



# *MAXIMIZING YOUR* **RETIREMENT BENEFITS**

Would you like to learn how to increase your net after-tax distribution, while reducing your taxes and increasing the deductible contribution to your retirement plan?

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## MAXIMIZING YOUR RETIREMENT BENEFITS

There are provisions in the IRS tax code that allow for incidental benefits to be provided by your business sponsored retirement plan. These benefits could include long-term care benefits, disability benefits, and even life insurance benefits. While your plan document needs to have provisions that allow these additional benefits to be provided, it would be worthwhile for you to check the terms of your document to make certain they are allowed.



For example, if you want to buy long-term care or disability policy with a premium of, let's say \$5,000 annually, assuming a 40% tax bracket, you first would have need to earn **\$8,000** so you can pay **\$3,000** in tax, allowing for **\$5,000** left over to make a premium payment. Over the span of a 30-year career, that's **\$90,000** in unnecessary taxes paid. If we were to earn interest on the amount paid, it is relatively simple to see how we could have accumulated an additional **\$250,000** to use towards retirement.

If we apply the same thought process to your life insurance and your disability insurance, this could be another **\$15,000** per year in unnecessary taxes on these financial instruments. This could add up and total close to **\$1,000,000** of additional saved assets for use in retirement that would otherwise be forfeited to unnecessary tax.

The informed consumer thinks about ways to be able to use opportunities in the tax code, not just be limited by the restrictions. Are you fully informed?