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00:00

JIM: Well welcome to today’s program and you might have heard this program a little bit sooner but when I interviewed David the first time I muted half the program so we got him back. The good news is right now the tax bill is a little bit more seasoned since the first time we tried this interview and David, I know you’ve spoken to audiences all over the country and you wrote the book *The Power of Zero* which keys in on how to be tax efficient in retirement. I can’t wait to visit with you today.

00:30

DAVID McKNIGHT: Well thanks for having me. We had a great conversation that first time around and I’m confident this time we’ll stay unmuted the whole time.

00:38

JIM: So now, let me just ask you; I know you’re working on a project, it might be a little premature to talk about it but you were just saying just before we went on the air how you just interviewed someone we’ve had on, David Walker, the past comptroller of the currency and you said you’re going to be speaking to Ben Carson; sounds like you might be speaking to Dianne Feinstein; talking to a lot of famous people and I guess you’re recording a documentary. What’s that all about?

01:04

DAVID McKNIGHT: Yes, the book came first, *The Power of Zero* and you know some people have a problem with inertia; they can’t get off the couch. They don’t want to read the book so we said hey, we’ll create a movie that describes the main message of the book. We want to make it as easy as possible for people to understand the fiscal path that our country’s on which is not good and what they can do about it. Really the main message of that book was hey, tax rates in the future are likely to be dramatically higher than they are today and that was before the tax legislation came about so there was this idea that this vague and distant future tax rates would probably go up; we didn’t know exactly when, we didn’t know exactly how much. We thought that they could go as high as double because that’s what David Walker said in the past but the details weren’t firm and then this 2018 tax legislation comes around and now we know that tax rates will be historically low for the next eight years. We know the year and the day when tax rates are going to go back up again so now all of a sudden people when they’re planning how to have a tax efficient retirement they now have certainty in their corner. They know the year and the day when tax rates are going to go up.

What we‘ve been doing is we’ve been basically crisscrossing the country interviewing people that have something meaningful to say about this. They’re experts in their field and that agree that tax rates are going nowhere but up. We’re not talking just about what’s happening in 2026; we’re talking about 2030, 2035 and beyond where tax rates are headed down the road. We met with Van Miller and Tom Hegna and David Walker and Tom McClintock who’s on the house budget committee; he’s a US congressman out of California. He said look, in nine years we’re going to be Venezuela if we keep on our current path. There’s some scary, apocalyptic stuff out there when you really look at the numbers. For people who need a kick in the butt in terms of feeling urgency on repositioning highly taxable tax deferred assets to tax free this movie coupled with the book is going to be a major, major motivating factor in getting people to act.

02:49

JIM: I hope I make the cut; we actually did the interview in here in the studio.

02:53

DAVID McKNIGHT: That’s right, that’s right. I didn’t mean to short change you there. We have experts including Jim Silbernagel. You will make the cut I’m sure of it.

03:02

JIM: I’m looking forward to that. When does that come out?

03:04

DAVID McKNIGHT: We’re still doing interviews but the editing is a really; I mean he’s basically going to have to distill 60 to 70 hours of footage down into one hour so unfortunately we’re not going to have you on for the whole hour Jim, as good as you are, but that process takes like 45 to 60 days and that’s if he’s really, really being super efficient, so we’re looking at maybe a late June showing and this is going to be really interesting because financial advisors are going to be rent out movie theaters and show clients and prospects this movie. It’s going to be a great opportunity for client appreciation events and things like that for people who want to take *The Power of Zero* message to their clients and really get people motivated to start taking seriously the future, the debt situation of our country and the reality that tax rates down the road are likely to be dramatically higher than they are today.

03:49

JIM: So for everybody that’s listening go back to the insurance professional or financial advisor that’s giving you this program and ask them when the showing is going to be in your area because I know it’s going to be awesome. I know we’ve had David Walker on before and he’s just fantastic. I mean he’s Nation’s chief accountant and if anybody knows what’s going to be in store for us for the future he’s probably got a better hand on the pulse than just about any other American.

Let’s talk about; you kind of touched upon it. I know this tax bill was a huge win for just about every single American. I think has an opportunity to save on taxes and with a little bit of planning most people can save even more. I’m not talking about just initially because you’re talking about rates going up but there is a lot of opportunity to save taxes not only now but in the future. What are you talking to people about? I mean I don’t think people realize because they always talk about the top federal tax rate. We’ve got some of the lowest top federal tax rates we’ve ever had. I think the top right now is down to 37; I think the lowest was 35 here a few years ago

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DAVID McKNIGHT: Right.

