

# Corbin Lindsey

A Complete Advisor with over 18 years of experience with Insurance, Investments and Planning...



**BIRDSEYE FINANCIAL**

INSURANCE - INVESTMENTS - PLANNING

[www.birdseyefinancial.com](http://www.birdseyefinancial.com)

**360-722-7889**



- **Income Planning**
- Retirement Planning
- Asset Protection
- Estate Planning
- Wealth Transfer
- Tax Strategies
- **Annuities**
- **Pensions**
- **Social Security**
- **Safe Money**
- **Risk Investments**
- College Planning
- Health Insurance
- Disability Insurance
- Life Insurance
- **Medicare**
- Long-Term Care
- Final Expense

# How Did You Hear About JD Mellberg Financial



Working together for you!!!





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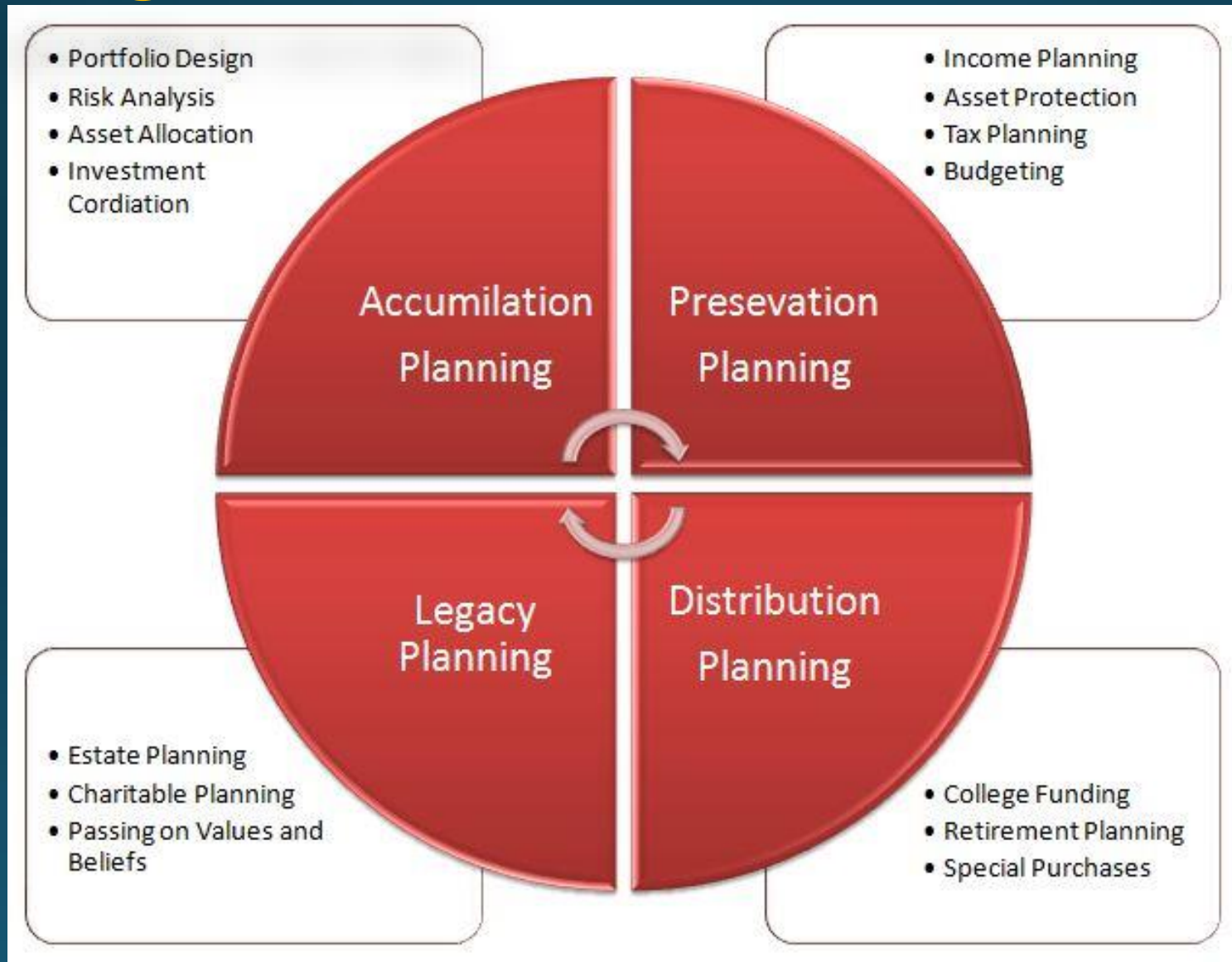
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**Strategy Planning**

# Stages of Life





# LIFE STAGES

## ACCUMULATION PHASE

## INCOME PHASE

Employed

Retired

Monthly Paycheck

Social Security and Pension

Save for Retirement

Supplement your Retirement

Tax Strategy  
(Taxed, Tax Deferred, Tax Free)

Taxation on Income  
(Ordinary, LTCG & Provisional)

**CONCERN:**  
Liquidity before 59 ½  
Save Enough???

**CONCERN:**  
Outliving your assets with age,  
Taxation, Inflation, & Medical

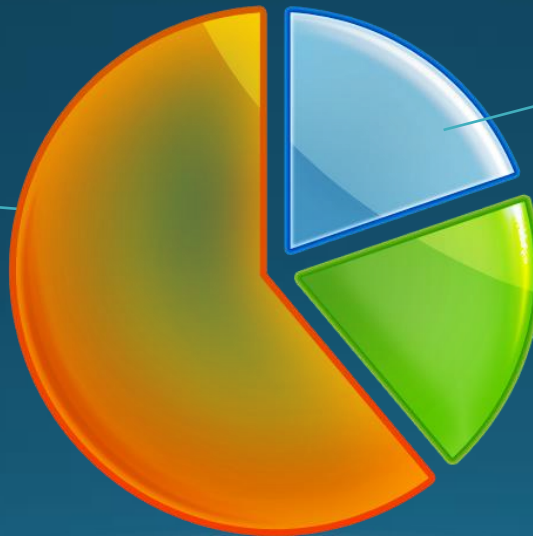
[Website Link](#)

# Accumulation Stage

Prior to Retirement we are in the Accumulation Stage of life where we have a job, save for retirement and can handle more of the volatility of the market

## Market Growth

Stocks, MF, ETF?  
For Inflation Hedge



Liquidity

## BOND OPTIONS

- Bond Funds
- Bond With Terms

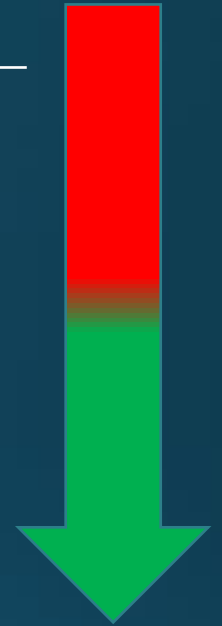
When 80 to 90% of your funds are exposed to the market during retirement  
This can increase the RISK to you in a down market. **We use the RULE of 100**

PLANNING FOR RETIREMENT:  
**THE RULE OF 100**

AGE = SAFE

100 – Age = RISK

| SAFE | RISK |
|------|------|
| 60   | 40   |
| 65   | 35   |
| 70   | 30   |
| 75   | 25   |
| 80   | 20   |



The older you are the  
safer your money  
should be!

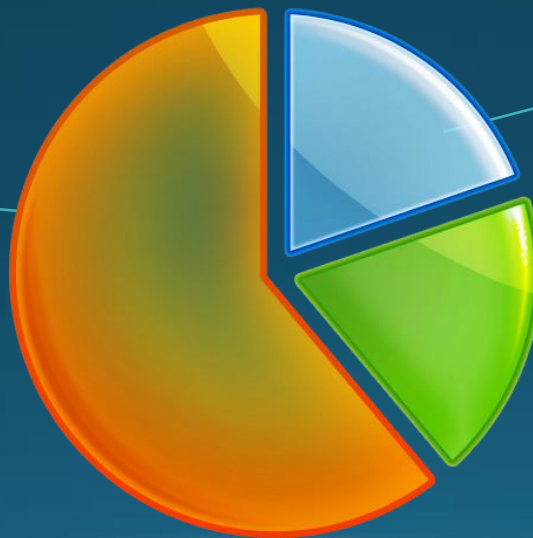
[Website Link](#)

# Income Planning Stage

During Retirement life changes as you now need to manage your nest egg and determine your budget, watch out for Market Risk, Fees, Taxes and Inflation

## Market Growth

Stocks, MF, ETF?  
For Inflation Hedge



Liquidity

## BOND OPTIONS

- Fixed Index Annuity

- No Risk / No Fees

Bond With Terms

When you have a two-strategy concept, you able to maximize the market  
And use the strategy of **BUY LOW** and **SELL HIGH** for your Income Needs



# Retirement Planning Strategies

## Three Bucket Concept

### Prioritize Your Buckets

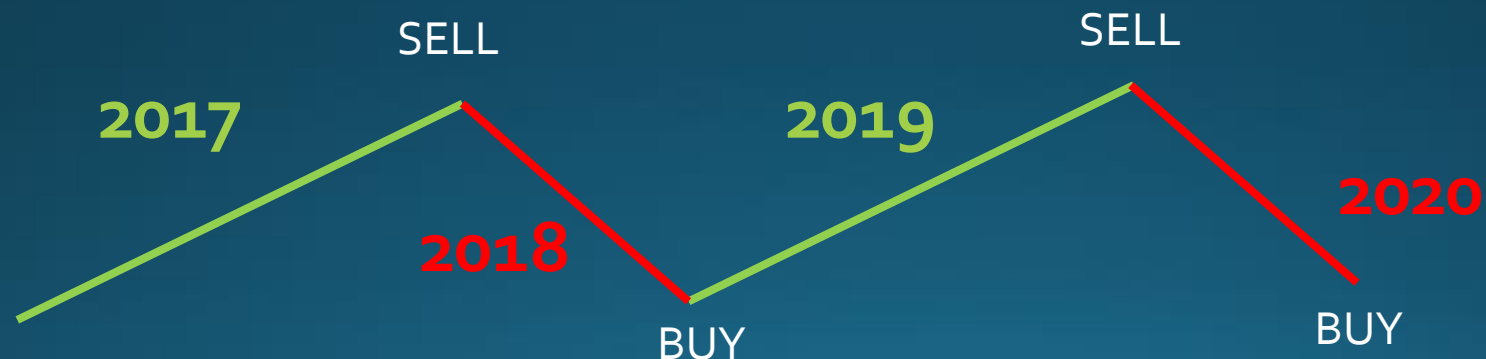


# Market Volatility Rules

Most everyone knows and perhaps has experienced the ups and downs of the stock market. **Do you know the two simple rules of Market Risk Investing?**

## Rules of the Market

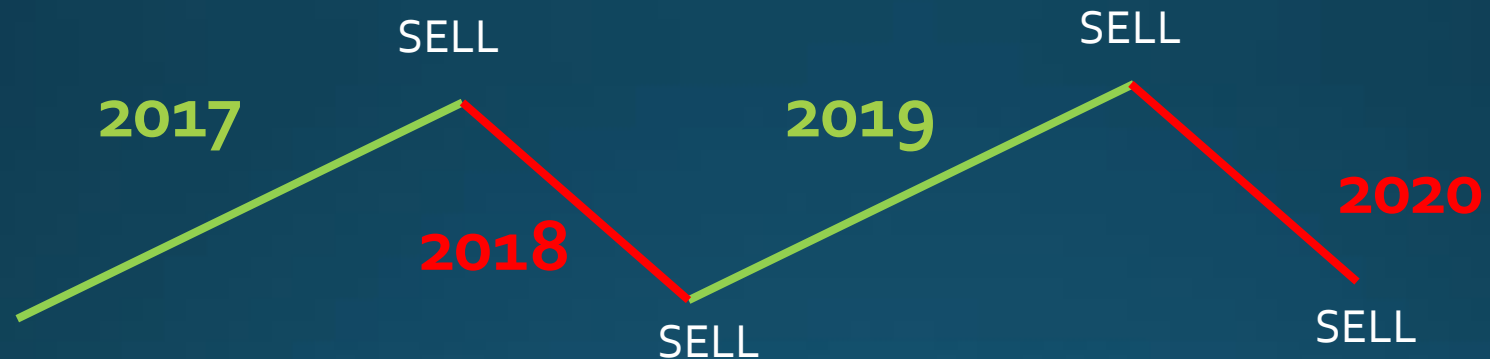
- **BUY LOW**
- **SELL HIGH**



**Are we using this strategy?**

# Market Volatility (Risk Only)

What happens if we do not follow these **TWO RULES** during retirement and need to take out money for living or RMD?



## Market Up

+10% Market Gains  
-5% Withdrawal  
**+5% Net Gain**

## Market Risk Investments

## Market DOWN

-10% Market Loss  
-5% Withdrawal  
**-15% Net Loss**

# Income Planning Strategy

What if you implemented a two-bucket strategy?

**RISK BUCKET** and **SAFE BUCKET**



## **RISK BUCKET**

+10% Market Gains  
-5% Withdrawal  
**+5% Net Gain**

**Risk Money**  
**Safe Money**  
**Options**

## **SAFE BUCKET**

~~-10% Market Loss~~  
-5% Withdrawal  
**-5% Net Loss**

# STRATEGY COMPAISON

## Market Up

+10% Market Gains  
-5% Withdrawal  
**+5% Net Gain**

## Market Risk Investments

## Market DOWN

-10% Market Loss  
-5% Withdrawal  
**-15% Net Loss**

## Which Strategy is Best?

## RISK BUCKET

+10% Market Gains  
-5% Withdrawal  
**+5% Net Gain**

## Risk Money Safe Money Options

## SAFE BUCKET

~~-10% Market Loss~~  
-5% Withdrawal  
**-5% Net Loss**



# Sequence of Returns

What happens if you take money out on a down market?

