.....15 Years and still rolling.....

Open MIC is open for anyone.

9:00: AM Pacific Thursday 800 504-8071 Code is 5556463

IF YOU WOULD LIKE TO FIND OUT MORE ABOUT US

CALL OR EMAIL

ANTHONY OWEN

888-74AGENT (24368)

tony@annuityagentsalliance.com

OR VISIT OUR WEBSITE

Annuity | Agent's Alliance
Real Help From Real Agents.

"It takes a village to raise an annuity agent"

Bill Broich

It's Open MIC Time!

Our friend and crew member Chris Thomas lost his office and all his business records when record rain in Georgia caused sudden flash floods. The picture is his street, office to right.

Please take a look at the following pic It is my office about 4-5 feet underwater....more rain coming today...everything you can imagine for my business is in there.....I am assuming the worst meaning everything ruined.....just spoke with my landlord/owner and he said don't even try to go to the office because the street is blocked off.....I shall keep you posted.....

Christopher L. Thomas, CLU, ChFC, CASL
Thomas Financial Corp
5634 Atlanta Hwy, Ste 700
Flowery Branch, GA 30542

Here is his email: thomasfinancial@att.net

Words of Wisdom

Memorial Day originally was created to honor the Union Soldiers who died during the Civil War. So, some of the Southern States did not celebrate the holiday until after WWI, when the holiday changed to include veterans of all wars.

Dave and Shaun

Product updates

Big Truck Partners

"It takes a village to raise an annuity salesperson!"

Q: I know you have multiple marketing programs and multiple lead sources, can you expand? How do you decide what leads to buy when you are buying leads from multiple sources?

Anthony R. Owen

Annuity Agents Alliance, Co-Founder

Annuity Innovation Systems, LLC, Vice President

Annuity.com, Annuity Marketing Consultant

Eagle Shadow Financial, LLC,Vice President

Office:303-284-3582

This is an extremely significant article, one that needs to be studied and understood. I have marked the important portions in **red,** I have notes in parenthesis....BB

http://annuityoutlookmagazine.com/2013/05/fixed-annuities-under-fire-message-from-the-president/

Fixed Annuities Under Fire: Message from the President: NAFA

by Kim O'Brien

The outlook for fixed annuities couldn't be better. But let's face it.

We're under fire.

Our industry needs to maintain a very diligent and close watch on our product line because there are a lot of forces at play that could harm us. The following is a highlight of our first 2013 webcast, which covered a myriad of issues affecting our industry. You will see a summary of top-level issues and then answers to some key questions posed on our webcast.

- We have the **perfect annuity trifecta** on our side, comprised of demographics, a defined benefit/contribution plan situation in the retail, individual fixed annuity channel, and the ever-hot Social Security topic. On March 15, NAFA turned 15 years old. Just two years after I joined NAFA, the first members of the baby boomers turned 60. Today, baby boomers make up **half** of the U.S. population.

(10,000 new Baby Boomers a day)

- Many people are not getting defined pension plans from their employers anymore. As a result of the economic crisis, we saw several employers reduce their 401(k) match, while employees contributed less of their paycheck to their 401(k). The employer match and employee retirement savings are slowly starting to increase, but there are all sorts of strings attached. Many employers offering a match are not helping employees out in the defined pension space.

- Then what do we have in Social Security? The IRS tells us that a **third of today's retirees get about 90 percent of their income streams from Social Security.**

  (this statistic is very alarming, 1/3 of the our baby boomer target market are mostly wards of the government, living off fixed income from the government)

We also have another **third of folks who get at least 50 percent** of their income from Social Security. Going forward, people retiring and folks hitting the Social Security system in my generation are expected to get 55 percent of their income from Social Security. The next generation behind me is probably in the 40 to 45 percent range. So, that Social Security nest egg is dropping precipitously.

What are our alternatives for income? A typical CD back in February 2008 would produce $1,000.00 a month of interest. Today, this number is **$98**. This is a huge drop.