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JIM: When you look at the bottom rate, the first bracket that people pay 10% I look back at the 1040s from the 1950s when we didn’t have trillion dollar deficits and the lowest rates started at 20%. That’s double; then we have the next rate that goes to 12% and that covers most Americans. Most Americans won’t pay more than 12% on any of their income. I mean this is unbelievable.

05:22

DAVID McKNIGHT: Yeah, you know we talk about highest marginal tax brackets; it was 94% last two years of World War II; throughout the entire decade of the 70s it was 70% and now it’s 37%. The reason we focus on the highest marginal tax bracket is because that usually is sort of harbinger for what all the other tax brackets are doing. Like you said if we go back to 1960 to 1963 the highest marginal tax bracket was 89 but then the lowest one was 23 so as that highest one goes up those lower ones move up right along with it. Now that we’re at 37 it speaks volumes about where everybody is in terms of where they’re paying taxes. I would like to say this; the media has really been focusing on the impact of this new tax legislation on everyday Joe Lunchbucket, how much more money are they going to be able to take home in their checks and how many loaves of bread will they be able to buy with it and things like that but I’m telling you, as good as that is for everyday Americans the real sweet spot for this thing is going to be for people who want to reposition assets to tax free over the course of the next eight years.

Let me give you an example; it used to be that if you wanted to do Roth conversions and things like that that you were probably going to be in the 25% tax bracket because that income got piled on top of your other income and it probably would either keep you in the 25% tax bracket or bump you up into the 28% and the problem was the 28% tax bracket ended at $233,000 and that paying 28% was not highly motivating for people when it came to Roth conversions and shifting money to tax free. Well guess what? We’re now at a situation where the 24% tax bracket ends at $315,000. It goes from $165,000 all the way up to $315,000. The 22% tax bracket starts at $77,400, goes to $115,000 so there is a sweet spot. If you’re already in the 22% tax bracket why wouldn’t you want to pay 2% extra so that your taxable income could go all the way up to $315,000 in a given year? The opportunities for Roth conversions and repositioning highly taxable assets from tax deferred to tax free there’s never going to be anything like this at any other time at any other point in our lives and so I really like to tell people, look you’re on the clock, January 1, 2018 that clock started ticking. Every year that goes by where you fail to take advantage of this tax sale of these historically low tax rates is potentially you’re on the back end where you’re going to be forced to pay taxes at the highest tax rates you’ll see in your lifetime. Taxes are on sale; we know the year and the day when the tax sale is over. You’ve got to make hay while the sun shines here.

07:42

JIM: So, what makes you so convinced that tax rates are going up? I mean we’ve seen politicians talk about it and talk about it and I mean you look at it whether it’s Republican or Democrat you’ve got a guy like President Obama and he talked about taxing more and taxing more but when it came right down to it he really didn’t; as a matter of fact the estate taxes which typically are the highest personal rates anybody’s going to pay he actually gave us the best estate tax relief there’s ever been and yet he was talking about taxing the rich. Now you’ve got Trump and everybody loves the fact that he’s lowering the taxes but someday we might have to pay the piper and we’ve got more deficits. I mean we had Bush that created more deficits than all the presidents combined before him and Obama not to be outdone then did the same thing including Bush’s debt and now we’ve got Trump remains to be seen just how much he’ll add to the debt; these things can happen.

08:35

DAVID McKNIGHT: Well see here’s the problem; we’ve got $21 trillion of debt and the debt is going to go up unless there is a tax law change the government is required to pay benefits for social security and Medicare. It’s a law; they can’t get out of it unless they change the law. The problem is they don’t have enough money to pay for these things so they have to borrow money. When you look at the fiscal outlook the debt just grows. I mean we’re into trillion dollar fiscal deficits every year. That’s going to grow as time goes on. We’ll get to the point where if we have $53 trillion of debt all of the tax revenue flowing into the treasury at that point would only pay the interest on all that debt let alone any principal, let alone any social security, Medicare, Medicaid or any other programs, park service, FBI, anything; it’s all going to be out the window. If interest rates just return to historically normal levels and the cost of servicing all that debt is going to quadruple where is all this money going to come from if not higher taxes. David Walker has famously said you either have to double taxes or reduce spending by half or some combination of the two. Well if that’s the prescription to the ailment and what Trump did was lower taxes and increase spending by a trillion and a half dollars over 10 years to be able to pull it off we did just the opposite of what we’re supposed to do. We were supposed to take our spinach but what did we do; we went straight for the dessert. We’re in a situation where the fix on the back end is going to be even more painful than it was before because we did the exact opposite of what the fiscal doctors told us.

