Contribution **Accumulation** **Distribution**

Which stack would you rather pay taxes on?

How would you like to help your clients re-think the way they plan for retirement income?

This is a time tested presentation that we have used for over a decade to communicate with clients the benefit of paying taxes on the seed versus the harvest.

This presentation should get a prospect to question how they approach retirement planning.

This is a conceptual and easy to illustrate presentation. Something you can draw on a napkin or yellow pad.

First draw 3 boxes of increasing size like you see above. Then ask your client, *"Imagine that these 3 boxes represent 3 stacks of $100 bills. Considering this to be a pure liability question, for the sake of discussion your client is not keeping any of the money, ask your them the question, Mr. and Ms. Client if you had a choice which, of the 3 stacks would you rather have the tax liability on; the small, medium or large stack?"*

Now assuming your client has a pulse and they are following along thus far, the natural answer is the small stack. Continue with:

*"Well, these 3 stacks represent the 3 phases of retirement. **The small stack is the contribution, the medium stack is the accumulation and the large stack is distribution. Because wouldn't you agree that if your contributions do not accumulate to an even larger stack of money it was a bad plan Uncle Sam has allowed us to avoid paying taxes on 2 of the 3 phases of retirement planning."*

"Most individuals approach retirement planning just that opposite as what you said you would like to do. They avoid taxes on the 2 smaller stacks and pay taxes on the largest stack. If you could accomplish exactly what you said you would want to do, that is pay taxes on the smallest stack, the seed, and accumulate retirement dollars without taxes and distribute them without taxes would you be interested?"

"In addition, how would you feel about a plan that was self completing for death or disability? That is, if you became disabled or you died prematurely you or your family would still have the retirement dollars you planned for."

"You may wonder if such a plan exists. It does and has been used for decades. It is cash value life insurance. You see with cash value life insurance you can make after tax premium payments, grow your account without taxes and ultimately distribute the dollars for tax free income. The life insurance component makes this plan self completing in the event of a pre-mature death. Your family will have the dollars you planned for on a tax free basis".

"So you can see that by re-thinking how you plan for retirement income, which is paying on the seed instead of the harvest, and using tools that you may not have considered before, you can more efficiently take advantage of the tax system today and tomorrow."

*****note the first page of this presentation is intended to be printed on clear plastic sheet (transparency paper). The second page, with the money stacks, would be printed on regular paper in color. During your discussion or presentation, where noted in the script above, you would place the transparency over the stacks of money noting the 3 phases of retirement.***