- The ***Wall Street Journal*** tells us that individuals are fleeing the stock market in droves. In terms of ETF, approximately **$138 billion has been removed from mutual funds since March 2009.** We live in an industry that is legislated, regulated and litigated. Because of this situation we're in, we must pay attention to every regulation, every legislation, every committee proposal, and every piece of litigation to make sure that our product isn't harmed. And, in the positive sense, we need to leverage good regulation and legislation that benefits our industry, product line, and ultimately, our consumers.

  (very true, just think how many pet bills get added to larger bills, like the road to nowhere in Alaska added to the education bill, pet projects can be very dangerous)

- We're committed to ensuring that the NAIC Buyer's Guide is correct and truthful, and that it portrays fixed annuities in the most accurate and beneficial light so consumers truly understand the product they're buying. **But, the California commissioner wanted to insert the statement that consumers have the right to ask annuity professionals what they're going to make on the sale.** We objected

because we don't think that a compensation disclosure is going to help the consumer understand the product they're buying. The NAIC Buyer's Guide can't insert this type of language because that's creating a law. **(eternal vigilance)**

- What's going on at the state and federal level? Well, we avoided the fiscal cliff, but we clearly all know and understand we have fiscal erosion. We've got the Democratic Senate and the Republican House. We've met with key leaders at the House, Ways, and Means Committee, key leaders over at Senate Finance. These are the folks who have the most **power to influence** our product line. They're very anxious about the polarization that's happening. After speaking with former US Comptroller David Walker recently, it also appears that President Obama will be presenting a budget and tax reform as an attempt to restart discussions on a Fiscal Grand Bargaining rather than enacting any major changes this year.

- Another area that puts our products in the line of fire is the **FCC Uniform Fiduciary Standard**. The Section 913 of the Dodd Frank Act asked the FCC to do a study on the benefits of a uniform fiduciary standard for broker dealers. NAFA is opposed to it, and here is why: First of all, **what does it have to do with fixed annuities?** We know that suitability requirements will not be going away. But what does it mean to the consumer? The fiduciary standard has historically always been for the client's interest first because of the constant interaction and control over money. This is much different than what exists with annuities, which are controlled by the insurance company once that policy is issued. The seller, the annuity professional who made the sale, is no longer involved. Uniformity is not always the best application. Sometimes it is better for the consumer when they have options. **Thus, we believe in suitability.**

  (our products are not securities, we strictly follow the suitability guidelines, why do we need federal rules?)

- What about FINRA? This is another reason to oppose the FCC fiduciary standard on broker dealers, and more importantly on the sale of fixed annuities. **FINRA is losing money, as they lost $84 million in 2011.** What does that mean**? It means FINRA needs to raise money and revenue.** They raise revenue by fees, so they're very interested in getting more broker dealers under their belt. They've made a play to be the SRO **(self-regulating organization)** for the broker dealer. Deputy Secretary Boursey wants to change this to a uniform standard as well. She's concerned that consumers are confused about which standards apply to them depending on who's talking to them. In my opinion, the consumers' main concern is whether or not they're being protected.

(concern? BS! Their concern is about how much more in fees can they collect)

- Even further, Boursey wants to extend it into the IRA space. **Note that almost 50 percent of our individual retail annuities are sold in the IRA space**. The good news is we have a change in the guard: acting Secretary Seth D. Harris. That could give us time. NAFA is actively engaged with a group of trades on the Hill to ensure that our products are not harmed.

- We recently met with seven deputy secretaries and they felt that the 84/24 addressed the seller's exemption for the most part. But the problem is the 84/24 is not a seller's exemption. It really just maintains the fiduciary standard on the sale. CapCity, our lobbyist, got us into the initial meeting with the Federal Insurance Office. A lot of concerning things came out of that hearing. We met again on the Hill several weeks ago and nobody felt comfortable predicting what the report would say.

  (84/24) is a proposed amendment considering the disclosure of compensation level of some transactions involving some pension plans, the point being, this is a door opener for federal regulation of our industry)

- We also have that **"3.8 percent"** in the Affordable Care Act. That's a 3.8 percent tax on income from an annuity for a $250,000 AGI joint filer, or a $200,000 single filer. We had a conversation with a key insurance expert in the office. At the very least, the Obama administration has acknowledged that $450,000 and $400,000 might be a better line of demarcation between wealth and non wealth or middle class. **The minute you slap on another 3.8 percent, you almost wipe out the benefit of that compounding tax deferral number**. So this is really problematic.