09:57

JIM: How do you feel about Trump saying well we’ll grow our way; the economy will grow so much that revenues will increase and we have seen some revenues increasing. Do you see that as any possibility or it’s really a time that we have to pay the piper.

10:10

DAVID McKNIGHT: Yeah, well, you know it’s interesting when we interviewed David Walker last week we were in his house and I said David can I give you my best David Walker impression and I was of course imitating one of his famous lines from his 60 Minutes report back in 2009; he was telling the anchor, he says, look, anybody who has done their homework, studied history and is good at math can tell you that we cannot grow our way out of this problem and what does he mean by that. Well basically he’s say look, even if somehow, some way we had this world beating 5% GDP year after year after year, which we know is never going to happen but even if it could, so you sort of envision in your mind’s eye a line that’s growing at 5% per year. Well then envision a line that’s going upward toward the sky which is what our projected spending is; the line of growing at 5% GDP never ever, ever catches up with the money that we actually owe, so there’s a Delta there that we have to account for somehow. Unless we either dramatically raise taxes, reduce spending dramatically or some combination of the two then the problem gets bigger and bigger. The best analogy I tell people is it’s like the democrats and the republicans are in the front seat of a car that’s heading toward a cliff. Nobody wants to relinquish control of the steering wheel and so we’re going to sort of not compromise ourselves right over this cliff and time is running short. Every year that goes by where we fail to act means that we have less time to get the thing resolved.

11:28

JIM: Well let’s take a short break. When we come back let’s talk about the planning opportunities that people should be considering. Please stay tuned.

11:36

JIM: Welcome back as we continue to visit with David McKnight who is the author of the book *Power of Zero* and he’s now doing a documentary film on this. Before the break we were talking about; I know we both are big fans of David Walker and the reason I’m a big fan of him is it’s about the math; it’s not political rhetoric. He’s a gentleman that served under, I think seven or eight, different presidents from both parties. I know, he said to me when I visited with him is that one of the reasons that he stepped down from that positions is he wrote the book *Wake up America* and he was hoping to take the message to the people to force and create some political undercurrent where they would get our politicians to start getting serious about balancing the checkbook. Unfortunately it doesn’t look like he’s had too much success when you see the debts now, but there’s a pretty good probability that we’re going to have to raise taxes in the future. Right now we have; I know the lowest rates as long as I’ve been paying taxes and my parents have been paying taxes and I dare say almost as long as my grandparents were paying taxes. The only that keeps me from saying my grandparents is they were born before the tax code was passed so there was a period of time they didn’t pay any income taxes. But any rate, there are some tremendous opportunities right now and you kind of talked about a little bit before the break considering Roth conversions. Before we get into some of the other things, what do you say to people that say well you’re saying to put it in this tax free account or better tax account but if we have to raise taxes won’t they just go ahead and change the tax rules and let’s say take a Roth IRA and just start taxing it?

13:18

DAVID McKNIGHT: Yeah, I mean they could. They probably wouldn’t do that if they knew what’s good for them. I mean historically when the country needs revenue what do they do? They raise the taxes on the money that’s in that tax deferred bucket. That’s what they’ve done historically. Could they change their minds somewhere down the road? Possibly, but you’d have to ask why they would adopt that type of approach. Remember historically they’ve always either taxed you on the seed or on the harvest. When I say taxed you on the seed that means you pay the taxes today, you put the money in the tax free bucket and then it grows tax free forever. The converse is that you don’t pay taxes on the seed but you pay taxes on the harvest somewhere down the road. It’s always been either pay your taxes today or pay your taxes down the road. If they were to say all of a sudden you’re going to pay your taxes today and you’re going to pay your taxes down the road; we’re going to tax you on the seed and the harvest then all of a sudden they’ve broken a promise to the American people and that gets people voted out of office. When you make those types of bait and switch type moves then people get voted out of office. It would be much easier to simply say look, we need some additional revenue. We’ve done this before. We’re going to do it again, why not do it now; let’s just raise the tax ever so slightly on that tax deferred bucket on your IRAs and 401(k)s and that way we can keep ourselves fiscally solvent as a country and by the way it’s not going to be ever so slightly; it might be little increments along the way but the net difference in your taxes over the course of the next 20 years is going to be dramatically different than what it is today.