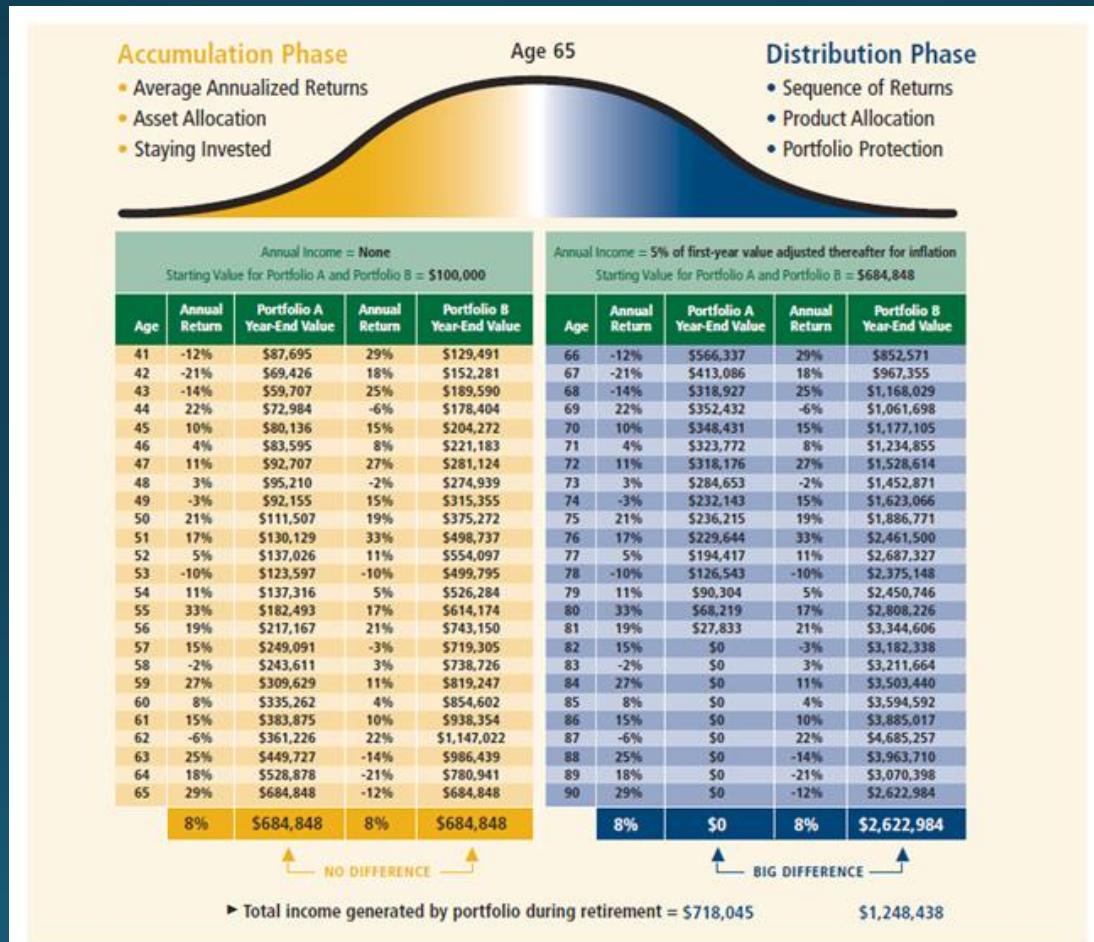
## Sequence of Returns Comparison

| Total |         |           | Total |      |         |         |
|-------|---------|-----------|-------|------|---------|---------|
| Year  | Return  | Balance   |       | Year | Return  | Balance |
| 1989  | 31.69%  | 1,266,900 | 1     | 2008 | -37.00% | 580,000 |
| 1990  | -3.11%  | 1,175,999 | 2     | 2007 | 5.49%   | 560,342 |
| 1991  | 30.47%  | 1,481,281 | 3     | 2006 | 15.79%  | 595,775 |
| 1992  | 7.62%   | 1,539,519 | 4     | 2005 | 4.91%   | 570,391 |
| 1993  | 10.08%  | 1,638,427 | 5     | 2004 | 10.88%  | 576,174 |
| 1994  | 1.32%   | 1,602,090 | 6     | 2003 | 28.68%  | 683,457 |
| 1995  | 37.58%  | 2,144,453 | 7     | 2002 | -22.10% | 472,711 |
| 1996  | 22.96%  | 2,575,326 | 8     | 2001 | -11.89% | 355,012 |
| 1997  | 33.36%  | 3,371,116 | 9     | 2000 | -9.11%  | 259,332 |
| 1998  | 28.58%  | 4,269,343 | 10    | 1999 | 21.04%  | 248,656 |
| 1999  | 21.04%  | 5,100,416 | 11    | 1998 | 28.58%  | 252,527 |
| 2000  | -9.11%  | 4,566,557 | 12    | 1997 | 33.36%  | 267,558 |
| 2001  | -11.89% | 3,952,305 | 13    | 1996 | 22.96%  | 257,701 |
| 2002  | -22.10% | 3,005,419 | 14    | 1995 | 37.58%  | 281,118 |
| 2003  | 28.68%  | 3,791,744 | 15    | 1994 | 1.32%   | 209,199 |
| 2004  | 10.88%  | 4,126,387 | 16    | 1993 | 10.08%  | 152,388 |
| 2005  | 4.91%   | 4,248,757 | 17    | 1992 | 7.62%   | 83,765  |
| 2006  | 15.79%  | 4,836,994 | 18    | 1991 | 30.47%  | 26,646  |
| 2007  | 5.49%   | 5,017,423 | 19    | 1990 | -3.11%  | 0       |
| 2008  | -37.00% | 3,073,301 | 20    | 1989 | 31.69%  | 0       |
| Avg:  | 10.36%  |           |       | Avg: | 10.36%  |         |

Starting value of \$1 million earning S&P 500 historic annual returns with annual withdrawals of \$50,000 indexed for 3% inflation. Past performance is no guarantee of future results.

# Sequence of Returns

What happens if you take out money on a bad market?



The sequence of returns has an average compounded annualized return of 8% over 25 years and year-to-year volatility that is consistent with a portfolio predominantly comprised of stocks. Annual returns have been rounded to the nearest whole number. The accumulation portfolios assume a starting value of \$100,000 at age 40 and no annual withdrawals. The distribution portfolios assume a starting value of either \$100,000 or \$684,848 at age 65 as well as a 5% first-year withdrawal thereafter adjusted for 3% inflation annually. Except where noted, the average annualized return for the 25-year period is 8%. Source: Standard & Poor's.

Source: John Hancock, Understanding How Returns and Withdrawals May Impact a Portfolio, 2006.

For illustrative purposes only.

Let's compare two  
portfolio's that made  
8% in two different  
markets

Portfolio A  
Started with a **DOWN** market

Portfolio B  
Started with an **UP** market

| Annual Income = None                                       |               |                            |               |                            |
|--|---------------|----------------------------|---------------|----------------------------|
| Starting Value for Portfolio A and Portfolio B = \$100,000 |               |                            |               |                            |
| Age  | Annual Return | Portfolio A Year-End Value | Annual Return | Portfolio B Year-End Value |
|  |               | \$87,695                   |               | \$129,491                  |
|  |               | \$69,426                   |               | \$152,281                  |
|  | -14%          | \$59,707                   |               | \$189,590                  |
| 44   | 22%           | \$72,987                   |               | \$178,404                  |
| 45   | 10%           | \$80,286                   | 15%           | \$204,272                  |
| 46   | 4%            | \$83,497                   | 8%            | \$221,183                  |
| 47   | 11%           | \$92,681                   | 27%           | \$281,124                  |
| 48   |               | \$85,210                   | -2%           | \$274,939                  |
| 49   |               | \$92,155                   | 15%           | \$315,355                  |
| 50   |               | \$111,507                  | 19%           | \$375,272                  |
| 51   | 17%           | \$130,129                  | 33%           | \$498,737                  |
| 52   | 5%            | \$137,026                  | 11%           | \$554,097                  |
| 53   | -10%          | \$123,597                  | -10%          | \$499,795                  |
| 54   | 11%           | \$137,316                  | 5%            | \$526,284                  |
| 55   | 33%           | \$182,493                  | 17%           | \$614,174                  |
| 56   | 19%           | \$217,167                  | 21%           | \$743,150                  |
| 57   | 15%           | \$249,091                  | -3%           | \$719,305                  |
| 58   | -2%           | \$243,611                  | 3%            | \$738,726                  |
| 59   | 27%           | \$309,629                  | 11%           | \$819,247                  |
| 60   | 8%            | \$335,262                  | 4%            | \$854,602                  |
| 61   | 15%           | \$383,875                  | 10%           | \$938,354                  |
| 62   | -6%           | \$361,226                  | 22%           | \$1,147,022                |
| 63   | 25%           | \$449,727                  | -14%          | \$986,439                  |
| 64   | 18%           | \$528,878                  | -21%          | \$780,941                  |
| 65   | 29%           | \$684,848                  | -12%          | \$684,848                  |
|  | 8%            | \$684,848                  | 8%            | \$684,848                  |
| NO DIFFERENCE  |               |                            |               |                            |



Let's compare two portfolio's that made 8% in two different markets

Portfolio A

Started with a **DOWN** market

With a 5% COLA Withdrawal

Portfolio B

Started with an **UP** market

With a 5% COLA Withdrawal

Annual Income = 5% of first-year value adjusted thereafter for inflation

Starting Value for Portfolio A and Portfolio B = \$684,848

| Age | Annual Return | Portfolio A Year-End Value | Annual Return | Portfolio B Year-End Value |
|-----|---------------|----------------------------|---------------|----------------------------|
|     |               | \$566,337                  |               | \$852,571                  |
|     |               | \$413,086                  |               | \$967,355                  |
|     | -14%          | \$318,927                  |               | \$1,168,029                |
| 69  | 22%           | \$352,417                  |               | \$1,061,698                |
| 70  | 10%           | \$318,927                  | 15%           | \$1,177,105                |
| 71  | 4%            | \$318,927                  | 8%            | \$1,234,855                |
| 72  | 11%           | \$318,927                  | 27%           | \$1,528,614                |
| 73  |               | \$284,653                  | -2%           | \$1,452,871                |
|     |               | \$232,143                  | 15%           | \$1,623,066                |
|     |               | \$236,215                  | 19%           | \$1,886,771                |
|     | 17%           | \$229,644                  | 33%           | \$2,461,500                |
| 77  | 5%            | \$194,417                  | 11%           | \$2,687,327                |
| 78  | -10%          | \$126,543                  | -10%          | \$2,375,148                |
| 79  | 11%           | \$90,304                   | 5%            | \$2,450,746                |
| 80  | 33%           | \$68,219                   | 17%           | \$2,808,226                |
| 81  | 19%           | \$27,833                   | 21%           | \$3,344,606                |
| 82  | 15%           | \$0                        | -3%           | \$3,182,338                |
| 83  | -2%           | \$0                        | 3%            | \$3,211,664                |
| 84  | 27%           | \$0                        | 11%           | \$3,503,440                |
| 85  | 8%            | \$0                        | 4%            | \$3,594,592                |
| 86  | 15%           | \$0                        | 10%           | \$3,885,017                |
| 87  | -6%           | \$0                        | 22%           | \$4,685,257                |
| 88  | 25%           | \$0                        | -14%          | \$3,963,710                |
| 89  | 18%           | \$0                        | -21%          | \$3,070,398                |
| 90  | 29%           | \$0                        | -12%          | \$2,622,984                |
|     | 8%            | \$0                        | 8%            | \$2,622,984                |

BIG DIFFERENCE

# Sequence of Returns

What a difference withdrawals can make...

## Accumulation Phase

- Average Annualized Returns
- Asset Allocation
- Staying Invested

Age 65

## Distribution Phase

- Sequence of Returns
- Product Allocation
- Portfolio Protection

Annual Income = None  
Starting Value for Portfolio A and Portfolio B = \$100,000

| Age | Annual Return | Portfolio A Year-End Value | Annual Return | Portfolio B Year-End Value |
|-----|---------------|----------------------------|---------------|----------------------------|
| 41  | -12%          | \$87,695                   | 29%           | \$129,491                  |
| 65  | 29%           | \$684,848                  | -12%          | \$684,848                  |
|     | 8%            | \$684,848                  | 8%            | \$684,848                  |

↑ NO DIFFERENCE ↑

Annual Income = 5% of first-year value adjusted thereafter for inflation  
Starting Value for Portfolio A and Portfolio B = \$684,848

| Age | Annual Return | Portfolio A Year-End Value | Annual Return | Portfolio B Year-End Value |
|-----|---------------|----------------------------|---------------|----------------------------|
| 66  | -12%          | \$566,337                  | 29%           | \$852,571                  |
| 90  | 29%           | \$0                        | -12%          | \$2,622,984                |
|     | 8%            | \$0                        | 8%            | \$2,622,984                |

↑ BIG DIFFERENCE ↑

► Total income generated by portfolio during retirement = \$718,045

\$1,248,438

The sequence of returns has an average compounded annualized return of 8% over 25 years and year-to-year volatility that is consistent with a portfolio predominantly comprised of stocks. Annual returns have been rounded to the nearest whole number. The accumulation portfolios assume a starting value of \$100,000 at age 40 and no annual withdrawals. The distribution portfolios assume a starting value of either \$100,000 or \$684,848 at age 65 as well as a 5% first-year withdrawal thereafter adjusted for 3% inflation annually. Except where noted, the average annualized return for the 25-year period is 8%. Source: Standard & Poor's.

Source: John Hancock, Understanding How Returns and Withdrawals May Impact a Portfolio, 2006.

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**RETIREMENT ANALYZER**

Planning starts with a plan

# Retirement Income Analysis



# Complete Our Forms...

## APPOINTMENT FORMS

### MARRIED CLIENT DATA FORM

#### Basic Information

##### Contact Information

|                  | Client         | Spouse         |
|------------------|----------------|----------------|
| First Name       |                |                |
| Last Name        |                |                |
| Birth Date       | ____/____/____ | ____/____/____ |
| Phone            | (    )    -    | (    )    -    |
| Email            |                |                |
| Street Address   |                |                |
| City, State, Zip |                |                |

#### Additional Information

##### Professional Contact Information

| Profession               | Name | Email Address | Telephone   |
|--------------------------|------|---------------|-------------|
| Accountant               |      |               | (    )    - |
| Estate Planning Attorney |      |               | (    )    - |

# Projected Income Funding...

Input

Output

Solutions

1. Income

2. Assets

3. Expenses

4. Tax

5. Pre-Retirement

6. Retirement

7. Life Insurance

8. Long Term Care

Retirement Asset Analysis

Balance At Retirement

\$307,000

\$528,523

Needed Balance At Retirement

\$835,523

Additional Funds

Difference

\$528,523

Needed Today

Retirement Funds Analysis

Red Line Solves

| Year | Client Age | Retirement Funds |
|------|------------|------------------|
| 2033 | 82         | \$115,951        |
| 2034 | 83         | \$78,645         |
| 2035 | 84         | \$37,110         |
| 2036 | 85         | \$0              |

Retirement Summary

☐ Reinvest Monthly Cash Flows
 ☐ Reinvest Annual Cash Flows
 

RMD Tracker

Account Tracker

| Year | George Age | Pension Income | Social Security Income | Monthly Cash Flows | Annual Cash Flows | Net Monthly Income | Net Monthly Expenses | Net Monthly Cash Flow | %       | Annuity Account Value | Retirement Funds |
|------|------------|----------------|------------------------|--------------------|-------------------|--------------------|----------------------|-----------------------|---------|-----------------------|------------------|
| 2027 | 76         | \$1,800        | \$1,803                | \$0                | \$0               | \$3,454            | \$4,990              | -\$1,535              | 5.03%   | \$0                   | \$263,997        |
| 2028 | 77         | \$1,800        | \$1,821                | \$0                | \$0               | \$3,471            | \$5,140              | -\$1,668              | 6.33%   | \$0                   | \$247,288        |
| 2029 | 78         | \$1,800        | \$1,839                | \$0                | \$0               | \$3,489            | \$5,294              | -\$1,804              | 7.94%   | \$0                   | \$227,653        |
| 2030 | 79         | \$1,800        | \$1,858                | \$0                | \$0               | \$3,507            | \$5,453              | -\$1,945              | 9.99%   | \$0                   | \$204,914        |
| 2031 | 80         | \$1,800        | \$1,876                | \$0                | \$0               | \$3,524            | \$5,616              | -\$2,091              | 12.72%  | \$0                   | \$178,857        |
| 2032 | 81         | \$1,800        | \$1,895                | \$0                | \$0               | \$3,543            | \$5,785              | -\$2,241              | 16.54%  | \$0                   | \$149,278        |
| 2033 | 82         | \$1,800        | \$1,914                | \$0                | \$0               | \$3,561            | \$5,959              | -\$2,397              | 22.33%  | \$0                   | \$115,951        |
| 2034 | 83         | \$1,800        | \$1,933                | \$0                | \$0               | \$3,579            | \$6,137              | -\$2,557              | 32.18%  | \$0                   | \$78,645         |
| 2035 | 84         | \$1,800        | \$1,952                | \$0                | \$0               | \$3,598            | \$6,321              | -\$2,722              | 52.82%  | \$0                   | \$37,110         |
| 2036 | 85         | \$1,800        | \$1,972                | \$0                | \$0               | \$3,617            | \$6,511              | -\$2,893              | 100.00% | \$0                   | \$0              |
| 2037 | 86         | \$1,800        | \$1,992                | \$0                | \$0               | \$3,636            | \$6,706              | -\$3,069              | 0.00%   | \$0                   | \$0              |

Budget Analysis

Retirement Funds

Income Analysis

Gap Analysis



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**INVESTMENTS**



# Rate of Return

Average

Actual

100,000  
+ 100%  
\$200,000  
- 100%  
0

0%  
Rate or Return

-100%  
Rate or Return

100,000  
- 50%  
\$ 50,000  
+ 25%  
\$ 62,500  
+ 25%  
\$ 78,125

0%  
Rate or Return

-24%  
Rate or Return

# What Fees Are You Paying?

| HOW FEES ARE CALCULATED   | COST   | Over 10 Years                                |
|---|--|--|
| <b>Mutual Funds</b> <ul style="list-style-type: none"> <li>Upfront Charge</li> <li>12 B1 Fees</li> <li>Management Fees</li> </ul>   | 5%<br>.5 to 1.5%<br>1 to 2%                  | -5% or higher<br>-10% Average<br>-10% to 20% |
| <b>Variable Annuity</b> <ul style="list-style-type: none"> <li>Policy Fees and Riders</li> </ul>  | 3-5% Avg                                     | -30% to 50%                                  |
| <b>Fixed Index Annuity</b> <ul style="list-style-type: none"> <li>Bonus</li> <li>Fees</li> <li>Spread / Caps / Participation<br/>(Cost not fees)</li> <li>Income Rider Guarantee Fee</li> </ul> | 0 to +3%<br>None<br>See Sample<br>1% Average | 0 to +3%<br>None<br>See Sample<br>-10%       |

\*\*\* This document is for educational purposes only. Some details may differ from company to company.

