

The Retirement Guide To a Life of Financial Freedom!

*Retirement Resource Management
For Today's Savvy Investors*



Presented By: **BILL CONSTAIN**



FREEDOM
WEALTH SERVICES

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Edited 1/13/2015

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Published by The Insurance Pro Shop

Introduction

Given today's new tax laws, people living longer in retirement, the cost of probate, inflation, the current volatility of the stock market and the availability of many new and innovative products, it makes it very difficult for most people to keep up to date and sort through it all.

This booklet is intended to provide our friends, family, and clients with an overview of the information they need, to help them understand

some of the many complex financial issues we all face in today's economic environment.

Today, many people are turning to a new breed of tax-deferred annuities, as a foundation of their overall financial plan, instead of mutual funds, certificates of deposit or municipal bonds.

Why? That is what this booklet is all about.

Common Concerns of Retirees

While there are a number of different ways retirees approach their income needs at retirement, we have found that they have the following common concerns.

- Preservation of Principal - They don't know how long they're going to be retired and they don't want to outlive their money.
- Safety of Investments - They want to make sure their income is there each and every month. So, they can't afford to risk losing any of their investment principal.
- Minimize Income Taxes - No one likes to pay income taxes, especially retirees.
- Growth of Income - As the cost of living increases they want their incomes to increase.

This booklet is intended only as an overview. It is important to visit with your local financial services professional to determine how you can best use this information.

The Biggest Problems Affecting Retirement Income

Inflation is eroding your spendable income

Each year with inflation, the cost of health care, food, and almost everything else we need and want keeps getting more expensive. This is bad news for all of us and is especially bad news for the many retirees who are on a fixed income and have limited cash reserves.

Each year as everything gets more expensive, retirees will either have to cut back on their expenses and / or start taking more and more income. In many cases, this means they will eventually be forced to start depleting their cash reserves, and hope that their money will last until they die.

A simple inflation rate of 4% means that in 10 years, a retiree will need to spend almost 50% more in order to maintain their same standard of living. If they are currently living on \$50,000 of income, they will need to increase it to \$74,000.

While we can't stop prices from rising, there are some things you can do to make your money last longer.

But, you need to act now.

The obvious solution is to have your cash reserves grow faster than the inflation rate and your spending. This can be achieved by strategically positioning assets, without sacrificing safety or guarantees.



The Cost of Income Taxes

Income Taxes are reducing the amount of income that you have to spend. And, they are reducing the growth of your investments.

Unfortunately, almost every penny we earn is subject to the bite of income taxes. If you need \$10,000 of interest income and are in the 28% tax bracket and 6% for state tax, you will need to generate \$15,000 in order to have \$10,000 to spend.

However, for many retirees it is worse than that. There is an additional 14% or more that is due. It is an indirect, hidden tax...

Investment Income Can Make Up To 85% Of Your Social Security Income Taxable.

As you probably know, you are required to report all your interest income (even tax free income) on your Tax Return (1040a), even if you're not using it. Your interest income is then combined with all your other income to determine if and how much of your Social Security Income is taxable.

Many retirees are paying income taxes on 50% or 85% of their Social Security Payment, when they could avoid it. If you want to see if you're paying taxes on your Social Security, look at line 14b of your Income Tax Return (1040a), or 20b form 1040.

Imagine having additional income by simply eliminating the tax on money you are not spending...

What Your Stock Broker Isn't Telling You Could Cost You 1000's

Because of the recent phenomenal stock market returns, tens of millions of American families have invested their savings, too thoughtlessly and emotionally, in stocks and mutual funds. As the stock market reverts to its historical averages over the next 10 to 20 years, their retirement incomes could turn out to be a lot smaller than they now anticipate.

The problem is that it may be much worse than that. Many of these people may actually run out of money during their retirement years.

Why is this a problem?

Let's assume that the real rate of return of the S&P 500 will average 8% in the future. You might conclude that you can withdraw \$80,000 out of your \$1,000,000 portfolio each and every year indefinitely, and maintain yourself with the same income. However you would be wrong...

If you had returns that average lower than 8% during the first 10 years you will run out of money long before the stock market brings up your average investment returns, in later years.



To illustrate this phenomenon, we'll use a coin toss. Tails represents a 10% loss (-10%). Heads represents a 30% gain (+30%).

If you start with a \$1,000,000 portfolio and roll alternating heads and tails, then you could withdraw \$81,700 (8.17% of the initial amount) over the next 30 years before all the money runs out.

