
S-T-R-E-T-C-H YOUR IRA



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Today's savvy investor can save his heirs thousands of dollars or more in estate taxes. How is this possible? Prior to recent changes in I.R.S. rules, our personal retirement plans were not conducive for any tangible long range planning. Thus, when an IRA owner died, the beneficiary – generally his or her spouse – inherited the asset. Upon the death of that spouse, estate taxes of up to 55 percent and income taxes as high as 40 percent combined to lower the IRA's original value by more than 70 percent before the inheritor saw a penny.

Enter the "Stretch IRA." Now, with proper planning you can keep your IRA growing tax-deferred, over not only your lifetime, and your spouse's but even your children's and potentially your grandchildren's lifetimes! With tax deferral intact, this strategy can turn a modest amount of money into millions over their lifetime. For retirees with plenty of income from other sources, the stretch IRA strategy extends their legacy while helping their heirs to avoid a taxation double-whammy.

The "Stretch IRA" can be used for IRA's, 403(b)'s, and 401(k)'s that are currently invested in banks, stocks, mutual funds or annuities. Three mistakes seniors make regarding these accounts are: (1) Giving their heirs a lump sum upon death-causing an unnecessary large tax bill; (2) Naming their Living Trust as the beneficiary – triggering the same large taxation and (3) Procrastinating – failing to plan ahead effectively to pass their wealth to their children.

One of the most important issues to note about "Stretch IRA" planning is that it is in your control and you can make changes as you wish. There is no downside for incorporating "Stretch IRA" planning in your financial plans, and the upside can provide ongoing income for your family for several generations.

The "Stretch IRA" is an excellent I.R.S. approved strategy to avoid large taxation and to preserve your wealth for you and your heirs, but implementation can be tricky. Proper selection of distribution choices and beneficiary designation is essential. You must have the proper documents and be in compliance with the I.R.S. Be sure to contact a qualified professional before making this important financial decision.

What do you want to leave to your heirs .. a large tax bill or a legacy?

For more information on how to properly "Stretch" your IRA and a Free Illustration contact LIFEGUARD FINANCIAL at (800) 942-1936.
