

How to Pay Less Than 1% Tax on Your Investment Income

This, as an advisor, a fact of which, as an advisor, you are very aware. However, I find too few advisors actually using it to their advantage.

How many of your prospects or clients would like to know how to pay less than 1% tax on their income?

At least a few?

You can use the phrase, “How to pay less than 1% tax on your income,” a few different ways:

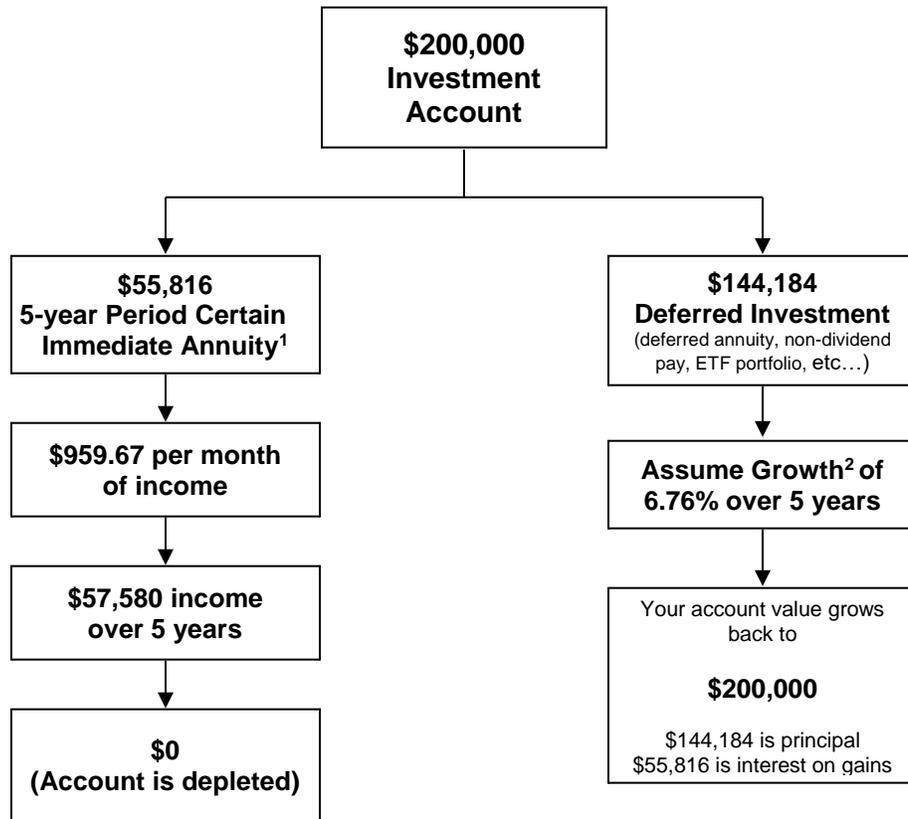
- As a bullet in your seminar invite
- In a letter to your clients to capture more assets
- In a letter to prospects to get them to come see you
- As a direct mail postcard to generate appointments
- As an “elevator speech” when someone asks what you do—“I help people pay less than 1% tax on their income.”

How DO you pay less than 1% tax on your income?

We are simply talking about ordinary investment income, not earned income. Most people simply pay the tax on this income.

Why not instead do a split investment plan with an immediate annuity and either a deferred annuity or a growth ETF? You will generate the same amount of income but slash the taxes owed.

We have included a flowchart that can better explain just how to do it.



This example provides \$11,516 per year in income

Due to the exclusion ratio (97%) for this example, you pay tax on only \$346 per year (the remaining \$11,170 is Return of Principal).

CALCULATION:

Excluded portion of income: $\$11,516 * 97\% = \$11,170$ (Return of Principal)

Taxable portion of income: $\$11,516 * 3\% = \346 (Interest)

At the 15% tax bracket, \$52 is owed in taxes, which is less than half of 1% on the investor's investment income or at the 25% tax bracket, \$87 is owed in taxes or still less than 1% tax on the investor's investment income.

CALCULATION:

15% Tax Bracket: $\$346 * .15 = \$52 / \$11,516 = 0.45\%$ tax on income

25% Tax Bracket: $\$346 * .25 = \$87 / \$11,516 = 0.76\%$ tax on income

¹For purposes of the hypothetical the following assumptions were used: 5-year period certain immediate annuity with Global Atlantic Financial Group with payments beginning 12/01/2017 and ending 11/01/2022. An assumed exclusion ratio of 97% is used in this hypothetical.

²Assumed rate of return for illustration purposes only. This return is not indicating a promise for return or performance of any product.

**Any Retired USPO Employee Can
Legally Pay Less Than 1% Tax
on Their Investment Income* ...**

(Are You Using This Little Used Loophole?)

*Call
me!*

*Based on US Treasury Reg. §1.72-5(d)

Having worked for the government for years you know that there are plenty of rules and regulations for everything. You also know that inside those regs are things that can sometimes save you a lot of money. Please call me and I'll walk you through this valuable information... no charge. xxx-xxxx

Hi <Name>,

My name is <agent name>. For years I've relied on the US Post Office for my business mailing thousands of pieces a year... so I've been keeping a close eye on all the happenings lately with the USPS. To put it plainly, I'm disgusted with the way you've been treated after all of your years of dedication to this country. Let me be at your service to pay you back for the years of service you have given me.

<Agent Signature>

Company Name

Agent Name

Address

City, State Zip

Phone

First Name Last Name

Address

City, State Zip