(tax deferral is essential to the benefits of using our products)

- You've all been reading about investment advice and what license you should get. Here's our advice: **Only get the license that you intend to use for the business model you intend to engage in**. If you want to be an investment advisor, then be an investment advisor. Don't get an investment advisor license or a 66, 63 or a 7 just to **"avoid the regulator."** As we have published, please read our paper on the principles to follow for designation usage. If you read this paper, you will understand what you can and can't do, and how to avoid any problems with designation.

(I totally support this position, get what you need and avoid problems by not getting what you need)

- On a different topic, many states are allowing civil unions. That means many annuity contracts are being modified or amended to say that you can pass on the annuity, not just to a spouse, but to a partner. But the issue is the tax law is a federal law. And the federal law didn't change. So with civil unions, there will still be a federal taxable event.

  (really a tax issue)

- Elder abuse laws are becoming more and more the tool that litigators are using for getting back at some of our product line. We are going to be producing more information on this topic in the future. **(we all need to help stop elder abuse)**

Frequently asked questions

Question: What licenses should I get as a producer? How can we be sure that the source of funds is never an issue even though we prefer to sell FIAs? What protection do we have if we have a Series 65, and if someone wants to move money from a 401(k), for example, into an annuity?

This presents a potential problem because it's tough to defend a fiduciary standard and a fiduciary application when you're only recommending **one specific product**. If there is a complaint by a competitor where you move the money from, or an error, usually it's not the client. They're usually all pretty happy, but if there's a complaint, there might be an investigation. And, they may determine the fiduciary standard was breached. The key is to understand that as a fiduciary you need to present choices and diversification of options.

If one **doesn't** hold himself out as an investment advisor, and his business practice doesn't include services that would be investment advisory services, meaning the review of your Morningstar report or an analysis of your 401(k); or, if you just simply hold the license and you're not advertising and marketing yourself as an investment advisor and your business services don't include what you would routinely call investment advisory services, I don't think you have a problem. I think having a license is a good educational value and a good educational tool, and having the CE requirements for that license is very helpful. You know, knowledge is king, and the more you know, the more helpful you can be to your clients. So, as long as you're not engaging in that business practice, I don't think just simply holding a license is a problem.

Question: Do you think the introduction of more complicated and less stream indices will revitalize the SEC's effort to characterize FIAs as a security?

Well, it's always a concern. A company just tells one in an annual report what they put into one's account value. It's locked in, and this is what they tell everybody. It's locked in. I still believe these are going to be more difficult to defend, but at the end of the day, I think we're going to be fine. Part can really protect us, because it just talks about an indexed annuity. It doesn't talk about any specific type of index. However, it's going to be a difficult public relations conversation.

(my answer is no, it is currently a dead issue)

Question: If the product proposed is fundamentally and in every aspect better than what the client currently has, at what point do the regulators start looking at an issue of churning?

Well, they look at the pattern, or what they call the pattern in practice. In Illinois, there were approximately 14 examples of this pattern. It looks like this: a 4 year-old or less indexed annuity moved into another, newer, indexed annuity. And it was done over a period of time that was fairly contained. There is already a law that really is more appropriate than fiduciary application. But, again, I'm not a lawyer. I have to tell you, the regulators we've talked to are skeptical that the bonus covering the surrender charge is really a win-win for the consumer.

Question: What is your position on RIAs who publicly bash the market and praise FIAs?

To clarify, NAFA and the board have been addressing this for a number of years. NAFA is not an SRO, nor do we police the marketplace. We promote and advocate for fixed annuities. Our presentation of ourselves as an industry does not get into the SRO activity of saying what's the right or wrong marketing practice. Now, having said that, we have produced advertising principle papers that we feel very strongly about, as they are quality advertising principles that people should adhere to. And if you read our advertising principles paper, I think you would get the message of how we feel about some other tactics. Our role is not, however, to police the marketing activities in our industry. It is our role to advocate and promote fixed annuities.

Look for more updates on the state of our industry and thank you again for supporting fixed annuities.

