite charity, and adore their grandchildren.

As well as they are doing, many such clients tell us that their adult children are struggling through a tough economy, with some having lost jobs, homes and even their marriages to the Great Recession. Many have spent what funds they had in their 401(k) and IRA, avoiding foreclosure, paying their attorneys, or just paying their rent and monthly expenses, while looking for new jobs that simply do not exist.

Their parents wish there was something they could do to restore those lost dollars, fearful that their children will never enjoy a retirement of their own some day. Happily, thanks to the leveraging power of “third party assets” – also referred to as OPM (other people’s money) there is great good that can come from small amounts of money for subsequent generations.

What if I told you that we could double, triple or, most likely, quadruple the money you now have in an IRA or emergency reserve account, in about five weeks, without market risk, income tax-free to your heirs? What if I also said you could maintain access to those funds with full liquidity and a guaranteed minimum yield of 3 percent interest?

It is called “indexed universal life insurance.” This policy can be funded in a lump sum, or systematically over multiple installments with IRA distributions, or even by repositioning an account the two of you have earmarked for emergencies. You can do this while retaining access to the money for cash, long-term care needs, or even charitable intent.

Best of all, the plan can be designed to maximize either the death benefit, or the cash value build-up (with yields in the 3 to 6 percent range and full liquidity), on either a single life if you need to leave money to your spouse or for even lower costs a second to- die basis.