# Investments: Retail vs Institutional

## Retail Money

## Institutional Money

Brokers / Dealers

- Fee and Commissions

Money Managers

- Fee Based Only

Suitability Standards

- License - Series 6 or 7

Fiduciary Standard

- License Series 65

Passive Management

- (Buy and Hold, Rider it out!!!)

Active Management

- Capital Preservation

Mutual Fund, Stock, Bond, ETF

- 10% Cash / 90% Risk

Stock, Bond, ETF, MLP, REITS

- Cash Out Options

Management Fees 1 – 2%

- 80% Commission on Trades

Management Fees 1.75%

- No Commission on Trades

\*\*\* This document is for educational purposes only. Some details may differ from company to company.

[Website Link](#)

# Dimensional Funds

Click to save a picture to your desktop.

## The Solution: SIM Equity Funds

Dimensional Fund Advisor's knowledge,  
research, & performance



Powerful managed volatility solutions

**Market**  
Equity premium—stocks vs bonds

**Company Size**  
Small cap premium—small vs large companies

**Relative Price**  
Value premium—value vs growth companies

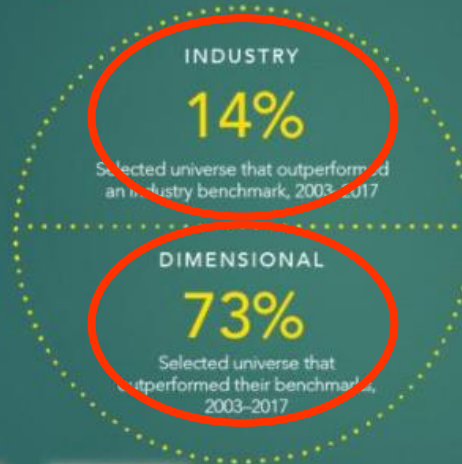
**Profitability**  
Profitability premium—high vs low profitability companies

**Term**  
Term premium—longer vs shorter maturity bonds

**Credit**  
Credit premium—lower vs higher credit quality bonds



**Dimensional**



Upside capture

**79%**

Downside capture

**52%**

Source: iShares USMV eff brochure.



EUGENE F. FAMA,  
Nobel laureate 2013



ROBERT MERTON,  
Nobel laureate 1997



MERTON MILLER,  
Nobel laureate 1990



MYRON SCHOLES,  
Nobel laureate 1997



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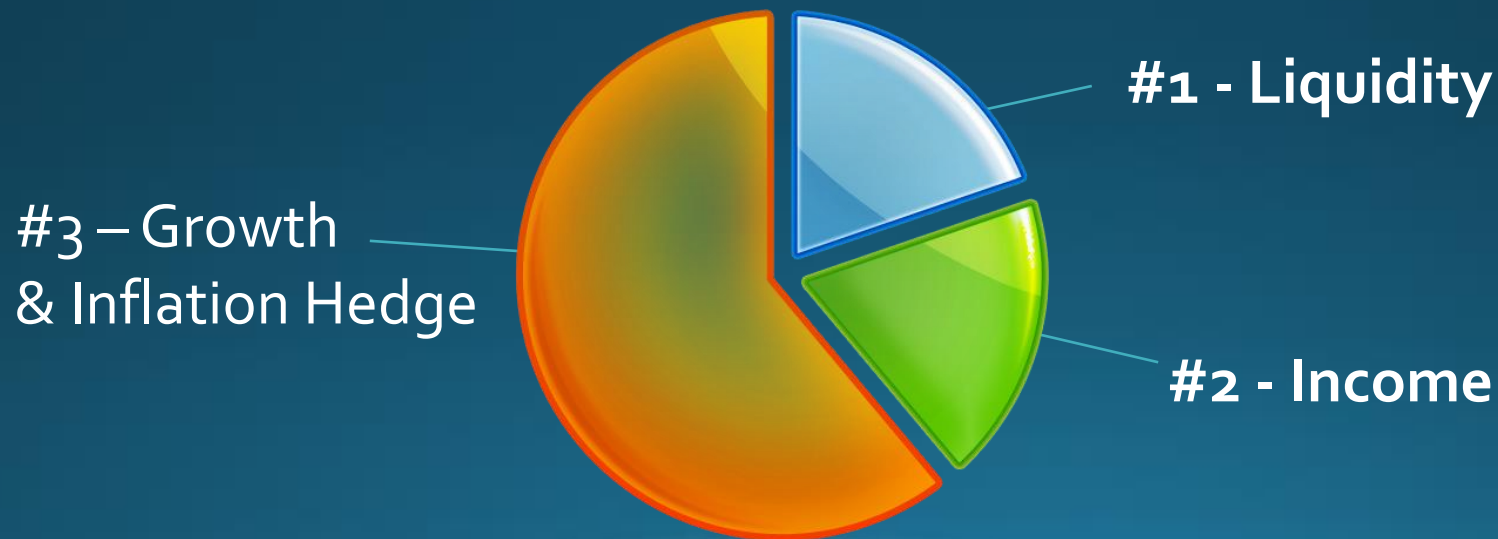
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**Income Planning**



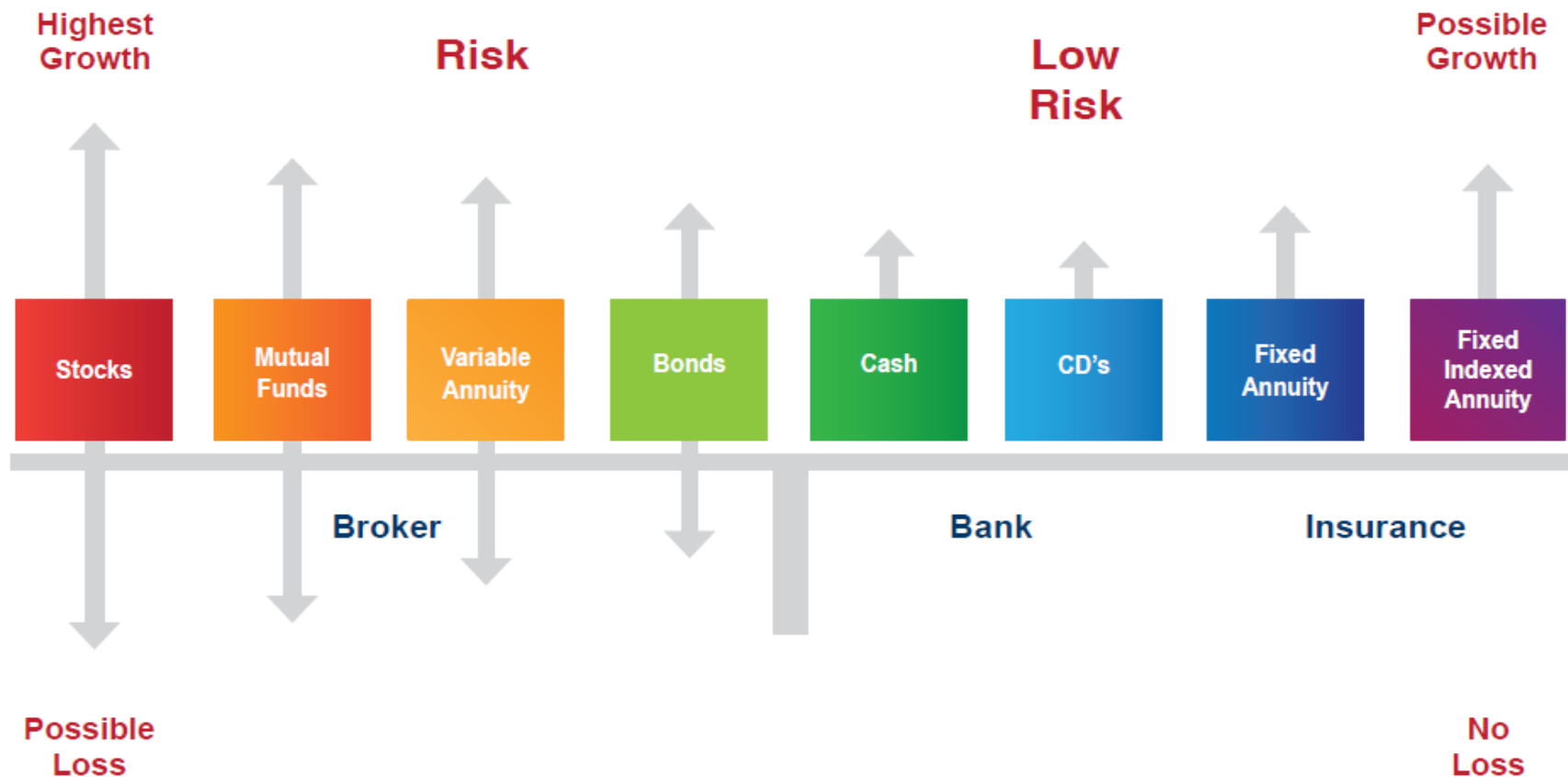
# Where an Annuity Fits Into Retirement

- As a **Portion** of one's portfolio
- Our Philosophy
  - **First solve for income:** Use Minimum Deposit for guaranteed income: **"Like a Pension"**
  - **Second solve for growth and inflation hedge**



# Investments vs Savings Products

## WHAT IS YOUR RISK TOLERANCE?



# WHAT IS SAFE MONEY

## 3 WAYS TO COMPLETELY PROTECT AGAINST LOSSES

---

FDIC 1-Year Rate

Treasury Bonds

Guaranteed Insurance Contracts

# How Safe is Your Money?

## BANK

- \$1 reserve - \$9 on loan
- Loans (House, Cars, Credit Cards)
- FDIC (Insured up to \$250,000)
- Federal Reserve (\$.15 per dollar)

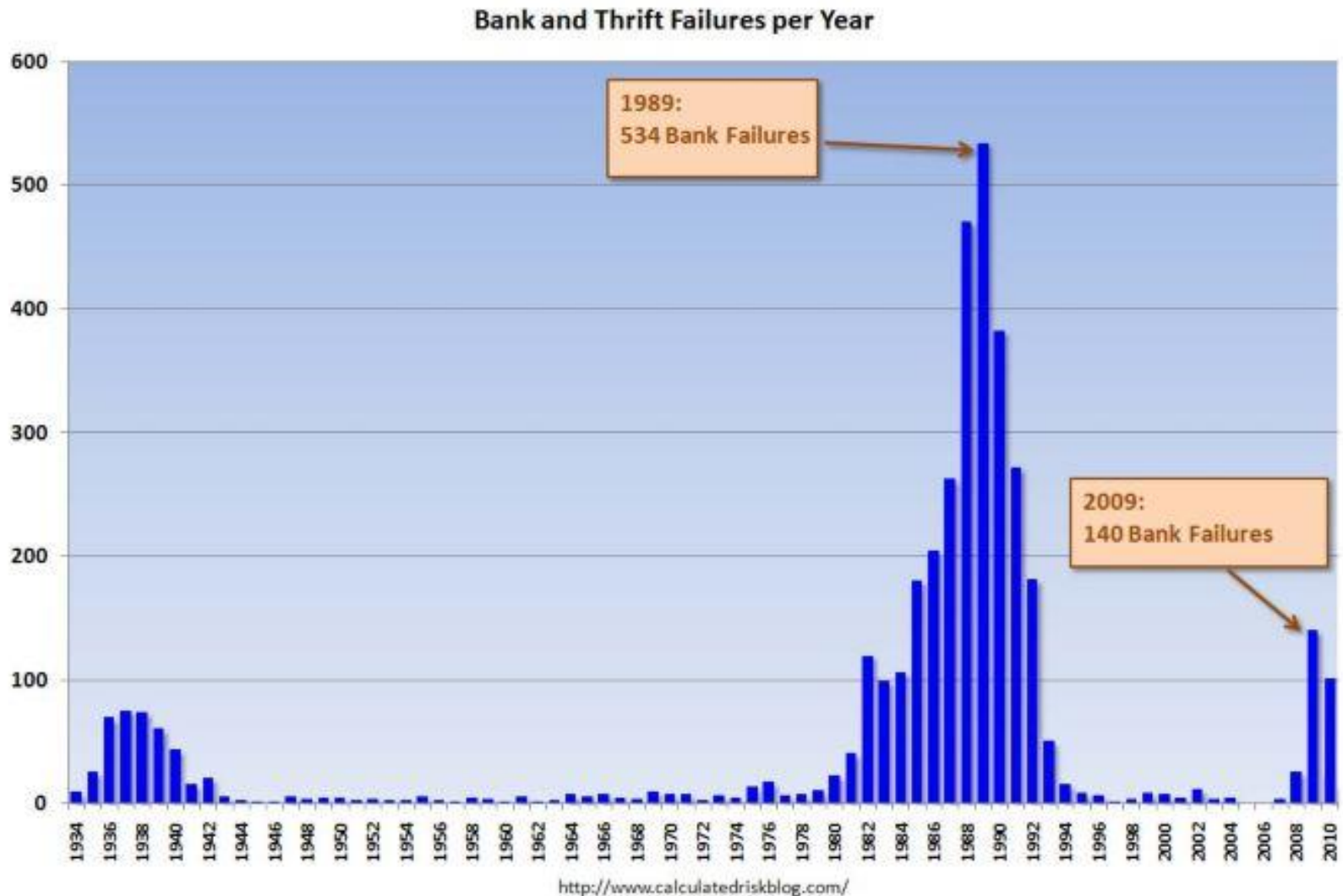


## Insurance Company

- \$1 for \$1 on reserve
- Long-Term Bonds
- Re-Insurers
- State Guarantee



# HOW SAFE IS FDIC?



Past performance is not indicative of future results. This commentary is not intended as investment advice or an investment recommendation it is solely the opinion of our investment managers at the time of writing. Nothing in this commentary should be construed as a solicitation to buy or sell securities.



