

Save 70% on your Retirement Funds

The Bad News: Hidden Double Tax

Did you know that estate and income taxes can be as much as 70% on qualified retirement assets such as 401(k) accounts or IRAs? Ouch!

Some call this the "hidden double tax." Money in qualified retirement funds is subject to income tax at the time of withdrawal by the owner. And if those funds are included as part of a taxable estate at death, they may also be subject to federal estate taxes. In other words, these assets can be taxed twice after your death.

The Good News: More for Your Family and the Lord's Work!

But there's good news! If you name tax-exempt Christian organizations as the beneficiaries of all or part of your remaining retirement account balance, the full value will be invested in the Lord's work. These funds will not be subject to estate taxes and, because they were not passed on to heirs, they also avoid income taxes - wise stewardship of the resources God has entrusted to you.

In other words, you can transfer the most taxed asset in your estate to your favorite kingdom causes, while leaving property that enjoys a more favorable tax treatment to your heirs.

Children as Beneficiaries

Can you still name your children as beneficiaries of your retirement assets? Yes, you can - but it's important to realize that whatever they receive will be taxed as ordinary income. Other assets they receive from an estate, on the other hand, such as real estate, stocks, CD's, and savings accounts are generally not subject to income tax.

As you can see, while retirement plans can do a wonderful job of generating funds for retirement, they are not always well-suited for creating funds for inheritance. There are often better ways to provide for your family through your estate. And in the process, you can redirect your retirement tax bill to your favorite kingdom causes.

We strongly urge that you consult with your attorney, financial advisor, insurance agent and/or tax advisor to review and approve this complimentary educational information. This information in no way constitutes legal advice. It is not intended to analyze your particular situation but is broadly educational in nature. We gladly will work with your independent advisors to assist in any way.



- I am interested in help creating or updating my Will and/or Estate Plan.
 I would like more information about tax-smart giving options.

Name _____

E-mail _____

Daytime Phone _____ Evening Phone _____

Reply with envelope or contact Mike Friend at 402-477-8080 or askmike@cityimpact.org