

ANNUITIES AND WEALTH TRANSFER— A GREAT MATCH

Annuities can play an important role in wealth transfer. They can be a bequest protected by death-benefit provisions and can even provide a lifetime income for beneficiaries through predetermined beneficiary provisions. Speak with your clients about these topics on leaving a legacy.

What is Your Legacy Goal?

The past several years have forced many people to develop some clarity about who and what is important to them. These years have also shown many how fleeting good health and life can be. Preparing for untimely occurrences and making sure that loved ones are covered in the event of passing or disability can help put a lot of folks at ease. Review life insurance and disability coverage options.

Review and Update Your Beneficiaries

New year, new life changes. Getting married, divorced, or having children or grandchildren are major changes and should prompt a beneficiary review. Ensuring that the proper beneficiaries are designated can help ease what would otherwise be an especially trying time after the death of a loved one. Review primary and contingent beneficiary designations.

What's Your Beneficiary Benefit?

Nonqualified annuity beneficiaries are not subject to the “10-year rule” like IRA designated beneficiaries are. This means they still can take lifetime distributions.

Are you concerned about who will receive the funds and how quickly they may be depleted? Utilizing the carrier’s predetermined beneficiary election, if available, can quash those concerns. These predetermined instructions can limit the ability of chosen beneficiaries to the elected distribution option.

For someone who is in a potentially compromised financial situation, it can spread the distribution over a greater number of years than a lump sum. Review current death benefits, determine how much is currently at risk if there is a market pullback, and if it makes sense to reestablish the death benefit value at current market highs.

Charitable Bequest

Use income in respect of a decedent (IRD) assets to fund charitable bequests. Most charities will not have to pay income tax on the gain portion of the payout.

Encourage clients to start the new year on a good foot. Reach out and have them review their annuity goals, and let them know that you want to make sure their financial plans accommodate their wealth-transfer plans.

[Additional Resources and Links](#)

[Wealth Transfer Strategies](#)

[Beneficiary Review Checklist](#)

[Managing Beneficiaries' Inheritances](#)

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