# 1. Income Annuities

|                   | Fully guaranteed income or return.<br>Available at <a href="http://blueprintincome.com">blueprintincome.com</a> .   | Insurance/investment hybrid.<br>Not available at <a href="http://blueprintincome.com">blueprintincome.com</a> . |
|-------------------|---|---|
|                   | <b>Income Annuities</b>   |   |
| PURPOSE           | Income  |   |
| METHOD            | Annuitization   |   |
| GUARANTEE         | Lifetime monthly income   |   |
| UPSIDE POTENTIAL  | No  |   |
| Rate of Return*   | None  |   |
| VARIANTS / A.K.A. | <ul style="list-style-type: none"><li>• Single premium Immediate annuities (SPIAs)</li><li>• Deferred Income annuities (DIAs)</li><li>• Longevity annuities</li><li>• Qualified longevity annuity contracts (QLACs)</li></ul> |   |

## 2. Fixed Annuities

|                   | Fully guaranteed income or return.<br>Available at <a href="http://blueprintincome.com">blueprintincome.com</a> .   | Insurance/investment hybrid.<br>Not available at <a href="http://blueprintincome.com">blueprintincome.com</a> .   |
|-------------------|---|---|
|                   | Income Annuities  | Fixed Annuities   |
| PURPOSE           | Income  | Accumulation (building wealth)  |
| METHOD            | Annuitization   | Like a CD   |
| GUARANTEE         | Lifetime monthly income   | Fixed growth rate   |
| UPSIDE POTENTIAL  | No  | No  |
| Rate of Return*   | None  | 3-4%  |
| VARIANTS / A.K.A. | <ul style="list-style-type: none"><li>• Single premium Immediate annuities (SPIAs)</li><li>• Deferred Income annuities (DIAs)</li><li>• Longevity annuities</li><li>• Qualified longevity annuity contracts (QLACs)</li></ul> | <ul style="list-style-type: none"><li>• Multi-year guaranteed annuities (MYGAs)</li><li>• Fixed rate annuities</li><li>• Fixed deferred annuities</li></ul> |

# Fixed Annuities



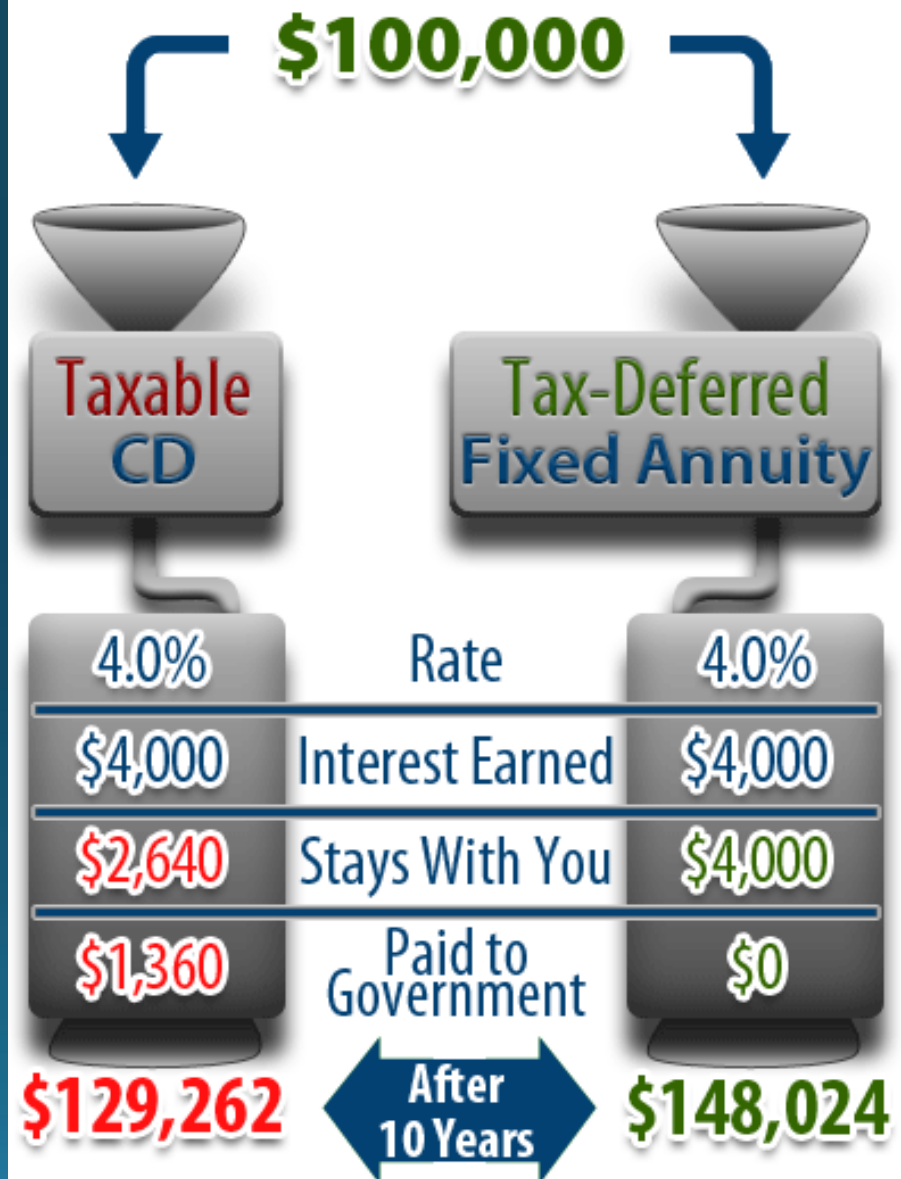
# Fixed Annuities

vs Bank CD's

## Fixed Annuities offer:

- Tax Deferred
  - Compound Interest
  - Bypass Probate
  - Higher Interest Rate
  - 10% Free Withdrawal\*
- \* These may vary between companies

Make more money with  
**Tax-Deferred Interest!**



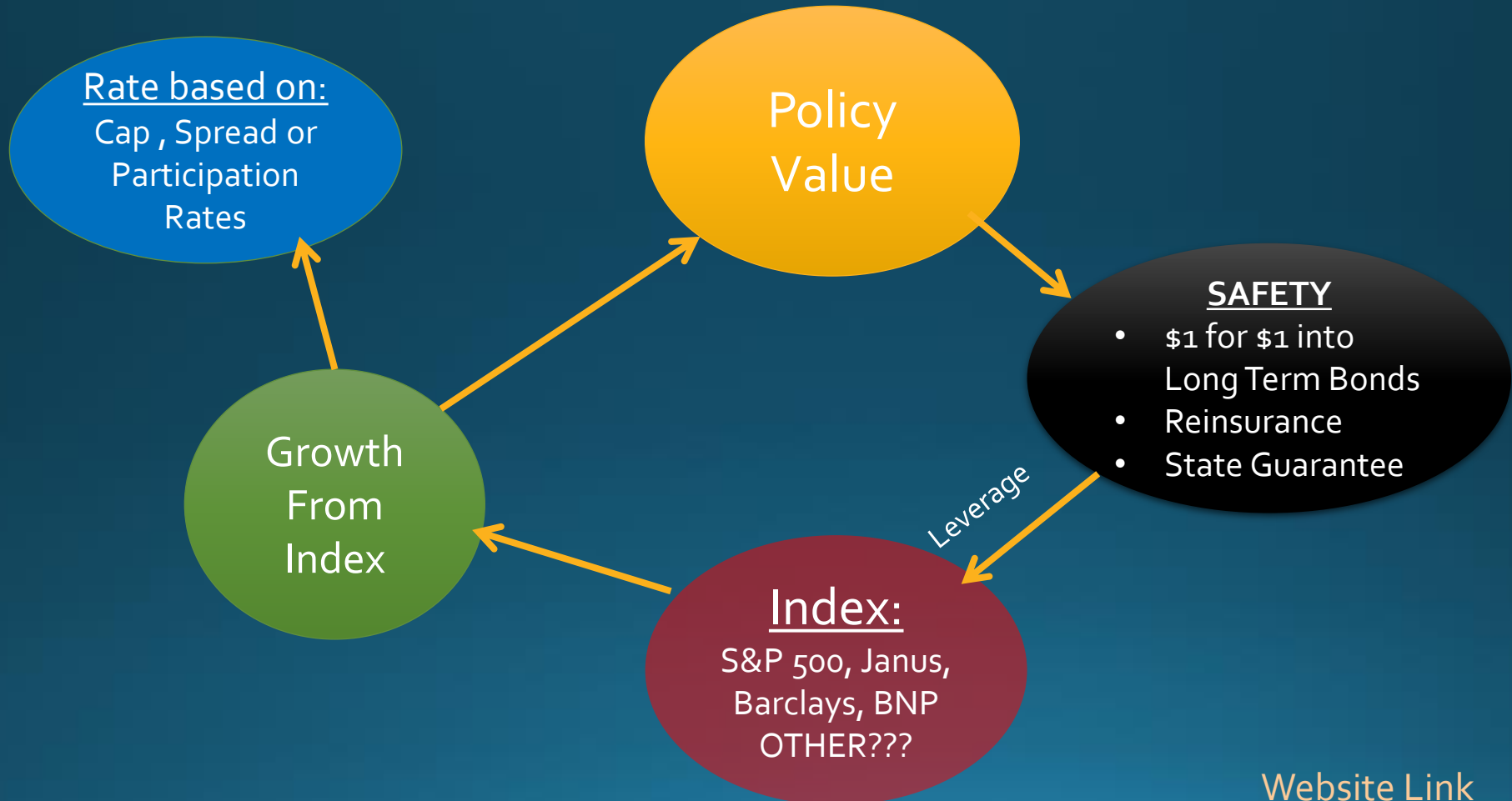
# 3. Fixed Index Annuities

|                   | Fully guaranteed income or return.<br>Available at <a href="http://blueprintincome.com">blueprintincome.com</a> .  |   | Insurance/investment hybrid.<br>Not available at <a href="http://blueprintincome.com">blueprintincome.com</a> . |
|-------------------|--|---|---|
|                   | Income Annuities   | Fixed Annuities   | Indexed Annuities   |
| PURPOSE           | Income   | Accumulation (building wealth)  |   |
| METHOD            | Annuitization  | Like a CD   | Track indices   |
| GUARANTEE         | Lifetime monthly income  | Fixed growth rate   | Principal Protection  |
| UPSIDE POTENTIAL  | No   | No  | Yes   |
| Rate of Return*   | None   | 3-4%  | 4-7%  |
| VARIANTS / A.K.A. | <ul style="list-style-type: none"> <li>• Single premium Immediate annuities (SPAIs)</li> <li>• Deferred Income annuities (DIAs)</li> <li>• Longevity annuities</li> <li>• Qualified longevity annuity contracts (QLACs)</li> </ul> | <ul style="list-style-type: none"> <li>• Multi-year guaranteed annuities (MYGAs)</li> <li>• Fixed rate annuities</li> <li>• Fixed deferred annuities</li> </ul> | <ul style="list-style-type: none"> <li>• Fixed indexed annuities</li> </ul>                                     |

\* Rates of Return based upon past performance which could be higher or lower in the future



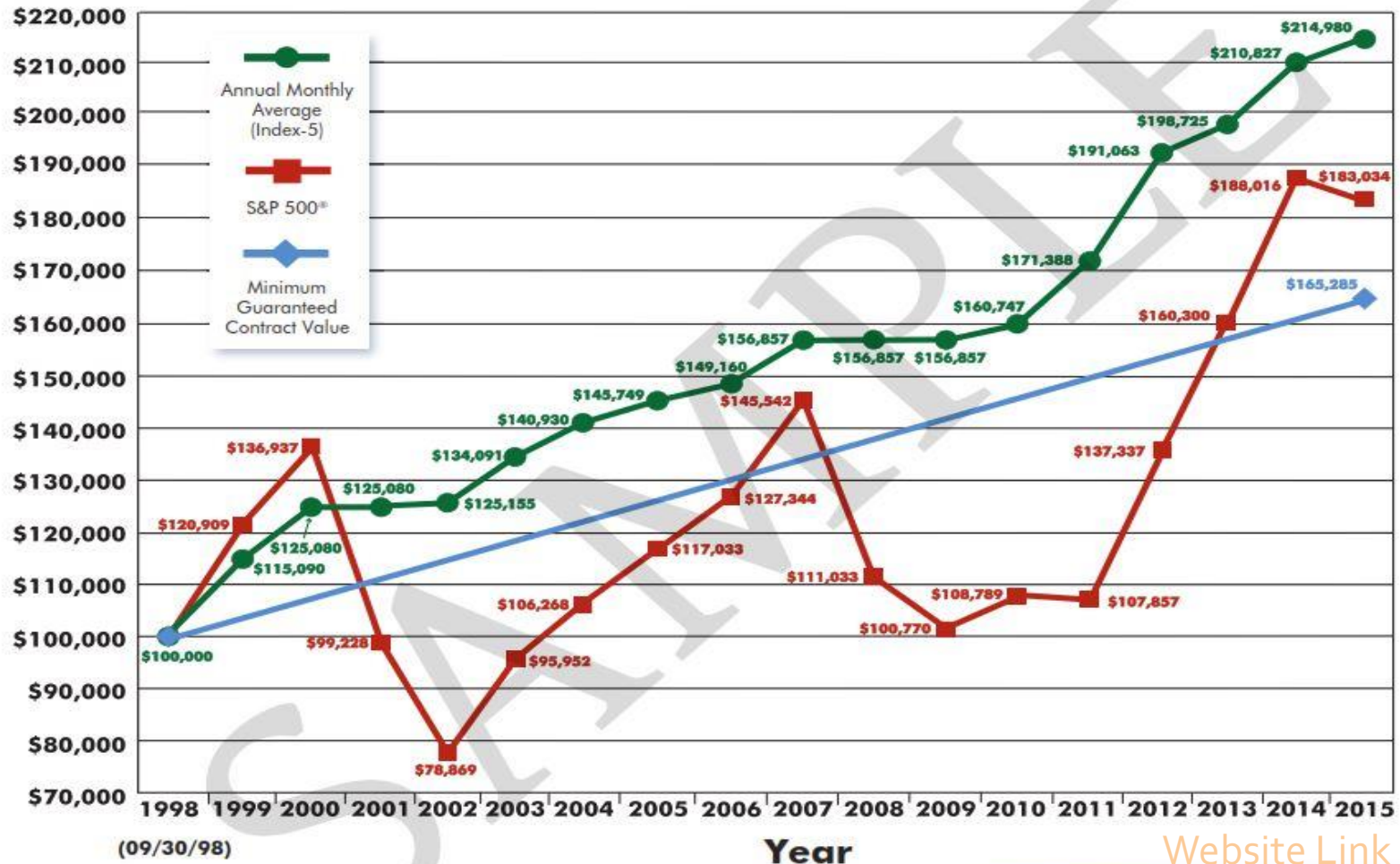
# How does an Index Annuity Work?



# Risk Money vs. Safe Money

## The "REAL BENEFITS" of Indexed Annuities with the Annual Reset Design

A history of American Equity's Index-5\* (9/30/98 - 9/30/15)



\*This graph is based on actual credited rates for the period shown on the Index-5 product which is no longer available for sale. Past performance is not an indication of future results. Please call your American Equity Agent for new product information. Review product disclosure for specific information.

[Website Link](#)

The one who works for you!



# 4. Variable Annuities

|                   | Fully guaranteed income or return.<br>Available at <a href="http://blueprintincome.com">blueprintincome.com</a> .  |   | Insurance/investment hybrid.<br>Not available at <a href="http://blueprintincome.com">blueprintincome.com</a> . |                                     |
|-------------------|--|---|---|-------------------------------------|
|                   | Income Annuities   | Fixed Annuities   | Indexed Annuities   | Variable Annuities                  |
| PURPOSE           | Income   | Accumulation (building wealth)  |   |                                     |
| METHOD            | Annuitization  | Like a CD   | Track indices   | Invested in funds                   |
| GUARANTEE         | Lifetime monthly income  | Fixed growth rate   | Principal Protection  | No Protection<br>Death Benefit Only |
| UPSIDE POTENTIAL  | No   | No  | Yes   | Yes                                 |
| Rate of Return*   | None   | 3-4%  | 4-7%  | 3-5% after Fees                     |
| VARIANTS / A.K.A. | <ul style="list-style-type: none"> <li>• Single premium Immediate annuities (SPIAs)</li> <li>• Deferred Income annuities (DIAs)</li> <li>• Longevity annuities</li> <li>• Qualified longevity annuity contracts (QLACs)</li> </ul> | <ul style="list-style-type: none"> <li>• Multi-year guaranteed annuities (MYGAs)</li> <li>• Fixed rate annuities</li> <li>• Fixed deferred annuities</li> </ul> | <ul style="list-style-type: none"> <li>• Fixed Indexed annuities</li> </ul>                                     |                                     |

\* Rates of Return based upon past performance which could be higher or lower in the future

# Variable Annuities



Watch Suzi Orman

## What Fees?

**Let's take a look at some of the fees you may be paying\*...**

- ☒ Administrative expenses
- ☒ Death benefit fees
- ☒ Living benefit fees (5 types)
- ☒ Guaranteed Lifetime Withdrawal Benefit
- ☒ Guaranteed Minimum Accumulation Benefit
- ☒ Mortality and expense risk charge
- ☒ Rider charges
- ☒ Underlying fund expenses
- ☒ Early withdrawal penalty
- ☒ Premium taxes+
- ☒ Return of principal fee
- ☒ Turnover ratio



# Variable Annuities

Compare your annuity performance



Income Under Management ▾

Annuity Evaluations ▾

Basic Reports ▾

How Much are You  
Losing to Fees?

