

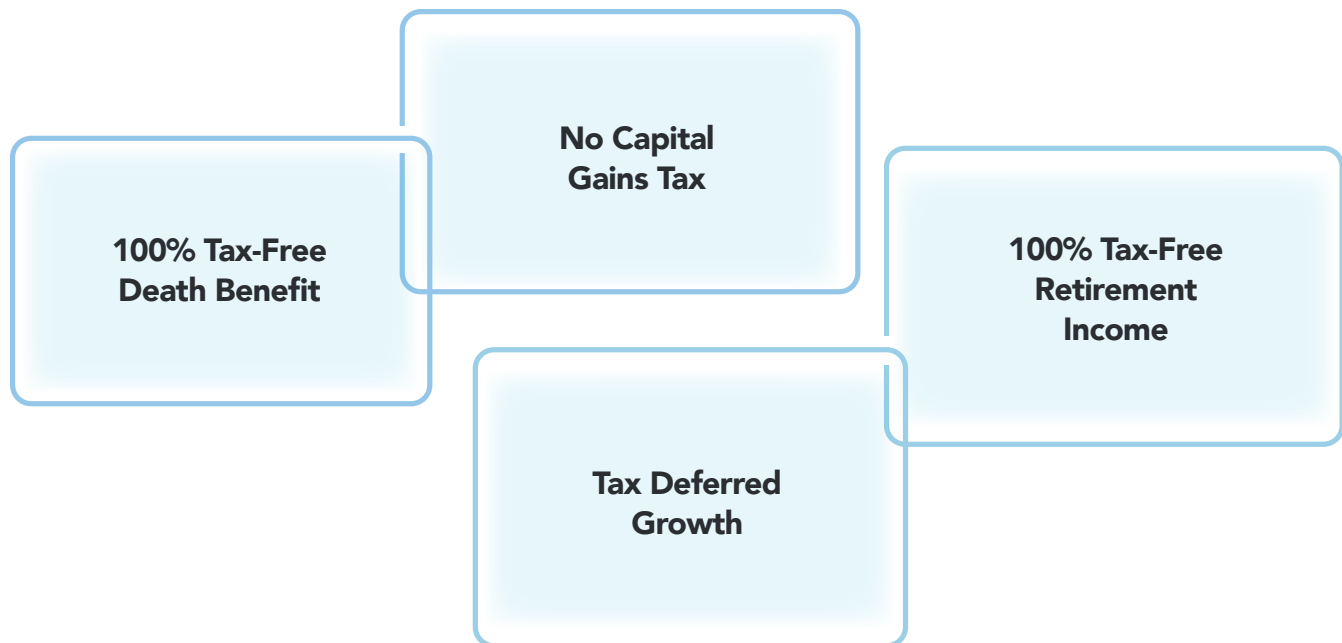
Tax Benefits of Indexed Universal Life Insurance

Indexed Universal Life Insurance (IUL) is a versatile estate-planning solution that offers tax deferred cash accumulation, tax-free retirement income and a tax-free death benefit. In addition, IUL is worth evaluating as a solution to offset potential revisions to the United States tax code.

Proposed changes include the following:

- **Increase in Income Tax** for high net worth individuals
- **Loss of Step-Up Basis** that could negatively impact beneficiaries when inheriting certain assets¹
- **Capital Gains taxed as Ordinary Income** – that means a 40.8% rate for some high earners.²

Tax Benefits of IUL



¹ Inherited assets such as property could be subject to full taxation – original cost basis vs. current value.

² "The Evolving Landscape of Capital Gains Taxes under a Biden-Harris Administration," Bloomberg Tax, January 27, 2021. When state-level capital gains tax rates and municipal surcharges are added, that number climbs to 51.6% in New Jersey, 54.1% in California and 59.6% in New York City.

**For more information, please contact your IDC
or the Annexus Life Sales Team.**

- Not a deposit • Not FDIC/NCUA insured • Not insured by any federal government agency
- Not guaranteed by any bank or credit union • May lose value

Indexed universal life insurance policies are not stock market investments, do not directly participate in any stock or equity investments and do not receive dividends or capital gains participation.

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Guarantees are subject to the claims-paying ability of the issuing insurer. Be sure to choose a product that meets long-term life insurance needs, especially if personal situations change – for example, marriage, birth of a child or job promotion. Weigh the costs of the policy, and understand that life insurance has fees and charges that vary with sex, health, age and tobacco use.

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