14:45

JIM: I know with things like that there is a history of grandfathering where from this day forward this is the way it’s going to work but what you did under the old tax rule we’ll honor that.

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DAVID McKNIGHT: Right.

14:56

JIM: One thing we talked about is Roth conversions. Now I know when you talk about the power of zero you’re talking about a dirty word sometimes and that’s the word of life insurance.

15:05

DAVID McKNIGHT: Right.

15:07

JIM: So, a lot of people tell me they don’t believe in life insurance. I hear people say life insurance is a lousy investment and all this kind of stuff. Well at the end of the day there are some big tax incentives to life insurance and that’s built in by the tax code. Why don’t you talk about how you position life insurance and why now with the low tax rates why people might want to be taking another look at that?

15:29

DAVID McKNIGHT: Yeah, I tell people all the time, you don’t have to love life insurance. You don’t have to love life insurance companies, you just have to like them a little bit more than you like the IRS because in the end someone’s getting your money. The thing about life insurance is if it makes sense mathematically you do it. If you’re going to be able to keep more money for yourself and your family than you would by taking the traditional approach then it’s something that you consider and math is always something that corroborates and drives all of the recommendations that we make to our clients but it’s got to make sense financially and what most people do when it comes to life insurance is they get as much death benefit as they can for as little money as possible; we call that term insurance. What a lot of advisors do when it comes to life insurance is they do just the opposite, they get as little death benefit as the IRS requires of you and then you stuff as much money into it as the IRS allows in an attempt to mimic a lot of the tax free benefits of the Roth IRA without the limitations of the Roth IRA but the thing that you’ve got to remember that you’re getting with life insurance is number one, you’ve got to have a need for a death benefit. You’re getting a death benefit along the way but in a lot of these cases what you’re seeing is companies that will give you your death benefit while you’re alive for the purpose of paying for long-term care and what I’ve noticed is that everybody’s thinking about long-term care because they’ve got a parent that’s been going through it or what have you and people aren’t opposed to have long-term care insurance, they’re just opposed to paying for it. By getting a death benefit that can be advanced to you in advance of your death for the purpose of paying for long-term care and if you die peacefully in your sleep 30 years from now never having needed it then someone still gets a death benefit. That can be a much more palatable way of taking care of that long-term care boogie man as opposed to going out and maybe buying the traditional use it or lose it long-term care insurance. Life insurance these days is very dynamic. It’s been reengineered to mimic a lot of the tax free benefits of the Roth IRA in a very low expense way so I think people need to; number one, understand that it’s not all about life insurance but if you can use life insurance as a compliment to your Roth IRAs, your Roth conversions, your Roth 401(k)s and by the way if you can get your balances in your 401(k)s and IRAs low enough then your RMDs can be offset by your standard deduction and then if you do it all just right and you keep your provisional income below certain thresholds then your social security can be tax free as well. You’ve got five or six streams of tax free income that can put you at the zero percent tax bracket and of course the main thrust of my book *The Power of Zero* is that if you’re at the zero percent tax bracket when the tax rates double two times zero is still zero; that’s why it’s powerful.

17:54

JIM: Well let’s dig in that a little bit because I think most people are pretty confused when it comes to cash value life insurance. There are many types of it but I always use the analogy people get confused premiums and costs.

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DAVID McKNIGHT: Sure.

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JIM: You know, because premiums are what you stuff into the policy; cost is what it costs for the actual benefits that you have and whatever you put in in excess of the cost goes into this cash value bucket and there are many ways it can grow. Can you expand on that a little bit?