Kim O'Brien

Kim O'Brien is NAFA President & CEO. NAFA membership represents over 85% of all premium for fixed indexed, declared rate and income annuities written through the independent distribution system. In 1993, Kim served as interim deputy director of the Wisconsin Department of Insurance under Governor Tommy Thompson and served Governor Thompson until a permanent replacement could be found. Kim has over 30 years of experience in the insurance industry beginning as in 1981 as office manager for an insurance agency. In 2002 Kim developed and ran her own marketing organization and received the 2002 Entrepreneur Award from Sun Life. In between, Kim worked as a marketing executive for major insurance companies and was responsible for their annuity and term life insurance product line development, marketing, and training processes. In 2008, Kim was accepted into the Juris Doctorate program at the William H. Taft Law School and completed her first year. In early 2010, she has suspended her studies due to the workload at NAFA and will resume when time permits. She lives with her husband and college sweetheart of 38 years, Kelly, in Milwaukee along the shores of Lake Michigan where she enjoys jogging with her two Irish setters.

The commercials are now in hi def, FIA is almost ready.

Meet Katrina Pearson, your new Annuity.com spokesperson, our second instructional vehicle is in the can and will be ready an a week,

Fixed Indexed Annuities.

See her at our new **"annuitycom"** channel on **YouTube**

http://www.youtube.com/watch?v=h89BIToyQJA

Stock Market Blues in HD:
http://www.youtube.com/watch?v=HuGRBhJ1RAE

Safe Man in HD:
http://www.youtube.com/watch?v=Ru11UGE_FC4

How would you like to use this (and 6 others) for direct marketing to your database? It will soon be an available marketing option for you....just another way to find the prospect!

Let's get the update on our new lead pricing and lead flow from Kevin

We spoke about our lead price change, it is now active....BB

Lead Changes….Effective May 21

- **Price Reduction**
- **Added Benefits**
- **Quality Improvements**
- **More Leads**

We have a big change in our lead system and improved pricing.

First of all thank you all very much for being so patient, leads are now flowing and we can begin to provide you with enough lead flow to make a difference in your marketing.

A word of advice, never depend on just one source for leads, *it takes a village to raise an annuity agent!* Use several sources to help balance out your marketing needs. *(Don't forget our life leads, call Shaun for info)*

We have always attempted to price our leads at cost, none of us have ever looked at our lead system as an income center, instead we consider it an aid to agents and to help us all sell more annuities.

That said, we do have a change in our approach and our pricing.

Our focus is on scrubbed leads, leads that we have talked to the prospect, ascertained their interest level, obtaining for you the

highest possible leads we can. We make sure they are actual annuity prospects, their annuity interest level, and their timeline, the amount they are interested in investing and if they are willing to speak to an agent. Any lead we speak to who will not talk to an agent is dumped, thrown away.

100% of all leads are phone verified!

Plus the **HOOK**, we always look for the hook for you.

This system is an entirely outsourced system for you. This is an expensive and thorough process, but we are 100% committed to providing. Our crew price for scrubbed leads is $165; you must get this pricing code through your marketing advisor, Joe, Anthony, Chad, David or me.

If you are only interested in leads and have no interest in our crew approach, the price is $195. The exact process for scrubbing is the same; we are offering the leads at our cost basis for those writing with us.

Here is the change.

$59

Our premium (branded Annuity.com) leads will be lowered to **$59** for crew members. Yes, I did say **$59**. Here are some of the features for our branded and premium leads:

- Exclusive, as always, our leads are only sold once
- Data verified, address, zip code etc.
- Phone verified
- All leads flow through our website, landing pages or marketing logo.

Q. Why don't we just scrub them all? Simple, lead flow is dependent on lead movement, leads have to come in and go out. If we cannot reach the prospect by phone in 0ne hour, they automatically flow to the $59 lead.

We do not queue up our leads for future calling; they are called and moved on either scrubbed or non-scrubbed.

These are the same leads we scrub for you. The good news is they are growing in volume and we can help you with more leads.

If you are not writing business with us, the price is $65 per lead.

How can we sell them so cheap? Our marketing is expanding and we manage our costs.

Is there a catch? Yes and no.

