CASE STUDY:

Why This Business Owner Skipped the Bank and More Than Doubled His Retirement Income

Stream
An asset you can bank on

When a 43-year-old HVAC business owner came to Stream, he had two goals: a potential tax-free retirement, and a legacy his children could inherit without being crushed by estate taxes. What he didn't expect was that an upcoming business sale would unlock a strategy that more than doubled the retirement income his Stream Protection Plan was originally projected to deliver.

The starting point: a Stream Protection Plan

Like most clients, he came in for the standard model: contribute a set amount each year for five years, let bank financing leverage those contributions at 5:1, and walk away with a potential tax-free retirement income stream and a substantial death benefit for his family. Simple, protected, market-risk-free.

He committed to $50,000 a year for five years — a $250,000 total contribution. On Stream's standard bank-leveraged model, that was projected to generate roughly $135,000 in potential tax-free annual income from age 65 through 120.*

Then a better option came into focus

While mapping out the plan, our team uncovered a unique opportunity in his portfolio. He owned a second business — one he planned to sell in roughly ten years for an expected $1.5 million liquidity event.

Most owners in his position would default to predictable destinations for that cash: a savings account, a stock portfolio, paying down debt.

Case Study Summary

- Client: 43-year-old HVAC business owner planning a $1.5M liquidity event in 10 years
- Goals: potential tax-free retirement, estate-tax-free legacy for his children
- Strategy: skip the bank loan; inject business-sale proceeds directly into his Stream Plan
- Result: projected potential tax-free retirement income jumped from ~$135K/yr to ~$305K/yr
- Bonus: significantly larger potential tax-free death benefit for his family

**Projections are illustrative and based on current carrier assumptions. Individual results vary.*

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Instead, the question we asked was simpler: **"If you're going to have $1.5 million in cash, why borrow against your potential tax-free asset at all?"** By rerouting the proceeds of the business sale directly into his Stream Plan, bypassing the bank-loan structure entirely, he could fund the same policy with his own capital, eliminating both the loan and any exposure to future interest rate changes.

	Standard Stream Model	Liquidity Event Model
Annual contribution (Years 1-5)	50,000	50,000
Total upfront contribution	$250,000	$250,000
Direct injection at Year 10	None – bank funded	$1.5M from business sale
Funding approach	Premium-financed	Self-funded
Project tax-free income, ages 65-120	~$135,000/year	~$305,000/year*
Death benefit	Substantial	Significantly larger

By skipping the bank loan and using his own liquidity event to fuel the policy, he more than doubled his projected retirement income and dramatically increased the potential tax-free legacy his children will inherit.

The principle behind the strategy
As Stream co-founder Tim Whitmore puts it:

> **"If you're in a position like our client's, why would you use a potential tax-free asset to pay back a bank loan? You want your retirement fund to keep growing for you."**

The Stream Plan is built to flex around your life. Whether your liquidity event is the sale of a business, an inheritance, or any major windfall, channeling that cash into your Stream Protection Plan can dramatically amplify what your golden years look like, without handing more of it to the IRS.

Connect with Us! Email us at service@thestreamplan.com

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