18:22

DAVID McKNIGHT: Yeah, so, let’s talk about the cost because that’s when people get sort of confused about life insurance. One of the things that they’ll read on the internet is that life insurance is very expensive. The fees are too high to justify its utilization in your plan. I’ve studied this for a very long time and what I’ve found is that if the life insurance policy is structured the right way and when I say structured the right way I’m talking buy as little death benefit as the IRS requires of you, stuff as much money into it as the IRS allows; what I’ve found is that the fees are higher in the early years, they’re lower in the later years but when averaged out over the life of the program you’re basically paying about 1.5% of your premium of 1.5% of whatever is in your cash value over the life of the program. Guess what, if you were to look at your 401(k)s, your IRAs, you’re paying 1.5% there as well so I tell people whatever road you take in life somebody’s making 1.5%. The question is what are you getting in exchange for that 1.5%. If you’re getting for 1.5% you’re getting a death benefit that doubles as long-term care that’s a pretty neat benefit to get for paying only as much fees as you’re accustomed to paying in all your other investments,.

19:26

JIM: That’s incredible and that’s why everybody who’s listening today typically most of us will need life insurance. It’s to replace a lost paycheck for our loved ones; it might be to replace a lost social security check for our spouse. There are a lot of different things that happen where we might need a sum of money to provide for our loved ones. This new reengineered insurance where we actually; I mean if we’re a single person and don’t have a family our likelihood of needing long-term care is that much greater. You can take care of providing benefits for yourself and if you don’t have heirs maybe there’s a worthwhile charity that you can leave the life insurance amount to but then that living benefit of having cash value accumulating that you can use to access along the way is pretty huge. I know there are different types of life insurance. Some people say well I don’t get a good enough return. Well you can do variable life where you have separate accounts that look a lot like and kind of mimic what mutual funds do so you can invest in the stock market within your cash value. If you don’t want the risk of the stock market there are index policies which will give you a credit of an interest credit based on what the market’s doing so you can get a better interest than maybe you could get in a bank savings account and then you’ve also got universal life where the interest rates will float based on common interest rates and those are real popular when interest rates were 9%, 10%, 12% and then you’ve got the old standard which is whole life which you know everything that you have. There’s no guesswork. You can predict with almost 100% degree of certainty what your values will be based on what you put in and how you structured the policy. Not a lot of moving parts. There’s a fit for everybody as far as what their objectives might be as far as accumulating cash. Did I miss anything on that?

21:18

DAVID McKNIGHT: I think you hit all of them.

21:21

JIM: So I mean it really is something that somebody should be looking into. Any other things that you see people should be looking at with this new tax bill?

21:29

DAVID McKNIGHT: Well, let me talk real quick before we get back to the taxes; one thing that people have got to recognize is; I’ll sit across from my clients and I’ll look Mr. Jones right in the eye and I’ll say Mr. Jones you’re better off dying than needing long-term care. He’s like well why is that. I’ll say well at least if you died Susie here gets everything. She’s beneficiary on all your accounts, your life insurance, your 401(k)s, IRAs and her life and while we would miss your terribly Mr. Jones her life from a financial planning perspective goes on relatively unchanged but if you don’t die, you almost die right, you don’t die but need long-term care then everything that’s in your portfolio now gets earmarked for the long-term care facility. Your wife, poor Susie, gets to keep one house, one car, a minimum monthly maintenance needs allowance which is in most states about $2500 a month and then about $119,000 of cash, so what was shaping up to be a perfectly rosy retirement for Mrs. Jones turns into this bare bones subsistence type living for the rest of her life. Long-term care is devastating. You’ve got to have a plan for long-term care. People aren’t opposed to having long-term care they’re just opposed to paying for it. If there’s a way to pay for your long-term care without feeling that same brunt of the use it or lose it proposition that’s why a lot of people are looking at these life insurance programs to help cover the cost of long-term care. There isn’t that heartburn associated with paying for something you hope you never have to use.

As far as the new tax rate goes look, what I’ve noticed is that there were a lot of deductions that were taken away. There were a lot of benefits that were added. I think for most people it’s going to be a wash but the real benefit in the new tax code is the reduction in the tax rates. The cosmetic makeover that all those tax brackets got and I’m telling you we don’t have the lowest highest marginal tax bracket in the history of our country because under George Bush it was 35% and now it’s 37% but I think we’ve got the biggest sweet spot that we’ve seen in the last 80 years. To be able to pay 24% all the way up to $315,000 of income; just last year that would have put you in the 33% tax bracket. Again, for people that are tax conscious, they recognize you either got to pay the taxes now or later well guess what; if you can save 9% all the way up to $315,000 it makes a lot of sense to take a hard, hard look at how much money you should be shifting to tax free each and every year.