Run a Report





# Variable Annuities

## Enter the product details

|                           |                                |
|---------------------------|--------------------------------|
| Annuity Type:             | Variable Annuity               |
| Company:                  | Jackson Natl Life Insurance Co |
| Product:                  | Capital Select                 |
| Deposit Amount:           | \$100,000                      |
| Issue Date:               | January 2008                   |
| Total Withdrawals:        | \$0                            |
| Additional Rider Charges: | True                           |
| Current Statement Amount: | \$150,000                      |
| Statement Date:           | January 2018                   |

# Variable Annuities

## Review the Prerformance



### Performance Snapshot

Gross Rate of Return:

7.35%

Total Growth:

\$90,668

Fees & Charges:

3.25%

Total Fees & Charges:

\$40,091

Fees as a % of Growth:

44.22%

Net Growth:

\$50,577

Internal Rate of Return (IRR):

4.14%

# Types of Annuities

|                  | Fully guaranteed income or return.<br>Available at <a href="http://blueprintincome.com">blueprintincome.com</a> . |                                | Insurance/investment hybrid.<br>Not available at <a href="http://blueprintincome.com">blueprintincome.com</a> . |                                     |
|------------------|---|--------------------------------|---|-------------------------------------|
|                  | Income Annuities  | Fixed Annuities                | Indexed Annuities   | Variable Annuities                  |
| PURPOSE          | Income  | Accumulation (building wealth) |   |                                     |
| METHOD           | Annuitization   | Like a CD                      | Track indices   | Invested in funds                   |
| GUARANTEE        | Lifetime monthly income   | Fixed growth rate              | Principal Protection  | No Protection<br>Death Benefit Only |
| UPSIDE POTENTIAL | No  | No                             | Yes   | Yes                                 |

**Rate of Return\***

None

3-4%

4-7%

Less 3-5% Fees

**VARIANTS / A.K.A.**

- Single premium Immediate annuities (SPIAs)
- Deferred Income annuities (DIAs)
- Longevity annuities
- Qualified longevity annuity contracts (QLACs)

- Multi-year guaranteed annuities (MYGAs)
- Fixed rate annuities
- Fixed deferred annuities

- Fixed Indexed annuities

**\* Rates of Return based upon past performance which could be higher or lower in the future**



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**Annuity Crediting**

# How Caps Work

CAPS are the method used in calculating how the Index performed and the amount of credit you will receive. There are many versions, including Monthly Caps (Shown below) and Annual Caps. There are many versions within these two categories. We will examine the most common called Monthly Point to Point.

Should the market be low, you have the ability to capture up to a certain percentage of the market before a CAP is reached.

|                      |     |     |     |     |     |     |     |     |     |     |     |     |             |        |
|----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------------|--------|
| <b>Strong Market</b> |     |     |     |     |     |     |     |     |     |     |     |     |             |        |
| Monthly              | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | End of Year | Return |
| S&P 500              | 3%  | 3%  | 2%  | 3%  | 1%  | 0%  | -3% | -2% | -1% | 1%  | 2%  | 3%  | 12%         | 12%    |
| 2% Cap               | 2%  | 2%  | 2%  | 2%  | 1%  | 0%  | -3% | -2% | -1% | 1%  | 2%  | 2%  | 8%          | 8%     |
| <b>Down Market</b>   |     |     |     |     |     |     |     |     |     |     |     |     |             |        |
| Monthly              | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | End of Year | Return |
| S&P 500              | 1%  | -3% | 1%  | -4% | 2%  | -3% | -3% | -2% | -1% | 1%  | 3%  | 3%  | -5%         | -5%    |
| 2% Cap               | 1%  | -3% | 1%  | -4% | 2%  | -3% | -3% | -2% | -1% | 1%  | 2%  | 2%  | -7%         | 0%     |

\*\*\* Can't Be Negative

\*\*\* These examples are for education purpose only.



# How Spreads Work

SPREADS are the method used in calculating how the Index performed and the amount of credit you will receive. These are designed to offer you more potential credits due to a more volatile market.

Should the market rise sharply, you have the ability to capture more gain with Spreads then perhaps any other strategy unless there is a participation option product available.

| Annual               | Good Market |      |        | Great Market |      |        | Down Market |      |        |
|----------------------|-------------|------|--------|--------------|------|--------|-------------|------|--------|
|                      | Market      | Rate | Credit | Market       | Rate | Credit | Market      | Rate | Credit |
| S&P 500<br>2% Spread | 10%         | 10%  | 10%    | 20%          | 20%  | 20%    | -10%        | -10% | -10%   |
|                      | -2%         | 8%   | 8%     | -2%          | 18%  | 18%    | -2%         | -12% | 0%     |

\*\*\* Can't Be Negative

\*\*\* These examples are for education purpose only.

# How Participation Works

Participation is the method used in calculating how the Index performed and the amount of credit you will receive. These are designed to offer you more potential and simplicity than any other method.

Should the market rise sharply or be flat you have the ability to a pre-set percentage of the market. This method works in both a good and low market.

**130% Participation**

**Market = 10%**

**You get = 13%**

**100% Participation**

**Market = 10%**

**You get = 10%**

**80% Participation**

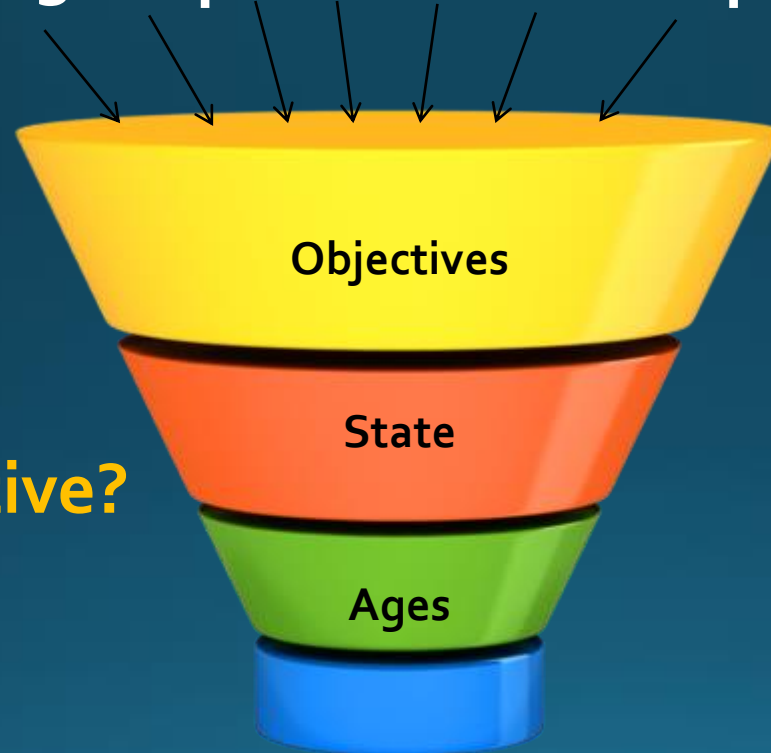
**Market = 10%**

**You get = 8%**

\*\*\* These examples are for education purpose only.

# As an Independent Advisor:

Over 30 top Insurance Companies



## What is Objective?

- Growth
- Income
- Combo?
- Death Benefit



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**INCOME RIDERS**

# Income Riders

Income Riders payout for life, even if your account goes to ZERO.  
That is why we call it a Contractual Guarantee

| YOUR MONEY |               |          | YOUR INCOME  |         |             |           |
|------------|---------------|----------|--------------|---------|-------------|-----------|
| Year       | Account Value | Mkt Rate | Income Value | Roll Up | Payout Rate | Income    |
|            | \$ 100,000    |          | \$ 100,000   |         |             | For Life  |
| 1          | \$ 110,000    | 10%      | \$ 100,000   | 7%      | 5.0%        | \$ 5,000  |
| 2          | \$ 115,500    | 5%       | \$ 107,000   | 7%      | 5.1%        | \$ 5,457  |
| 3          | \$ 115,500    | 0%       | \$ 114,490   | 7%      | 5.2%        | \$ 5,953  |
| 4          | \$ 121,275    | 5%       | \$ 122,504   | 7%      | 5.3%        | \$ 6,493  |
| 5          | \$ 127,339    | 5%       | \$ 131,080   | 7%      | 5.4%        | \$ 7,078  |
| 6          | \$ 133,706    | 5%       | \$ 140,255   | 7%      | 5.5%        | \$ 7,714  |
| 7          | \$ 140,391    | 5%       | \$ 150,073   | 7%      | 5.6%        | \$ 8,404  |
| 8          | \$ 147,411    | 5%       | \$ 160,578   | 7%      | 5.7%        | \$ 9,153  |
| 9          | \$ 154,781    | 5%       | \$ 171,819   | 7%      | 5.8%        | \$ 9,965  |
| 10         | \$ 162,520    | 5%       | \$ 183,846   | 7%      | 5.9%        | \$ 10,847 |

Most Income Rider fees are .95% of the Income Value but subtracted from Account Value  
\*\*\* These examples are for education purpose only.

# HYBRID ANNUITIES

Accumulation  
Value

Most Income Rider fees are .95%)  
Income Base  
(7% Guaranteed)

Payout  
Rate

YEAR 1

\$100,000

\$100,000

5.0%

YEAR 2

\$110,000

\$107,000

5.1%

YEAR 3

\$115,000

\$114,000

5.2%

YEAR 4

\$115,000

\$121,000

5.3%

YEAR 5

\$120,000

\$128,000

5.4%

What you have  
access to

Lifetime  
Pension



# Three Types of Income Riders

- **HIGHEST GUARANTEE**

Highest Guaranteed Payout based upon 7% guarantee roll-up and very little potential market linked growth

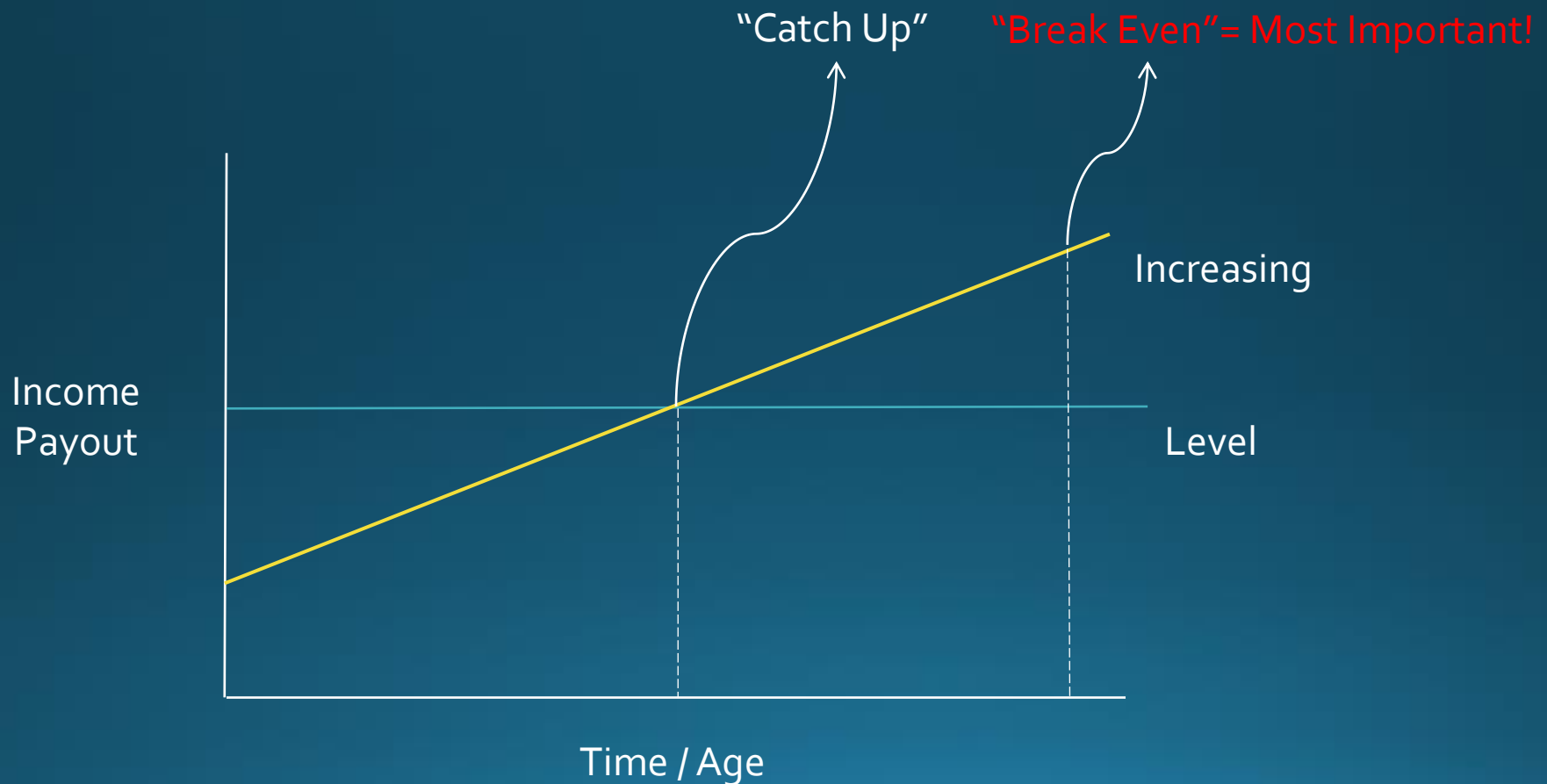
- **GROWTH FOCUSED**

Less Guaranteed Payout based upon 4% guarantee roll-up and good potential market linked growth

- **INCREASING INCOME**

Least Guaranteed Payout based upon NO guarantee roll-up and good potential market linked growth with an INCREASING INCOME based upon market linked growth