In some areas we may require you purchase leads a little further from your desired marketing area, not in all cases, but in some. Kevin and Allison can help with these details.

We have written new software to minimize this for you, but during the changeover there could be a few leads a little further than you might wish to market. But at $59 for exclusive annuity.com branded leads, cheap! You may have to work a few my phone, so????

Crew: $165 we scrub, $59 you scrub.

Non Crew: $195 we scrub, $65 you scrub.

As always, in areas where we have a crew member using leads, they have priority over non crew.

Plus, there is more. In the next few months, the geographic area you choose will be refined, so that your marketing needs are better matched up with our lead delivery. Lots of new refinements and new additions planned.

Retire Village Changes: Also included in the lead system changes is this, if you wish and you are a member of Retire Village, the leads flow automatically to your database, so even a lead who may not wish to purchase an annuity today will be kept warm for you. (see Joe Rych for details).

Generate Leads and Sales with Our
Spaced Repetition
Drip System

I learned the True Value of Spaced Repetition

from my daughter.....

DADDY, DADDY, DADDY, DADDY, DADDY .... You get the picture....

Did you know this about Hedge Funds?

Because hedge funds are not sold to the general public or retail investors, the funds and their managers have historically been **exempt** from some of the regulation that governs other funds and investment managers with regard to how the fund may be structured and how strategies and techniques are employed.

With the **Hedge Funds** coming to our industry, new features and improvements for product we have access to is essential....BB

More changes and improvements.

Red highlights

Here is the link:
http://www.limra.com/Posts/PR/Industry_Trends_Blog/LIMRA__Companies_Give_New_Emphasis_to_Deferred_Income_Annuities.aspx

Majority Of IA Carriers Adding New Features

WINDSOR, Conn., May 13, 2013—A recent joint LIMRA/CANNEX study finds that a majority of the companies offering income annuities have **added features** designed to address consumer concerns and attract new sales.

Income annuities provide a guaranteed stream of income for as long as the owner or annuitant lives and can ensure that this income covers both lives of a couple. The study, *Features in Income Annuities,* surveyed 39 insurance companies that offer income annuities representing 84 percent of the 2012 industry sales.

Many income annuities now include features that offer retirees **increased access to**

cash or liquidity in case of an unforeseen need. Other features include death benefits to address the event of a premature death and **flexible income options to keep up with inflation**. All these features are designed to make income annuities an appealing part of anyone's portfolio.

"There is a disconnect between the need and the amount of sales," said Lowell Aronoff, CEO at CANNEX. "Retirement income research universally suggests that income annuities should be a core product for nearly all retirees. Yet sales of these products are still fairly modest."

In the past, one objection of advisors to recommending income annuities for their clients **was loss of liquidity**. However, the majority of immediate annuities— including 9 of the top 10 companies— now offer access to cash outside of their scheduled payments in case of emergency or other needs. **Liquidity may come in several forms**: access to the guaranteed payments, access to the life contingent payments or an acceleration of several months of scheduled payments in advance. **Assurance of receiving death benefits** can offer owners and their beneficiaries peace-of-mind and confidence during the purchase process. All carriers surveyed offer the simplest form of death benefit, where if the annuitant dies, payments will continue to their estate for a specified number of years and most provide the option to guarantee that the client never loses money by continuing guaranteed payments until the sum received equals the initial amount invested. Most of the companies in the survey (31 out of 39) offer at least one death benefit that provides additional money upon the annuitant's death as a payout option.

Currently, all of the top 10 companies offer a **Cost of Living Adjustment** (COLA) option that allows retirees to receive increasing income and address one of their chief concerns, inflation. Retirees can choose various COLA rates of up to six percent increases or more. Other companies offer payments that are pegged to the **Consumer Price Index**.

"Advisors who are engaged in retirement income planning are beginning to take a second look at income annuities." said Mark Paracer, LIMRA research project director. "LIMRA research indicates that there will be as many as 64 million retirees by 2025[1]. Including an income annuity — either deferred or immediate — can help retirees ensure that at least their essential expenses in retirement are covered, allowing an advisor to invest the remaining portion of their portfolio with a goal of

higher returns."