23:44

JIM: Alright, well this has been awesome and I’m going to finish up. You have a catch phrase which you use; in eight years tax rates go up, is your retirement plan ready? What do you mean by that?

23:55

DAVID McKNIGHT: It’s just something to get people to think. A lot of people don’t realize that there’s this sunset provision in the current tax code which basically says that when January 1, 2026 rolls around the current tax rates revert to the 2017 tax rates which are a lot higher than they are today. The whole goal is to just get people thinking. You know you’re going to have to pay taxes now or you’re going to have to pay taxes later. If you already know that after 2026 tax rates are going to be higher than they are today then why wouldn’t you take advantage of these low tax rates. Remember we want to spread that tax liability out over eight years. You want to pay low enough tax that you don’t rise too dramatically in your tax cylinder so that you get heartburn but you want to pay enough tax that you get all the heavy lifting done before tax rates go up for good. For a lot of people there’s a magic number. Talk with your financial advisor; figure out what that magic number is and make sure you’re taking advantage of this tax sale before it’s over forever.

24:46

JIM: I just recently was at a seminar where the last seven years of the baby boomers represents 70% of the baby boomer population and those are the folks that are all going to be hitting retirement age over the next eight years. A lot of them are sitting there and they’re not thinking about distribution. They’re still in that accumulation phase and I’ll tell you what. I’ve got a lot of clients right now where I’m telling them check the Roth box, don’t do the deductible box right now and we should be looking at conversions. A lot of them are so used to spending every nickel of their paycheck that’s coming in and saving that money on taxes that they’re reluctant to do that. I really believe like you and David Walker we’re going to have to pay the piper some day and I think we’re going to go back to seeing some rates like we’ve seen in the past. Wouldn’t it be a shame to have deducted that money at 12% and 22% only to have to take that out plus the accumulation at rates that we might have seen in the past like 30%, 40%, 50%, 60%, 70%, 80%, 90%. I mean it’s going to be an interesting future that we have and the one thing I would suggest to everybody out there; if you’re not sitting down with your team of professionals, your CPAs, your financial professional, your insurance professional and come up with a plan to take advantage of these next eight years to put you in the best position for the eight years and beyond that once this tax law is done I think you’re making a huge mistake and it could cost you a small fortune. Anything you’d like to add to that David?

26:22

DAVID McKNIGHT: Well yeah, so in closing I’d just say look, people have got to remember that the true purpose of a retirement plan is not to give you a tax deduction today; it’s to maximize cash flow at a period in your life when you can least afford to pay taxes and that’s in retirement. That’s even more true during a period of historically low tax rates. We are in a period of historically low tax rates. It’s a rising tax rate environment. We already know that that’s going to happen and remember, in a rising tax rate environment there’s a perfect amount of money to have in your taxable and tax deferred bucket; anything above and beyond that perfect amount should be systematically repositioned to tax free. Just be mindful of that and recognize that there’s an opportunity each and every year between now and 2026.

27:02

JIM: Last thing, if someone wants to get our book David how do they get it?

27:05

DAVID McKNIGHT: Pretty easy, just go right on to Amazon.com and you can see it right there, *Power of Zero.*

27:10

JIM: Alright, thanks David.

27:11

DAVID McKNIGHT: Thanks for having me.

KAYLA: Any life insurance guarantees or ratings are based on the claims-paying ability of the issuing life insurance company. Life insurance policies can have downsides and risks such as the fact that policy loans accumulate interest and if not repaid, could affect the longevity of the policy, impact the cash value, and decrease or terminate the death benefit. Life insurance premiums include commission fees and there are additional fees for riders.

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The death benefit and cash value of variable life insurance will fluctuate based on performance of the investment options. These types of insurance policies are sold by prospectus. Please consider the investment risks, charges, and expenses before investing. Death benefits are subject to the claims paying ability of the issuing insurance company

Guarantees are subject to the claims paying ability of the issuing insurance company

To qualify for the tax free penalty free withdrawal of earnings, a Roth IRA must be in place for at least five tax years, and the distribution must take place after age 591/2 or due to death, disability, or a first time home purchase (up to $10,000 lifetime maximum). Before taking any specific action, be sure to consult with your tax professional.

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