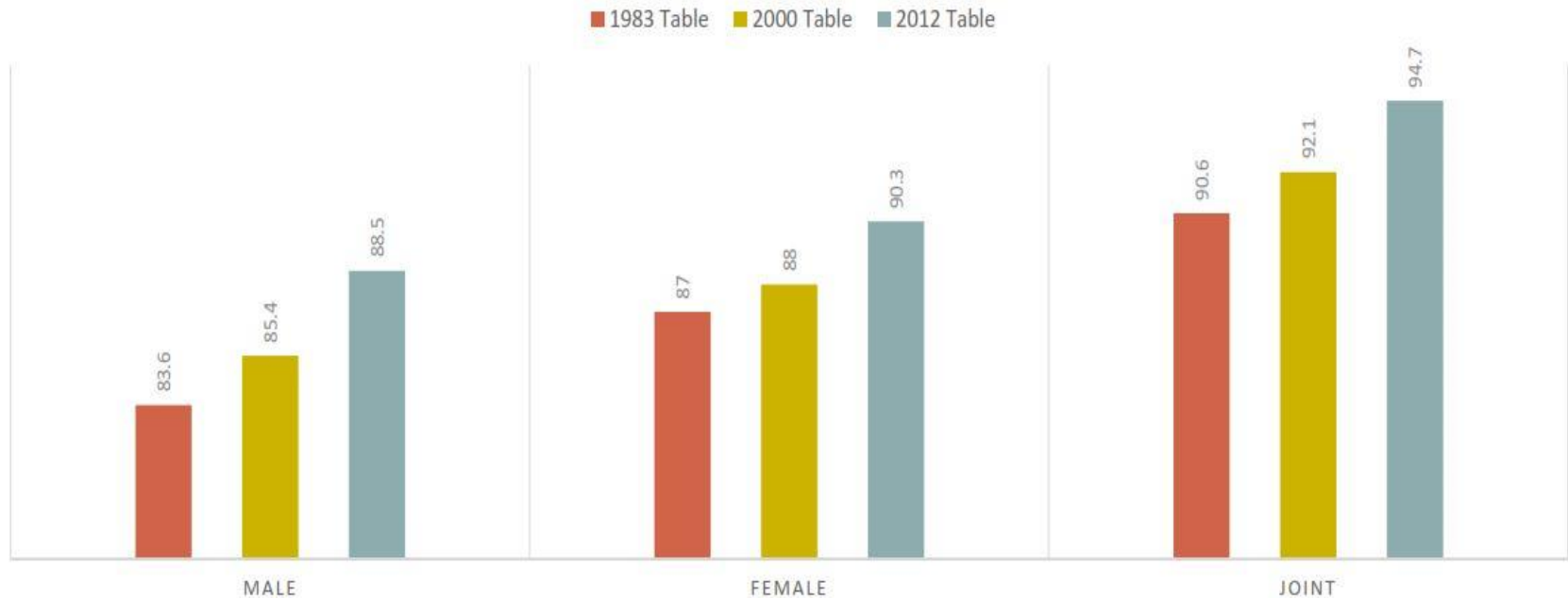
# Increasing vs Level Income



# Mortality Tables

## The Good News & The Not So Good News

LIFE EXPECTANCY FOR A 65-YEAR OLD  
1983, 2000, AND 2012 MORTALITY TABLES

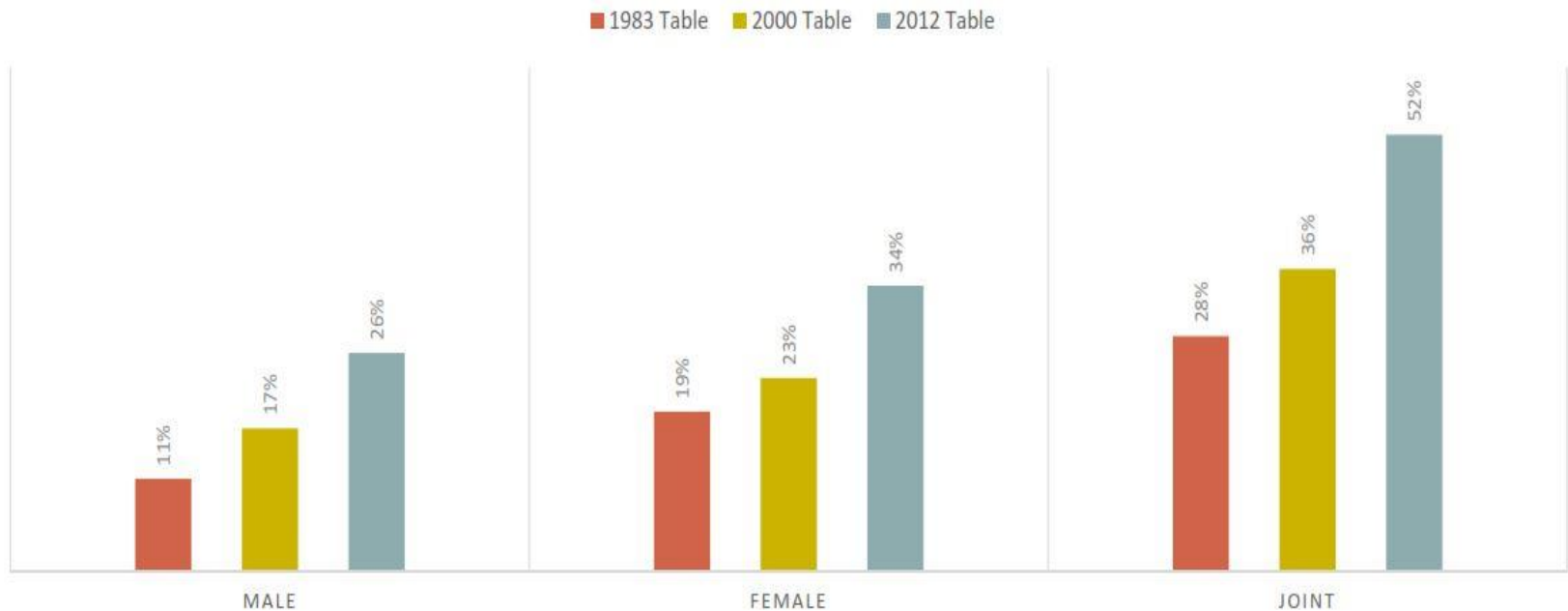


Source: Society of Actuaries

# Mortality Tables

## Consider It This Way

ODDS OF LIVING TO AGE 95  
1983, 2000, AND 2012 MORTALITY TABLES



Source: Society of Actuaries



**BIRDSEYE FINANCIAL**

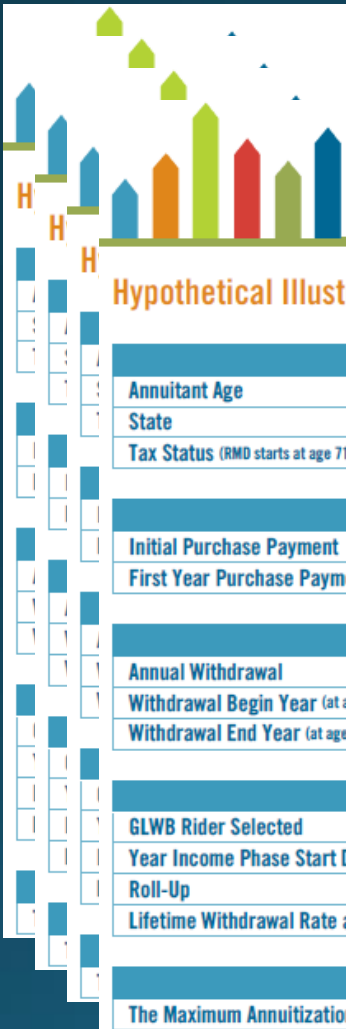
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**15-20% More Income**

# What Are Your Numbers?



Security Benefit  
Secure Income Annuity

Hypothetical Illustration Summary

| Information                       |           |
|-----------------------------------|-----------|
| Annuitant Age                     | 59        |
| State                             | Florida   |
| Tax Status (RMD starts at age 71) | Qualified |

| Purchase Payments                 |              |
|-----------------------------------|--------------|
| Initial Purchase Payment          | \$300,000.00 |
| First Year Purchase Payment Bonus | \$24,000.00  |

| Withdrawals                       |             |
|-----------------------------------|-------------|
| Annual Withdrawal                 | \$18,364.00 |
| Withdrawal Begin Year (at age 60) | 2           |
| Withdrawal End Year (at age 65)   | 7           |

| GLWB Rider  |       |
|---|-------|
| GLWB Rider Selected                                 | GLWB  |
| Year Income Phase Start Date Occurs                 | 8     |
| Roll-Up   | 7.0%  |
| Lifetime Withdrawal Rate at Income Phase Start Date | 5.40% |

| Annuitization                 |    |
|-------------------------------|----|
| The Maximum Annuitization Age | 95 |

SAMPLE  
ILLUSTRATION



# Original Illustration

\*\*\* For Illustration purposes only \*\*\*

Today we'll base "Max Income Strategies" on SIA

## Calculator Input Summary

Initial Purchase Payment: \$300,000

Solved for: Rider Guaranteed Lifetime Income

Withdrawal Frequency: Annually

Coverage: Single

Issue Age of Owner: 59

Years to Defer Income: 1

State of Application: Florida



**SECURITY BENEFIT<sup>SM</sup>**

To and Through Retirement

## Secure Income Annuity GLWB Rider Calculator Summary

| Years to Defer | Attained Age on<br>Income Phase<br>Start Date | Benefit Base | Lifetime Withdrawal<br>Rate (%) | Based on Age Lifetime Income Begins                          |   |
|----------------|---|--------------|---------------------------------|--|---|
|                |   |              |                                 | Guaranteed Minimum Lifetime<br>Income Amount (single payout) | Home Healthcare Doubler<br>Amount (single payout) |
| 0              | 59  | \$324,000    | 4.7%                            | \$15,228   | \$30,456  |
| 1              | 60  | \$346,680    | 4.8%                            | \$16,641   | \$33,282  |
| 2              | 61  | \$370,948    | 4.9%                            | \$18,176   | \$36,352  |
| 3              | 62  | \$396,914    | 5.0%                            | \$19,846   | \$39,692  |
| 4              | 63  | \$424,698    | 5.1%                            | \$21,660   | \$43,320  |
| 5              | 64  | \$454,427    | 5.2%                            | \$23,630   | \$47,260  |
| 6              | 65  | \$486,237    | 5.3%                            | \$25,771   | \$51,542  |
| 7              | 66  | \$520,273    | 5.4%                            | \$28,095   | \$56,190  |
| 8              | 67  | \$556,692    | 5.5%                            | \$30,618   | \$61,236  |
| 9              | 68  | \$595,661    | 5.6%                            | \$33,357   | \$66,714  |
| 10             | 69  | \$637,357    | 5.7%                            | \$36,329   | \$72,658  |
| 11             | 70  | \$681,972    | 5.8%                            | \$39,554   | \$79,108  |
| 12             | 71  | \$729,710    | 5.9%                            | \$43,053   | \$86,106  |
| 13             | 72  | \$780,790    | 6.0%                            | \$46,847   | \$93,694  |
| 14             | 73  | \$835,445    | 6.1%                            | \$50,962   | \$101,924   |
| 15             | 74  | \$893,926    | 6.2%                            | \$55,423   | \$110,846   |

# Withdrawal Strategy

**Policy Funded with \$300,000.**

*This is a proprietary strategy our firm has helped pioneer to calculate, within the terms of the contract, the sweet-spot for using "Penalty Free Withdrawals" vs "Guaranteed Lifetime Income Rider."*

*The outcome: Begin the cash flow to you in the same year as planned AND increase/maximize the payments to you.*

# Before Withdrawal Strategy



## Security Benefit Secure Income Annuity

### Hypothetical Illustration Summary

| Information                       |           |
|-----------------------------------|-----------|
| Annuitant Age                     | 59        |
| State                             | Florida   |
| Tax Status (RMD starts at age 71) | Qualified |

| Purchase Payments                 |              |
|-----------------------------------|--------------|
| Initial Purchase Payment          | \$300,000.00 |
| First Year Purchase Payment Bonus | \$24,000.00  |

| GLWB Rider  |       |
|---|-------|
| GLWB Rider Selected                                 | GLWB  |
| Year Income Phase Start Date Occurs                 | 2     |
| Roll-Up   | 7.0%  |
| Lifetime Withdrawal Rate at Income Phase Start Date | 4.80% |

| Annuitization                 |    |
|-------------------------------|----|
| The Maximum Annuitization Age | 95 |

| Start of Year | Primary Attained Age | Withdrawals (1) |
|---------------|----------------------|-----------------|
| 1             | 59                   | \$0             |
| 2             | 60                   | \$16,641        |
| 3             | 61                   | \$16,641        |
| 4             | 62                   | \$16,641        |
| 5             | 63                   | \$16,641        |
| 6             | 64                   | \$16,641        |
| 7             | 65                   | \$16,641        |
| 8             | 66                   | \$16,641        |
| 9             | 67                   | \$16,641        |
| 10            | 68                   | \$16,641        |
| 11            | 69                   | \$16,641        |
| 12            | 70                   | \$16,641        |
| 13            | 71                   | \$16,641        |
| 14            | 72                   | \$16,641        |
| 15            | 73                   | \$16,641        |
| 16            | 74                   | \$16,641        |
| 17            | 75                   | \$16,641        |
| 18            | 76                   | \$16,641        |
| 19            | 77                   | \$16,641        |
| 20            | 78                   | \$16,641        |
| 21            | 79                   | \$16,641        |

Start Income  
After 1 Year.  
Guaranteed  
for Life.

# After Withdrawal Strategy



## Security Benefit Secure Income Annuity

### Hypothetical Illustration Summary

| Information   |              |
|---|--------------|
| Annuitant Age                                       | 59           |
| State   | Florida      |
| Tax Status (RMD starts at age 71)                   | Qualified    |
| Purchase Payments                                   |              |
| Initial Purchase Payment                            | \$300,000.00 |
| First Year Purchase Payment Bonus                   | \$24,000.00  |
| Withdrawals   |              |
| Annual Withdrawal                                   | \$18,364.00  |
| Withdrawal Begin Year (at age 60)                   | 2            |
| Withdrawal End Year (at age 65)                     | 7            |
| GLWB Rider  |              |
| GLWB Rider Selected                                 | GLWB         |
| Year Income Phase Start Date Occurs                 | 8            |
| Roll-Up   | 7.0%         |
| Lifetime Withdrawal Rate at Income Phase Start Date | 5.40%        |
| Annuitization                                       |              |
| The Maximum Annuitization Age                       | 95           |

| Start of Year | Primary Attained Age | Withdrawals (1) |
|---------------|----------------------|-----------------|
| 1             | 59                   | \$0             |
| 2             | 60                   | \$18,364        |
| 3             | 61                   | \$18,364        |
| 4             | 62                   | \$18,364        |
| 5             | 63                   | \$18,364        |
| 6             | 64                   | \$18,364        |
| 7             | 65                   | \$18,364        |
| 8             | 66                   | \$18,365        |
| 9             | 67                   | \$18,365        |
| 10            | 68                   | \$18,365        |
| 11            | 69                   | \$18,365        |
| 12            | 70                   | \$18,365        |
| 13            | 71                   | \$18,365        |
| 14            | 72                   | \$18,365        |
| 15            | 73                   | \$18,365        |
| 16            | 74                   | \$18,365        |
| 17            | 75                   | \$18,365        |
| 18            | 76                   | \$18,365        |
| 19            | 77                   | \$18,365        |
| 20            | 78                   | \$18,365        |
| 21            | 79                   | \$18,365        |

"Withdrawals" in  
Year 2 Through  
Year 7

Begin "Income  
Rider" in Year  
8. Payouts for  
Life.

# Summary of WD Strategy:

Lifetime Income BEFORE the W.D. Strategy=

Guaranteed Only = **\$16,641**

Lifetime Income AFTER the W.D. Strategy =

Guaranteed = **\$18,365**

Least = **\$18,728**

Most Recent 10 Years = **\$18,981**

Median = **\$19,292**

Best = **\$19,744**

**\*\*Guaranteed Difference Over 10 Years = \$17,240 more**

**\*\*Guaranteed Difference Over 20 Years = \$34,480 more**

# Laddering for Max Income

## Possible Objectives:

- Guaranteed Lifetime Income
- Increasing Income (COLA)
- Greater Flexibility (Turn on each Annuity as needed)

## Example:

### Three Security Benefit “SIA” Accounts:

- Portion 1 = \$200k – Deferred **1** years.
- Portion 2 = \$60k - Defer **6** years.
- Portion 3 = \$40k - Defer **11** years.