However, if you are unlucky enough to roll 15 straight tails before rolling 15 straight heads, you can withdraw only \$18,600 per year. Reverse the process and roll the 15 Heads followed by 15 tails and you can withdraw \$248,600 per year.

This phenomenon was first brought to the attention of the investing public by Philip L. Cooley, Carl M. Hubbard, and Daniel T. Walz from Trinity University. They looked at the success rate of various withdrawal strategies over numerous historical periods, and came to the conclusion that only a withdrawal rate of 4%-5% of the initial portfolio value had a reasonable expectation of success.

To put it another way, if you lose 30%, then gain 8% a year, it will take roughly 7 years to recover the losses...



Example:

\$ 500,000	Portfolio
\$-150,000	Loss
\$ 350,000	Balance

An 8% return, minus 28% Federal Tax and 6% State Tax is a return of 5.36%. At this rate it will take 7 years just to get the investment back to \$504,427. **Keep in mind that was compounding every cent earned without spending a dime.**

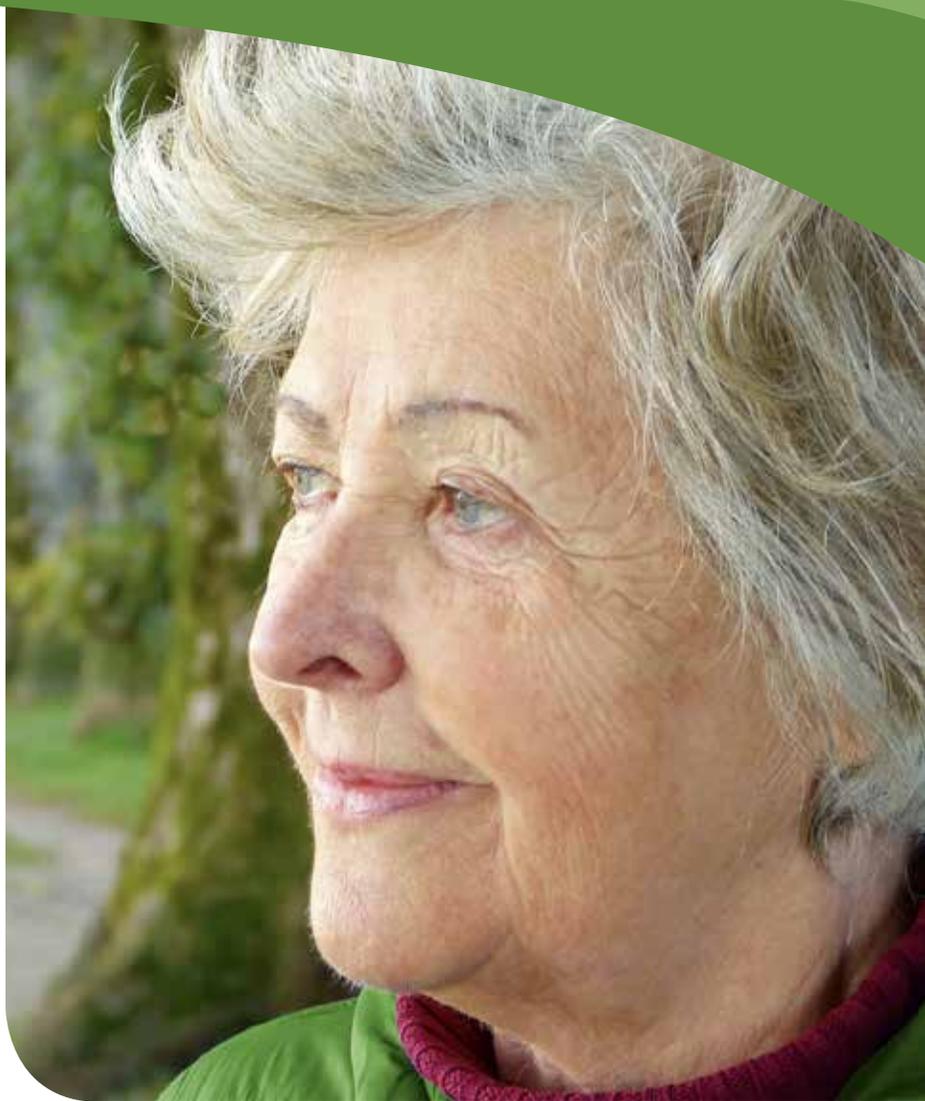
You can increase your overall spendable income while avoiding the problem of running out of money!

