Stretch Your Assets

Create A Lasting Legacy by "Stretching" Your IRA

Fixed Annuities

ING

There are times in our lives we wish would never end ... like special moments with family and friends. There are also some things we would like to control ... like the type of legacy we leave our loved ones. At ING, we believe that legacy should make a lasting impression. That's why we've made it easy for you to contribute to your loved one's security by providing an ongoing source of income that may last throughout their lifetime in a unique financial concept called "stretching" your IRA.

Create a Lasting Legacy

You did it! Through careful financial planning, you accumulated enough assets to enjoy a comfortable retirement lifestyle.

But what if you don't need the money in your IRA as a source of income during your retirement?

Well, even if you don't, IRS rules specify that you must begin taking distributions when you reach age $70\frac{1}{2}$. Then, when you receive these distributions, you must pay taxes on the money you draw from your account.

One way to create a lasting legacy for your heirs is to "stretch" the money contained in your IRA to maximize the portion of an IRA that you pass to your heirs. By taking the smallest allowable distributions when you reach age $70\frac{1}{2}$, your IRA enjoys maximum tax-deferred growth potential. When you pass away, your beneficiaries can receive IRA income for the remainder of their life expectancies.

Note: Payments must begin by December 31 of the year following the year of your death. If your sole primary beneficiary is your spouse, then they may treat the IRA as their own.

Read on for the benefits of the "stretched" annuity concept and learn how to create a lasting legacy for the future.

Stretch Your IRA for Lasting Benefits

Maximize the Value of Your IRA for Your Heirs

By taking the smallest possible distribution from your IRA, a greater portion of your account can continue to grow tax-deferred. As a result, it has the potential to appreciate faster than a similar taxable financial product.

Minimize the Current Income Taxes Paid by Your Beneficiaries by Spreading Out IRA Payments and Income Taxes

By extending the payments from the IRA over your beneficiaries' life expectancies, they are "stretching" out the tax liability associated with their distributions. This is because instead of taking a lump sum distribution at your death and paying income tax at that point in time, your beneficiaries are spreading out their IRA payments, and the income tax associated with these payments, over their life expectancy.

(Future tax law changes may potentially alter the tax-related benefits of beneficiaries spreading payments through a "stretch" program)

Create a Stream of Income for Your Beneficiaries that Lasts a Lifetime

Using a "stretch" strategy, your beneficiaries will only access a portion of the IRA each year, and the remainder will continue to grow on a tax-deferred basis.

The end result -- you may positively impact the lives of your loved ones for many years, as your legacy may serve to provide for the additional resources needed to attend college, purchase a home, spend more time with family, or elevate their standard of living.

Of course, as with any financial vehicle, there can be no guarantee that a "stretch" strategy will be successful, and many of its benefits are based on current tax laws, which could change in the future. In addition, you should be confident that you will not need a substantial portion of your IRA assets during retirement. Your financial advisor can work with you to determine whether a "stretch" strategy may be appropriate, given your unique needs and goals.

How to Stretch...

IRA owner with a spouse as a beneficiary.

IRA owner passes away

Surviving spouse assumes IRA.

Surviving spouse names the child as beneficiary.

Surviving spouse passes away

If not already selected, the child elects to stretch the IRA.

Child receives life expectancy payments at least annually and the IRA continues tax-deferred.

Child names a beneficiary.

Child passes away

Child's beneficiary may continue to receive life expectancy payments for the remainder of the schedule until all payments are received, or the cash value of the contract is depleted. Tax-deferred growth continues on all payments not yet received.

... For Your Loved Ones

Creating a Lasting Legacy for Your Heirs

As you can see, the concept of "stretching" your IRA assets over generations of your family, can positively affect their lives. And that can be the lasting legacy of your life. Consider a "stretch" strategy for yourself and your loved ones.

Stretch with
Fixed Annuities

Fixed annuities, can be a smart choice for IRAs and a "stretch" strategy. They can offer you such popular features and benefits as guaranteed interest rates, flexible or single premiums, competitive payouts, liquidity features and so much more.

Fixed annuities that may be able to help you stretch your assets are offered by ING USA Annuity and Life Insurance Company. ING USA Annuity & Life is a member of ING Group, one of the largest financial services organizations in the world. See your representative for details on ING USA's product line.

"Stretching" an IRA as described in this brochure is a sales concept utilizing a fixed annuity. Withdrawals before age 59½ may be subject to 10% IRS penalty tax. IRAs are already tax deferred. Consider other annuity features. Stretch strategy assumes policy has cash value to support withdrawals. Guarantees are subject to the claims paying ability of the insurer.

The parent company, ING Group, is not responsible for the contractual obligations of ING USA Annuity and Life Insurance Company.

This information is based on our understanding of current tax laws which are subject to change. Neither the company nor its agents offer tax or legal advice. Please consult your tax advisor or attorney.

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