# Laddering Strategy

Total Cash Flow

## Scheduled Income Payout System for:

Mr. Jacob Stern

Prepared by: JD Mellberg Financial

June 17, 2014

Portion 1: Security  
Benefit, SIA

Portion 2: Security  
Benefit, SIA

Portion 3: Security  
Benefit, SIA

Initial Premium: \$300,000  
Cash Flow Target: 6.15%  
Annual COLA: 0.0%

The values on this page are based on the rates shown in each Portion.

| Florida        |         |         | Portion 1<br>Fixed Indexed Annuity with Income Rider |              |                | Portion 2<br>Fixed Indexed Annuity with Income Rider |              |                | Portion 3<br>Fixed Indexed Annuity with Income Rider |              |                | Non-Guaranteed<br>Projected Values |                       |                           |
|----------------|---------|---------|--|--------------|----------------|--|--------------|----------------|--|--------------|----------------|------------------------------------|-----------------------|---------------------------|
| Contract Year  | His Age | Her Age | Non-Guar Accum Value*                                | Income Rider | Pre-Tax Income | Non-Guar Accum Value*                                | Income Rider | Pre-Tax Income | Non-Guar Accum Value*                                | Income Rider | Pre-Tax Income | Non-Guar Accum Value Total         | Pre-Tax Annual Income | Pre-Tax Cumulative Income |
| Assumed Rate   | 59      |         | 2.00%  | 7.00%        | Rider          | 2.00%  | 7.00%        | Rider          | 2.00%  | 7.00%        | Rider          | \$300,000                          |                       |                           |
| Premium        |         |         | \$200,000  | \$200,000    | 1 x Life       | \$60,000   | \$60,000     | 6 x Life       | \$40,000   | \$40,000     | 11 x Life      | \$24,000                           |                       |                           |
| Bonus %        |         |         | 8.0%   | 8.0%         |                | 8.0%   | 8.0%         |                | 8.0%   | 8.0%         |                |                                    |                       |                           |
| Prem. w/ Bonus |         |         | \$216,000  | \$216,000    |                | \$64,800   | \$64,800     |                | \$43,200   | \$43,200     |                | \$324,000                          |                       |                           |
| 1              | 59      | -       | \$216,000  | \$216,000    | \$0            | \$64,800   | \$64,800     | \$0            | \$43,200   | \$43,200     | \$0            | \$324,000                          | \$0                   |                           |
| 2              | 60      | -       | \$218,124  | \$231,120    | \$11,094       | \$65,437   | \$69,336     | \$0            | \$43,625   | \$46,224     | \$0            | \$327,187                          | \$11,094              |                           |
| 3              | 61      | -       | \$208,976  | -            | \$11,094       | \$66,041   | \$74,190     | \$0            | \$44,028   | \$49,460     | \$0            | \$319,044                          | \$11,094              |                           |
| 4              | 62      | -       | \$199,644  | -            | \$11,094       | \$66,608   | \$79,383     | \$0            | \$44,405   | \$52,922     | \$0            | \$310,657                          | \$11,094              |                           |
| 5              | 63      | -       | \$190,125  | -            | \$11,094       | \$67,133   | \$84,940     | \$0            | \$44,755   | \$56,626     | \$0            | \$302,014                          | \$11,094              | \$44,375                  |
| 6              | 64      | -       | \$180,417  | -            | \$11,094       | \$67,612   | \$90,885     | \$0            | \$45,075   | \$60,590     | \$0            | \$293,104                          | \$11,094              |                           |
| 7              | 65      | -       | \$170,514  | -            | \$11,094       | \$68,041   | \$97,247     | \$5,154        | \$45,361   | \$64,832     | \$0            | \$283,915                          | \$16,248              |                           |
| 8              | 66      | -       | \$160,413  | -            | \$11,094       | \$63,221   | -            | \$5,154        | \$45,609   | \$69,370     | \$0            | \$269,242                          | \$16,248              |                           |
| 9              | 67      | -       | \$150,110  | -            | \$11,094       | \$58,304   | -            | \$5,154        | \$45,816   | \$74,226     | \$0            | \$254,229                          | \$16,248              |                           |
| 10             | 68      | -       | \$139,601  | -            | \$11,094       | \$53,289   | -            | \$5,154        | \$45,978   | \$79,421     | \$0            | \$238,867                          | \$16,248              | \$120,460                 |
| 11             | 69      | -       | \$128,881  | -            | \$11,094       | \$48,174   | -            | \$5,154        | \$46,090   | \$84,981     | \$0            | \$223,145                          | \$16,248              |                           |
| 12             | 70      | -       | \$117,948  | -            | \$11,094       | \$42,956   | -            | \$5,154        | \$46,148   | \$90,930     | \$5,274        | \$207,052                          | \$21,522              |                           |
| 13             | 71      | -       | \$106,795  | -            | \$11,094       | \$37,634   | -            | \$5,154        | \$40,828   | -            | \$5,274        | \$185,257                          | \$21,522              |                           |
| 14             | 72      | -       | \$95,420   | -            | \$11,094       | \$32,206   | -            | \$5,154        | \$35,401   | -            | \$5,274        | \$163,027                          | \$21,522              |                           |
| 15             | 73      | -       | \$83,817   | -            | \$11,094       | \$26,669   | -            | \$5,154        | \$29,866   | -            | \$5,274        | \$140,352                          | \$21,522              | \$222,795                 |
| 16             | 74      | -       | \$71,982   | -            | \$11,094       | \$21,021   | -            | \$5,154        | \$24,220   | -            | \$5,274        | \$117,223                          | \$21,522              |                           |
| 17             | 75      | -       | \$59,911   | -            | \$11,094       | \$15,261   | -            | \$5,154        | \$18,461   | -            | \$5,274        | \$93,632                           | \$21,522              |                           |
| 18             | 76      | -       | \$47,597   | -            | \$11,094       | \$9,385  | -            | \$5,154        | \$12,587   | -            | \$5,274        | \$69,569                           | \$21,522              |                           |
| 19             | 77      | -       | \$35,038   | -            | \$11,094       | \$3,392  | -            | \$5,154        | \$6,595  | -            | \$5,274        | \$45,025                           | \$21,522              |                           |
| 20             | 78      | -       | \$22,228   | -            | \$11,094       | \$0  | -            | \$5,154        | \$484  | -            | \$5,274        | \$22,712                           | \$21,522              | \$330,404                 |
| 21             | 79      | -       | \$9,161  | -            | \$11,094       | \$0  | -            | \$5,154        | \$0  | -            | \$5,274        | \$9,161                            | \$21,522              |                           |
| 22             | 80      | -       | \$0  | -            | \$11,094       | \$0  | -            | \$5,154        | \$0  | -            | \$5,274        | \$0                                | \$21,522              |                           |
| 23             | 81      | -       | \$0  | -            | \$11,094       | \$0  | -            | \$5,154        | \$0  | -            | \$5,274        | \$0                                | \$21,522              |                           |
| 24             | 82      | -       | \$0  | -            | \$11,094       | \$0  | -            | \$5,154        | \$0  | -            | \$5,274        | \$0                                | \$21,522              |                           |
| 25             | 83      | -       | \$0  | -            | \$11,094       | \$0  | -            | \$5,154        | \$0  | -            | \$5,274        | \$0                                | \$21,522              | \$438,013                 |
| 26             | 84      | -       | \$0  | -            | \$11,094       | \$0  | -            | \$5,154        | \$0  | -            | \$5,274        | \$0                                | \$21,522              |                           |
| 27             | 85      | -       | \$0  | -            | \$11,094       | \$0  | -            | \$5,154        | \$0  | -            | \$5,274        | \$0                                | \$21,522              |                           |
| 28             | 86      | -       | \$0  | -            | \$11,094       | \$0  | -            | \$5,154        | \$0  | -            | \$5,274        | \$0                                | \$21,522              |                           |
| 29             | 87      | -       | \$0  | -            | \$11,094       | \$0  | -            | \$5,154        | \$0  | -            | \$5,274        | \$0                                | \$21,522              |                           |
| 30             | 88      | -       | \$0  | -            | \$11,094       | \$0  | -            | \$5,154        | \$0  | -            | \$5,274        | \$0                                | \$21,522              | \$545,622                 |

# SIPS

## “Scheduled Income Payout System”

- A strategy combining various types of annuities (2+) to provide guaranteed retirement income and tax-deferred accumulation without subjecting individuals' assets to market risk. This strategy will MAX the income.
- **Possible Objectives:**
  - Guaranteed Lifetime Income
  - Diversification
  - Greater Flexibility
  - Increased Cash-Flow Target
  - Increasing Income (COLA)

# Sample SIPS – “Level”

**Scheduled Income Payout System for:** **Mr. Jacob Stern**  
**Prepared by:** JD Mellberg Financial **June 12, 2014**

Portion 1: Great American, Valor 10

Portion 2: Security Benefit, SIA

**Initial Premium:** \$300,000  
**Cash Flow Target:** 6.14%  
**Annual COLA:** 0.0%

**Total Cash Flow**

The values on this page are based on the rates shown in each Portion.

| Florida        |         |         | Portion 1<br>Fixed Indexed Annuity |                | Portion 2<br>Fixed Indexed Annuity with Income Rider |              |                | Non-Guaranteed<br>Projected Values |                       |                           |
|----------------|---------|---------|------------------------------------|----------------|--|--------------|----------------|------------------------------------|-----------------------|---------------------------|
| Contract Year  | His Age | Her Age | Non-Guar Accum Value*              | Pre-Tax Income | Non-Guar Accum Value*                                | Income Rider | Pre-Tax Income | Non-Guar Accum Value Total         | Pre-Tax Annual Income | Pre-Tax Cumulative Income |
| Assumed Rate   | 59      |         | 2.00%                              | Annuitize      | 2.00%  | 7.00%        | Rider          |                                    |                       |                           |
| Premium        |         |         | \$119,607                          | 1 x 7          | \$180,393  | \$180,393    | 8 x Life       | \$300,000                          |                       |                           |
| Bonus %        |         |         | 2.0%                               |                | 8.0%   | 8.0%         |                | \$16,824                           |                       |                           |
| Prem. w/ Bonus |         |         | \$121,999                          |                | \$194,824  | \$194,824    |                | \$316,824                          |                       |                           |
| 1              | 59      | -       | \$121,999                          | \$0            | \$194,824  | \$194,824    | \$0            | \$316,824                          | \$0                   |                           |
| 2              | 60      | -       | \$124,439                          | \$18,411       | \$196,740  | \$208,462    | \$0            | \$321,180                          | \$18,411              |                           |
| 3              | 61      | -       | \$0                                | \$18,411       | \$198,556  | \$223,054    | \$0            | \$198,556                          | \$18,411              |                           |
| 4              | 62      | -       | \$0                                | \$18,411       | \$200,260  | \$238,668    | \$0            | \$200,260                          | \$18,411              |                           |
| 5              | 63      | -       | \$0                                | \$18,411       | \$201,839  | \$255,375    | \$0            | \$201,839                          | \$18,411              | \$73,644                  |
| 6              | 64      | -       | \$0                                | \$18,411       | \$203,280  | \$273,251    | \$0            | \$203,280                          | \$18,411              |                           |
| 7              | 65      | -       | \$0                                | \$18,411       | \$204,568  | \$292,379    | \$0            | \$204,568                          | \$18,411              |                           |
| 8              | 66      | -       | \$0                                | \$18,411       | \$205,687  | \$312,845    | \$0            | \$205,687                          | \$18,411              |                           |
| 9              | 67      | -       | \$0                                | \$0            | \$206,621  | \$334,745    | \$18,411       | \$206,621                          | \$18,411              |                           |
| 10             | 68      | -       | \$0                                | \$0            | \$188,794  | -            | \$18,411       | \$188,794                          | \$18,411              | \$165,699                 |
| 11             | 69      | -       | \$0                                | \$0            | \$170,611  | -            | \$18,411       | \$170,611                          | \$18,411              |                           |
| 12             | 70      | -       | \$0                                | \$0            | \$152,064  | -            | \$18,411       | \$152,064                          | \$18,411              |                           |
| 13             | 71      | -       | \$0                                | \$0            | \$133,146  | -            | \$18,411       | \$133,146                          | \$18,411              |                           |
| 14             | 72      | -       | \$0                                | \$0            | \$113,850  | -            | \$18,411       | \$113,850                          | \$18,411              |                           |
| 15             | 73      | -       | \$0                                | \$0            | \$94,167   | -            | \$18,411       | \$94,167                           | \$18,411              | \$257,753                 |
| 16             | 74      | -       | \$0                                | \$0            | \$74,091   | -            | \$18,411       | \$74,091                           | \$18,411              |                           |
| 17             | 75      | -       | \$0                                | \$0            | \$53,614   | -            | \$18,411       | \$53,614                           | \$18,411              |                           |
| 18             | 76      | -       | \$0                                | \$0            | \$32,727   | -            | \$18,411       | \$32,727                           | \$18,411              |                           |
| 19             | 77      | -       | \$0                                | \$0            | \$11,422   | -            | \$18,411       | \$11,422                           | \$18,411              |                           |
| 20             | 78      | -       | \$0                                | \$0            | \$0  | -            | \$18,411       | \$0                                | \$18,411              | \$349,808                 |
| 21             | 79      | -       | \$0                                | \$0            | \$0  | -            | \$18,411       | \$0                                | \$18,411              |                           |
| 22             | 80      | -       | \$0                                | \$0            | \$0  | -            | \$18,411       | \$0                                | \$18,411              |                           |
| 23             | 81      | -       | \$0                                | \$0            | \$0  | -            | \$18,411       | \$0                                | \$18,411              |                           |
| 24             | 82      | -       | \$0                                | \$0            | \$0  | -            | \$18,411       | \$0                                | \$18,411              |                           |
| 25             | 83      | -       | \$0                                | \$0            | \$0  | -            | \$18,411       | \$0                                | \$18,411              | \$441,863                 |
| 26             | 84      | -       | \$0                                | \$0            | \$0  | -            | \$18,411       | \$0                                | \$18,411              |                           |
| 27             | 85      | -       | \$0                                | \$0            | \$0  | -            | \$18,411       | \$0                                | \$18,411              |                           |
| 28             | 86      | -       | \$0                                | \$0            | \$0  | -            | \$18,411       | \$0                                | \$18,411              |                           |
| 29             | 87      | -       | \$0                                | \$0            | \$0  | -            | \$18,411       | \$0                                | \$18,411              |                           |
| 30             | 88      | -       | \$0                                | \$0            | \$0  | -            | \$18,411       | \$0                                | \$18,411              | \$533,918                 |

# Sample SIPS Illustration

Based off an initial deposit of \$300k:

## Portion 1,

- Great American, pays **\$18,441** income starting after 1 year and for 7 years.

## Portion 2

- Security Benefit, to “roll up” or grow by 7% compounding for 7 years. When client activates the annual income of **\$18,441** at ages **67**, it pays client for the rest of their life.
- Home Healthcare Doubler is proportionately higher, than shown in the original SIA Calculator

# Summary of SIPS “Level”:

Lifetime Income BEFORE the SIPS Strategy =

Guaranteed = **\$16,641**

Lifetime Income AFTER the SIPS Strategy =

Guaranteed = **\$18,441**

*\*\*Difference Over 10 Years = \$18,000 more*

*\*\*Difference Over 20 Years = \$36,000 more*



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**TAX FREE INCOME**



# Tax-Free Income

This is a little known IRS Loophole. Less than 1% of Advisors across the country know how this works.

In the year prior to your Annuity account value reaching zero, you can do a “**Roth Conversion**” on the remaining annuity account value. From that point forward, all annuity income will payout TAX-FREE.

*Here's the IRS link that explains the Roth conversion. It's all the way at the bottom of the page.*

[http://www.irs.gov/irb/2008-38\\_IRB/aro7.html](http://www.irs.gov/irb/2008-38_IRB/aro7.html)

# Sample Roth Conversion



## Security Benefit Secure Income Annuity

\*FOR EDUCATIONAL PURPOSES ONLY

### Guaranteed Illustrated Values

| Age Lifetime Annual Income Starts | Benefit Base (A) | Lifetime Annual Income (B) | Home Healthcare Doubler*** (C) |
|-----------------------------------|------------------|----------------------------|--------------------------------|
| 60                                | \$346,680        | \$16,641                   | \$33,281                       |