...And, you can still reap the benefits of the stock market without the downside risk!

Annuities Are Back In Vogue

Today, many retirees are finding the new breed of deferred annuities are a much better option than tying up their money in CD's or letting it sit in a money market account. Deferred Annuities, as evidenced by their performance history, have consistently outperformed other alternatives - such as CDs, savings accounts and money market funds. And, unlike CD's, money market accounts and many other investments, deferred annuities offer a minimum interest rate guarantee.

Deferred Annuities have been issued in the United States since 1812. Today, they represent one of the most popular investment vehicles used for retirement and other long term needs by investors seeking conservative growth of their assets. There are over 49 million individual and supplementary annuity contracts in existence. While annuities have been sold in the U.S. for over 185 years, their popularity has grown dramatically, primarily during the past decade.



Annuities Provide Real Safety

Your tax-deferred annuity is safe. A qualified legal reserve* life insurance company is required to meet it's contractual obligations to you. These reserves must, at all times, be equal to the withdrawal value of your annuity policy.

In addition to reserves, state law also requires certain levels of capital and surplus to further increase policyholder protection.

Plus, each state has there own Life & Health Guaranty Association, which protects individuals from losses.

*Legal reserve refers to the strict financial requirements that must be met by an insurance company to protect the money paid in by all policyholders.

Annuities Are Tax Advantaged

With a Deferred Annuity you pay NO taxes on your interest, until you actually use it. You can also control the tax year, in which the withdrawals are made, and then you only pay taxes on the interest you withdraw.



More Advantages Of An Annuity

Annuities Avoid Probate.

After you die, the accumulated funds within your annuity will be transferred to your named beneficiaries, avoiding the expense, delay, frustration and publicity of the probate process.

Annuities Are Not Attachable By Creditors.

In most states deferred annuities are protected from all creditors, even in bankruptcy. That's real safety.

Annuities Are Incontestable.

Heirs, family members and creditors can and do contest Wills, Trusts and the distribution of other assets going through probate, slowing up the process and adding additional expenses.

Annuities Are Private.

Unlike Trusts, Wills and the probate process, which are a matter of public record, you can leave assets to a friend, a favorite relative or a charity, without upsetting the remaining heirs.

Annuities Provide Immediate Cash Resources.

Your family has the money they need to live on, while they are waiting for distribution of other assets.

Annuities Provide Control From The Grave.

You can specify whether your heirs receive a lump sum payment, or a guaranteed monthly income.

Annuities Can Provide A Guaranteed Income For The Rest Of Your Life.

The Tortoise VS. the Hare

Equity investments such as stocks or mutual funds frequently have flashes of brilliance, but occasionally fall back. Most investors would be pleased with gains in four out of every five years. But, do the great years, offset those years with a poor or a negative return?

This is the question frequently asked by persons purchasing the new breed of deferred annuities, and trying to contrast the level performance with stocks, mutual funds, or variable annuities.

If you started with a \$100,000 deposit, which strategy would produce a higher cash balance in five years?

<i>Year</i>	<i>The Hare</i>	<i>The Tortoise</i>
1	20% gain	8% gain
2	21% gain	8% gain
3	10% gain	8% gain
4	(16% loss)	8% gain
5	10% gain	8% gain

The answer is that both of these strategies would produce exactly the same result of \$147,000.

What does this tell us?

‘Consistency Out Produces Flashes Of Brilliance!’ This poses an important question;

“Where is the justification for taking the much higher risk associated with equity investments?”



Today You Can Get Stock Market Type Returns, Without Risking Your Principal!

A new innovation for the new millennium...

Indexed Annuity

Can you imagine an investment product that provides the long term potential growth of the stock market, without the downside risk. Plus, your principal and a minimum interest rate are guaranteed.

No Loss Guarantee Provision

- Once you make a premium payment, you will never have less in your account than your premium payment.
- Once interest has been credited to your indexed annuity, the value of your annuity will never decrease, even if the stock market goes down.

Interest Rate

The interest credited to your Indexed Annuity is tied to the performance of the S&P 500 Index.

Actual 10-Year Compound Annual Returns for the S&P 500 Index*

*Standard & Poor's 500 stock index is calculated by Standard & Poor's Corp. Does not include dividends.