Conducted in 2013, the LIMRA study *Features in Income Annuities —Immediate and Deferred Income Annuity Designs* surveyed 39 insurance companies that represent 84 percent of the industry immediate income annuity sales in 2012, including all of the top 10 companies. Seven of these companies offer a deferred income annuity. This joint study builds on 2007 CANNEX study on income annuity features.

One section of the LIMRA-CANNEX study *Features in Income Annuities—Immediate and Deferred Income Annuity Designs* looked at the differences and similarities of immediate and deferred annuities.

- **Multiple Contributions:** Current designs of deferred income annuities differ from immediate income annuities in several ways. One key difference with a DIA is the ability to make **multiple contributions** before the income start date. Most (four out of seven) of the current products allow you to make multiple contributions into the contract.
- **Income Commencement Date Changes:** Another difference between the immediate and the deferred income annuity is the ability to **choose a wider range of income commencement dates**. With the DIA the income can be deferred for as short as 13 months to as long as 45 years. Most (six out of seven) of the current products allow you to change that commencement date. Five of those six companies allow the date to be deferred up to five years after the original payout date.
- **Liquidity Features:** Many of the immediate income annuity liquidity features are also available in a DIA. In fact most (five out of seven) DIAs have at least one liquidity feature. Three of the six companies offer the accelerated payment option. Two of the six offer some access to a commuted value of the guaranteed payments. One company offers 100% liquidity (life included) within 60 days of starting income payments.
- **Income Flexibility:** Most (five out of seven) of the DIAs have a cost-of-living adjustment option. No carriers differentiate the range of COLA rates offered based upon contract types such as life only or period-certain contracts. One insurance company offers a lower maximum COLA rate for deferred income annuities funded by qualified funds. Currently there are no DIA companies that link the payments to the consumer Price Index.

About LIMRA

LIMRA, a worldwide research, consulting and professional development organization, is the trusted source of industry knowledge, helping more than 850 insurance and financial services companies in 73 countries increase their marketing and distribution effectiveness. Visit LIMRA at www.limra.com

About CANNEX

CANNEX Financial Exchanges Ltd. is an independent and privately held company that facilitates the sale of financial products. CANNEX compiles data and calculations about a variety of financial products and makes that information available to financial service providers and the media through a central exchange. The Retirement Income Product Exchange (RIPE)™ is a service through which financial advisors can obtain comparative pricing and data about fixed deferred and income annuity products from across the industry. The service also includes tools and educational material that helps position guarantees as an integral part of a client's retirement income portfolio. The CANNEX Income Annuity Exchange is a part of the RIPE service. For more information about CANNEX, visit www.cannex.com .

LIMRA, a worldwide research, consulting and professional development organization, is the trusted source of industry knowledge, helping more than 850 insurance and financial services companies in 73 countries increase their marketing and distribution effectiveness.Visit LIMRA at www.limra.com.

Gifting Primer

Let's get this in a simple form, so it will be easy to understand and explain to your clients and prospects. Remember, if you are not licensed and authorized to give tax advice, do not. Instead us this handout I have provided for you.

Summary

Anyone (person) can give anyone (person) $14,000 per year without any tax liability to either party.

If you give more than $14,000 per year, you must file a gift tax return. No taxed would necessarily need to be paid but the excess is deducted from your lifetime exemption of $5,250,000.

The lifetime exemption of $5,250,000 is set by congress and sometimes they change their mind, so it can be increased or decreased.

Lifetime exemptions can be inherited by spouses, so a couple's lifetime exemption could be $10,500,000 this is called the Unified Credit. (lots of details)

For example only: The estate tax averages about 40% of taxable estates, but depends on the actual amount of the estate.

Here is a very good handout and a great topic for your off week drip on Retire Village, I marked some important parts in **red** to make a point

Understanding the Gift Tax Exclusion

Most of us will never face taxes related to money or assets we give away.

How can I avoid the federal gift tax?" If this question is on your mind, you aren't alone. The good news is that few taxpayers or estates will ever have to pay it.

Misconceptions surround this tax. The IRS sets annual and lifetime gift tax exclusion amounts, and this is where the confusion develops.