| Start of Year | Primary Attained Age | Base Contract   |                                |                   |                      |                   |                            |                   |                         |   |                             |                    | GLWB (Single Life) |
|---------------|----------------------|-----------------|--------------------------------|-------------------|----------------------|-------------------|----------------------------|-------------------|-------------------------|---|-----------------------------|--------------------|--------------------|
|               |                      | Withdrawals (1) | S&P 500® Annual Point to Point |                   | S&P 500® Monthly Sum |                   | MSDA 2 year Point to Point |                   | Total Account Value (8) | Guaranteed Minimum Cash Surrender Value (9) | Cash Surrender Value** (10) | Death Benefit (11) | Benefit Base (A)   |
|               |                      |                 | Index Int Rate (2)             | Account Value (3) | Index Int Rate (4)   | Account Value (5) | Index Int Rate (6)         | Account Value (7) |                         |   |                             |                    |                    |
| 1             | 59                   | \$0             |                                | \$81,000          |                      | \$81,000          |                            | \$162,000         | \$324,000               | \$262,500                                   | \$270,000                   | \$324,000          | \$324,000          |
| 2             | 60                   | \$16,641        | 0.00%                          | \$76,016          | 0.00%                | \$76,016          | 0.00%                      | \$152,033         | \$304,066               | \$248,484                                   | \$252,059                   | \$304,066          | \$346,680          |
| 3             | 61                   | \$16,641        | 0.00%                          | \$71,033          | 0.00%                | \$71,033          | 0.00%                      | \$142,066         | \$284,132               | \$234,329                                   | \$234,329                   | \$284,132          | \$346,680          |
| 4             | 62                   | \$16,641        | 0.00%                          | \$66,049          | 0.00%                | \$66,049          | 0.00%                      | \$132,099         | \$264,198               | \$220,031                                   | \$220,031                   | \$264,198          | \$346,680          |
| 5             | 63                   | \$16,641        | 0.00%                          | \$61,066          | 0.00%                | \$61,066          | 0.00%                      | \$122,132         | \$244,264               | \$205,591                                   | \$205,591                   | \$244,264          | \$346,680          |
| 6             | 64                   | \$16,641        | 0.00%                          | \$56,082          | 0.00%                | \$56,082          | 0.00%                      | \$112,165         | \$224,329               | \$191,006                                   | \$191,006                   | \$224,329          | \$346,680          |
| 7             | 65                   | \$16,641        | 0.00%                          | \$51,099          | 0.00%                | \$51,099          | 0.00%                      | \$102,198         | \$204,395               | \$176,276                                   | \$176,276                   | \$204,395          | \$346,680          |
| 8             | 66                   | \$16,641        | 0.00%                          | \$46,115          | 0.00%                | \$46,115          | 0.00%                      | \$92,231          | \$184,461               | \$161,398                                   | \$161,558                   | \$184,461          | \$346,680          |
| 9             | 67                   | \$16,641        | 0.00%                          | \$41,132          | 0.00%                | \$41,132          | 0.00%                      | \$82,264          | \$164,527               | \$146,371                                   | \$148,730                   | \$164,527          | \$346,680          |
| 10            | 68                   | \$16,641        | 0.00%                          | \$36,148          | 0.00%                | \$36,148          | 0.00%                      | \$72,297          | \$144,593               | \$131,194                                   | \$136,997                   | \$144,593          | \$346,680          |
| 11            | 69                   | \$16,641        | 0.00%                          | \$31,165          | 0.00%                | \$31,165          | 0.00%                      | \$62,329          | \$124,659               | \$115,865                                   | \$124,659                   | \$124,659          | \$346,680          |
| 12            | 70                   | \$16,641        | 0.00%                          | \$26,181          | 0.00%                | \$26,181          | 0.00%                      | \$52,362          | \$104,725               | \$100,000                                   | \$100,000                   | \$100,000          | \$346,680          |
| 13            | 71                   | \$16,641        | 0.00%                          | \$21,198          | 0.00%                | \$21,198          | 0.00%                      | \$42,395          | \$84,791                | \$84,000                                    | \$84,000                    | \$84,000           | \$346,680          |
| 14            | 72                   | \$16,641        | 0.00%                          | \$16,214          | 0.00%                | \$16,214          | 0.00%                      | \$32,428          | \$64,857                | \$68,000                                    | \$68,000                    | \$68,000           | \$346,680          |
| 15            | 73                   | \$16,641        | 0.00%                          | \$11,231          | 0.00%                | \$11,231          | 0.00%                      | \$22,461          | \$44,923                | \$53,000                                    | \$53,000                    | \$53,000           | \$346,680          |
| 16            | 74                   | \$16,641        | 0.00%                          | \$6,247           | 0.00%                | \$6,247           | 0.00%                      | \$12,494          | \$24,988                | \$36,000                                    | \$36,000                    | \$36,000           | \$346,680          |
| 17            | 75                   | \$16,641        | 0.00%                          | \$1,264           | 0.00%                | \$1,264           | 0.00%                      | \$2,527           | \$5,054                 | \$20,620                                    | \$20,620                    | \$20,620           | \$346,680          |
| 18            | 76                   | \$16,641        | 0.00%                          | \$0               | 0.00%                | \$0               | 0.00%                      | \$0               | \$0                     | \$0   | \$0                         | \$0                | \$346,680          |
| 19            | 77                   | \$16,641        | 0.00%                          | \$0               | 0.00%                | \$0               | 0.00%                      | \$0               | \$0                     | \$0   | \$0                         | \$0                | \$346,680          |
| 20            | 78                   | \$16,641        | 0.00%                          | \$0               | 0.00%                | \$0               | 0.00%                      | \$0               | \$0                     | \$0   | \$0                         | \$0                | \$346,680          |
| 21            | 79                   | \$16,641        | 0.00%                          | \$0               | 0.00%                | \$0               | 0.00%                      | \$0               | \$0                     | \$0   | \$0                         | \$0                | \$346,680          |

Perform Roth Conversion  
in Year Prior to Account  
Value Reaching Zero

All Income After Roth Conversion will  
Pay Out TAX FREE for Life

# IRS Verbiage

(c) *Effective/applicability date.* The provisions of this paragraph A-14 are applicable to any conversion in which an annuity contract is distributed or treated as distributed from a traditional IRA on or after August 19, 2005. However, for annuity contracts distributed or treated as distributed from a traditional IRA on or before December 31, 2008, taxpayers may instead apply the valuation methods in §1.408A-4T (as it appeared in the April 1, 2008, edition of 26 CFR part 1) and Revenue Procedure 2006-13, 2006-1 C.B. 315 (See §601.601(d)(2)(ii)(b)).



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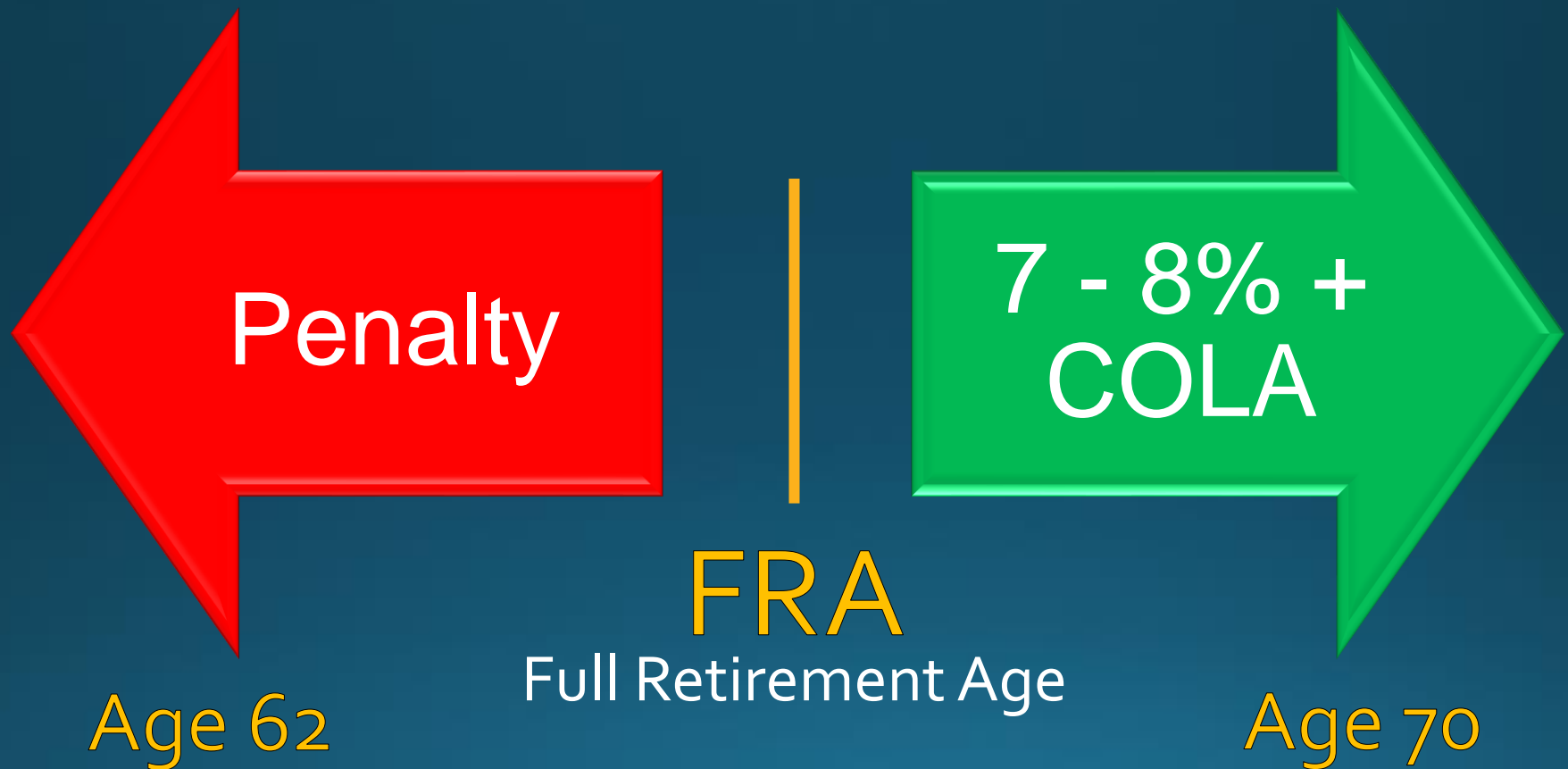
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**SOCIAL SECURITY**

# Social Security

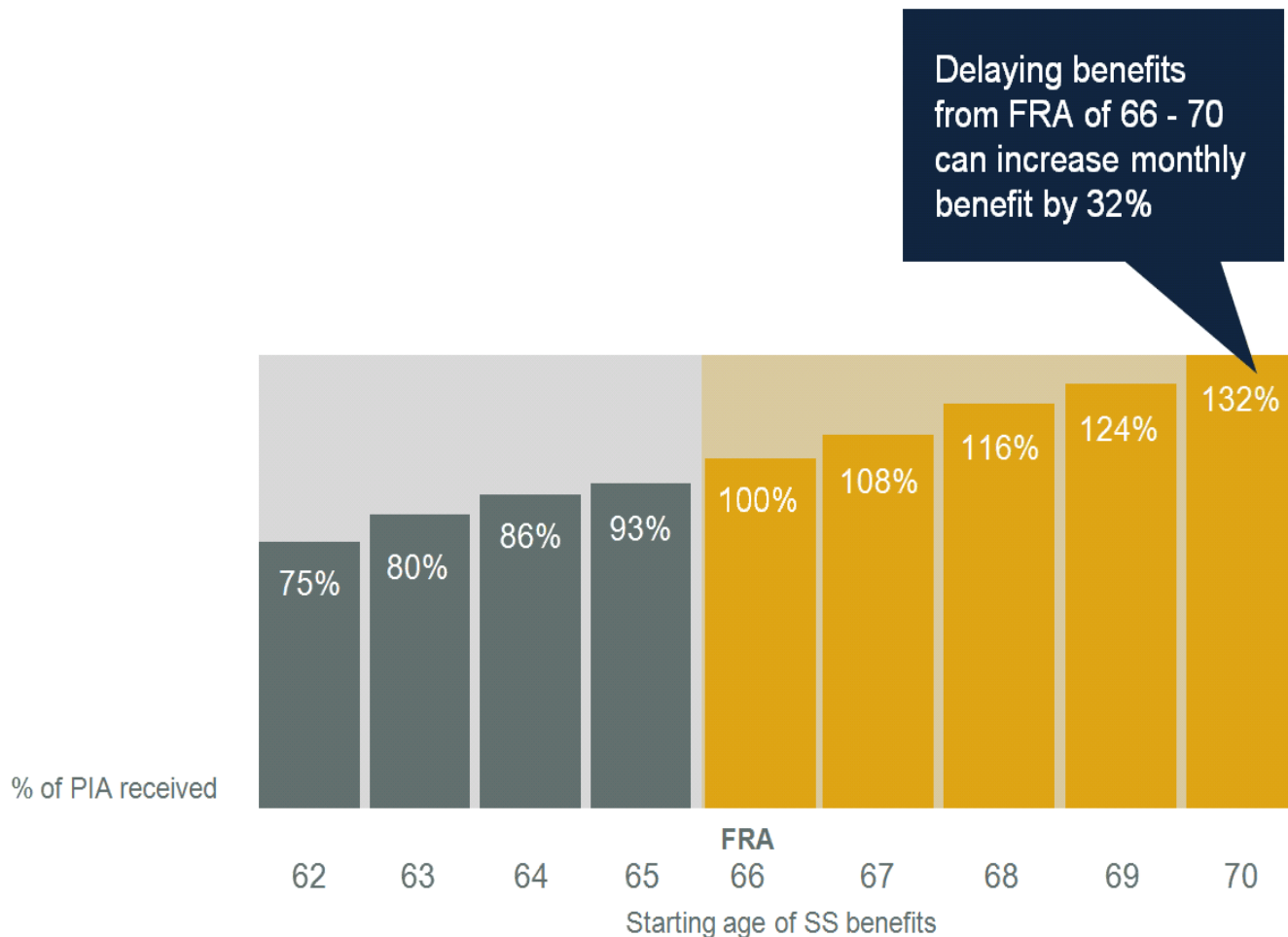
How it works...



# Social Security

## SOCIAL SECURITY BASICS

### Early and delayed filling affects monthly benefit

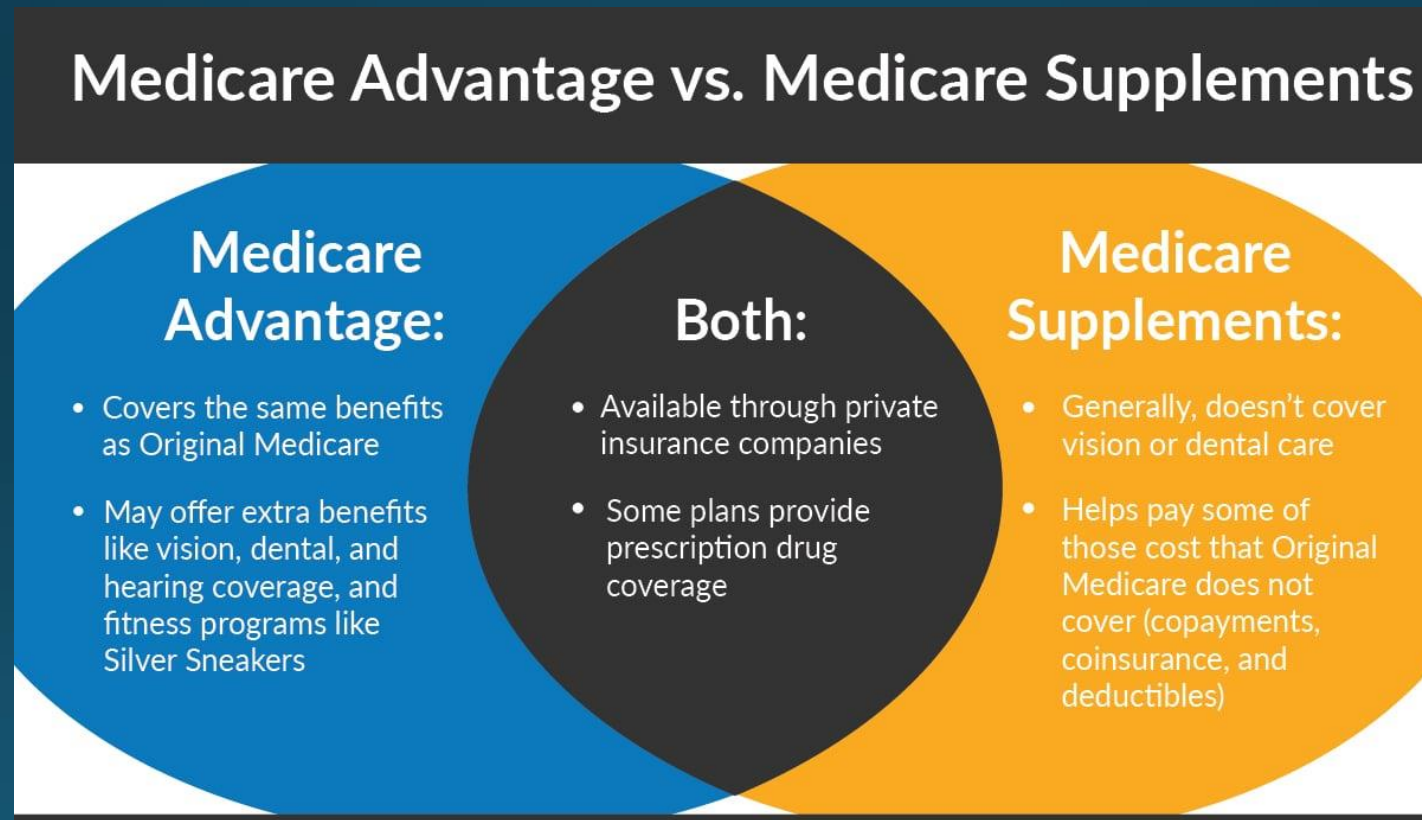




# Medicare Planning

## How do you compare plans?

We represent most of the plans on the market and can help you choose which plan meets your needs each year. Give us a call and we can become your agent for FREE.



NOTE: WE are not allowed to solicit you for Medicare and you will need to contact us for our NO COST annual Medicare Reviews