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
6.71	4.36	(3.03)	(2.72)	(0.48)	0.92	4.95	5.21	5.44	5.05

***Remember, the S&P 500 Index has consistently
out performed the vast majority of mutual funds!***

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Let's Talk About Real Solutions!

We're not talking about some new fantastic investment, or product that guarantees a 20% or higher return. There is no such thing, as many retirees have unfortunately found out over the past months.

What we are talking about is *Retirement Resource Management*, which simply put, is positioning your assets properly, to avoid the problems we've previously discussed.

Using a tax deferred annuity with some simple, time honored investment strategies you'll have the potential to maximize your income now and for the future, with the potential for more guarantees, with much less risk.

You can beat inflation, reduce your income taxes, and avoid the downside risk of the stock market.

Let's
Talk!

But, I Already Have An Advisor!

Many of the people we have helped do have a stockbroker, accountant, insurance agent, or friend who has guided them in their financial matters. Unfortunately, while these individuals were well intentioned, they generally had a narrow view of the problems and solutions. The advice they gave was based mainly on their area of expertise, what they were selling and what has worked for them personally.

Unfortunately, what worked for them, in many cases, was not the best solution for the people they were trying to help in the retirement years. Yes, they may have had some success, but in many cases their situation could have been much better...

Simple, Real Life Example...

We recently met with a retired couple who were living on Social Security, a small pension and income from their investments. They had been retired for almost 10 years and now they needed more income to meet their current expenses.

We were able to show them how they could get 25% more investment income, and have it guaranteed for the rest of their lives. They were also able to significantly reduce their quarterly tax payments, which gave them even more money to spend. *

Plus, and more importantly, they would have more income in the future, as they needed it, and they didn't have to worry about running out of money.

* Results will vary depending on your unique situation.

What Do We Charge?

***All our initial consultations are free.
There is never a cost or obligation to you.***

Our Guarantee...

It's very simple. We'll review your situation and make our recommendations to you. Then it's up to you to make the decision to do business with us, or not.

It's entirely up to you.

The only risk you take is a little bit of your time.

So, What's The Next Step?

Let me ask you, is it worth 40 minutes or so of your time to see if you can position your assets to:

- Stop losing money in this declining market!
- Start recouping your investment losses!
- Significantly reduce your income taxes!
- Have more money to do more of the things you have always wanted to do!
More trips to see your grandchildren, a new car, more golf, cruises or whatever else you've always wanted to do.
- Have complete safety and guarantees!
- Stop worrying about outliving your money

Remember, there is no risk, no fees and no obligation. You have nothing to lose and everything to gain.

Call us today...

Seriously, do it. It could be the single best and most important decision you'll make this year.



FREEDOM
WEALTH SERVICES

'Helping Families Live Debt-Free & Truly Wealthy'



Dear Friend,

I'd like to take a few minutes of your time to introduce myself to you. My name is Bill Constain, President & Founder of Freedom Wealth Services. We specialize in helping people to maximize their investment growth, while minimizing risk and income taxes.

In working with retirees, we have discovered that many retirees are not enjoying their retirement years as much as they could or should be. They are holding back because of the fear of outliving their money. It's a very real and valid concern.

We understand. We believe we can help put your mind at ease with some simple proven money management strategies.

Whether you are already retired, or you are planning to retire soon, wouldn't it make sense to position your money; to minimize your income taxes and maximize your income potential for the future?

Please, give us a call if you would like more information about how you can have the retirement of your dreams. The only cost or obligation to you is a little bit of your time.

Sincerely,

Bill Constain

P.S. I'm confident that you'll find the time we spend together very profitable. However, if when we're done, you feel that I've wasted your time, I'll write a check for \$50 to your favorite charity right then and there. Could anything be more fair?



“The Freedom Specialists”

‘Where Your Retirement Dreams Become Reality’

Here are just a few of the ways you’ll benefit, by strategically repositioning your investments;

- Pay No Taxes on the growth of your money until you actually use it.
- Set up a savings plan that will provide significant additional wealth for you in retirement - tax free.
- Grow your retirement savings by participating in the up-side of the stock market, without the risk of the down-side, and both your principal and interest are 100% guaranteed!
- Protect your assets from law-suits, predators, opportunists and **PROBATE**.
- Avoid being taxed on your hard-earned Social Security benefits.

7 out of 10 seniors are Unnecessarily paying taxes on their Social Security benefits!

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