Here's what you have to remember: practically speaking, *the federal gift tax is a tax on estates*. If it wasn't in place, the rich could simply give away the bulk of their money or property while living to spare their heirs from inheritance taxes.

Now that you know the reason the federal government established the gift tax, you can see that the lifetime gift tax exclusion matters more than the annual one.

"What percentage of my gifts will be taxed this year?" Many people wrongly assume that if they give a gift exceeding the annual gift tax exclusion, their tax bill will go up next year as a result. Unless the gift is huge, that won't likely occur.

The IRS has set the **annual gift tax exclusion at $14,000** this year. What this means is that you can gift up to $14,000 *each* to as many individuals as you like in 2013 without having to pay any gift taxes. A married couple may gift up to $28,000 each to an unlimited number of individuals tax-free this year. **The gifts may be made in cash, or they can be made in stock, contributions to 529 plans, collectibles, real**

estate – just about any form of property with value, as long as you cede ownership and control of it.[1,2,3] **(529 plans can help grandchildren go to college....BB)**

So how are amounts over the $14,000 annual exclusion handled? The excess amounts count against the **$5.25 million lifetime** gift tax exclusion. While you have to file a gift tax return if you make a gift larger than $14,000 in 2013, you owe no gift tax until your total gifts exceed the lifetime exclusion.[2,3]

"What happens if I go over the lifetime exclusion?" If that occurs, then you will pay a 40% gift tax on gifts above the $5.25 million lifetime exclusion amount. One exception, though: all gifts that you make to your spouse are tax-free provided he or she is a U.S. citizen. This is known as the marital deduction.[1,2,3]

"But aren't the gift tax and the estate tax unified?" They are. The gift tax exclusion and the estate tax exclusion are sometimes called the *unified credit*. So if you have already made taxable lifetime gifts that have used up $3 million of the current $5.25 million unified credit, then only $2.25 million of your estate will be exempt from inheritance taxes if you die in 2013.[3]

However, the $5.25 million unified credit given to each of us is portable. That means that if you don't use all of it up during your lifetime**, the unused portion of the credit can pass to your spouse at your death.** So if you only use up $1.25 million of your unified credit during your lifetime and your spouse has the full $5.25 million credit remaining, your spouse would have the chance to transfer as much as $9.25 million tax-free, either through gifts made during your life or after your death.[3]

In sum, most estates can make larger gifts during life without any estate, gift or income tax consequences. If you have estate planning questions in mind, turn to a legal or financial professional well versed in these matters for answers.

Citations.

1 - www.chron.com/news/article/New-act-clears-up-estate-gift-tax-confusion-4301217.php [2/22/13]
2 - www.nolo.com/legal-encyclopedia/changes-gift-tax-laws-coming.html [1/13]
3 - www.forbes.com/sites/deborahljacobs/2013/01/02/after-the-fiscal-cliff-deal-estate-and-gift-tax-explained/ [1/11/13]

We Recommend:

Spots are running.....leads....sign up!

Here is the YouTube link:

http://www.youtube.com/watch?v=sGQToDarklU

Scrubbed Leads Description

We offer leads who have previously responded to financial advertisements such as TV or the internet, these leads area attacked due to the message and our brand, Annuity.com. In other words, we know that the lead has inquired about annuity or other financial products.

When a lead is scrubbed the prospect is given the name of the agent who will be contacting them. The type of data that is collected for the agent is the following:

- The prospect is given your name
- The type of annuity they are interested in
- The amount & location of their money to invest
- Their time frame for a potential annuity investment
- The best time they can be reached by phone
- Any additional information / notes we are able to gather...

Leads are delivered in real time.

Lead Volume test ~ Each area is individually tested so that we can reasonably predict the number of leads you should receive. Until your area is tested you may receive more leads than you expect.

Leads are then distributed on a round robin basis if there is more than one agent signed up for leads in your area with producing agents having priority.

The travel distance to the lead address is determined by the geographical broadcast area of the TV or Radio station. However, the majority of the leads will be within the highest density population areas.

You can sign up for leads at: Sign up for leads at:

http://www.annuity-admin.com/agents/index.php

www.annuity.com/agenttools

If you are not using this "Free" resource you are missing out....did I mention it is free?

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