.....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.

*********The U.S. trade deficit increased 15.1% to $50.2 billion in May – the largest deficit since October 2008.

Variable Annuity expense: In this link it **does** mention a specific VA, while I am not making any attempt to single out one specific product (the article names a specific VA company and product), this is important because it comes from a highly regarded financial publication, **www.cnn.com**. What you will find here is a third party view of expenses which may come in handy at some future date. Third party views and opinions from well-regarded sources allow you to be the "passer" of information.

http://money.cnn.com/galleries/2006/moneymag/0612/gallery.outrageous.fees/20.html

---

Life Insurance: The Future. This link will provide a view of the future of life insurance, the sizzle for the sale and other basic reasons to sell this category.

http://www.seniormarketadvisor.com/Issues/2009/10/Pages/The-Future-of-Life-Insurance.aspx

---

The National Debt: This article is very important because to could directly affect your prospects and their decision to trust insurance companies. Insurance companies? How could the national debt and the mess our elected officials have made of

things affect an insurance company?

Simple: If US Treasuries are downgraded, long time **AAA rated** companies such as **NY Life, The Northwestern Mutual** and others as owners of US Treasuries could also face a downgrade, the very core of our "safety and security" approach could be shaken in the eyes of our prospects and our clients.

The trickledown effect could invade all of our industry.

http://www.bloomberg.com/news/2011-07-13/u-s-debt-rating-placed-on-review-for-downgrade-by-moody-s-as-talks-stall.html

Here is another from Financial Times regarding debt options:

http://www.ft.com/intl/cms/s/0/1913c2fc-ae2e-11e0-8752-00144feabdc0.html#axzz1STT4qoSO

---

http://www.homehedgie.com/wp-content/The-Math-of-Gains-Losses.pdf

The Math of Gains and Losses

Dr. Craig L. Israelsen

Figure 1: The Math of Recovery From a Portfolio Loss

Starting account balance	Percentage loss	Ending account balance after loss	Needed percentage gain to restore loss	Ending balance after gain
$1,000	-5%	$950	5.3%	$1,000
1,000	-10%	900	11.1%	1,000
1,000	-15%	850	17.6%	1,000
1,000	-20%	800	25.0%	1,000
1,000	-25%	750	33.3%	1,000
1,000	-30%	700	42.9%	1,000
1,000	-35%	650	53.8%	1,000
1,000	-40%	600	66.7%	1,000
1,000	-45%	550	81.8%	1,000
1,000	-50%	500	100.0%	1,000
1,000	-55%	450	122.2%	1,000
1,000	-60%	400	150.0%	1,000
1,000	-65%	350	185.7%	1,000
1,000	-70%	300	233.3%	1,000
1,000	-75%	250	300.0%	1,000

Source: Craig Israelsen, Ph.D.

For example, a portfolio **loss of 35%** requires a **54% gain** to restore the portfolio to whole. So, historically speaking, how long has it taken the S&P 500 to generate a 54% gain?.....Open the link and study this very important information....BB

This can be a very confusing topic; I am not a CPA or licensed to give tax or IRA advice. It is the responsibility of the person inheriting the IRA to have the correct usage....but generally they do not know.

In my personal practice when an inherited IRA comes around, I always get the insurance company involved in how the titling of the IRA is supposed to be. It is also try and get advice and input from their own (client) CPA (in writing) on how best to title an inherited IRA.

Be careful.....BB

Here is the link for additional information:

http://www.horsesmouth.com/hm.asp?ID=86345&Loc=&Flag=x&r=0%2E5200312

IRA Considerations and Other Points

Management of an IRA after the death of the account holder can severely damage the beneficiary's inheritance. Learn how an IRA changes regarding rollovers, distributions and fund removal. (income and rmd)

When an individual retirement account (IRA) owner dies, those making IRA elections and other decisions have to consider all decisions can have an enormous effect on the assets and the tax liability. An incorrect decision can lead to immediate taxation of the entire IRA; smart planning can result in a significantly larger tax deferral for the beneficiaries. Below are just some of the matters a fiduciary should keep in mind when handling an inherited IRA.

A designated beneficiary of an IRA is entitled to receive post-death required distributions over his or her lifetime. The key is qualifying the **named beneficiary as the designated beneficiary**. Only individuals may qualify as designated beneficiaries, and estates (such as the decedent) cannot be a designated beneficiary. In some rare occasions, a trust may qualify as the beneficiary.

Required minimum distributions (RMD)

RMDs can be confusing but a simple approach for the spouse of the decedent is available. It all depends on whether the decedent was old enough for required RMDs to have to begin and (2) what the remaining spouse decides to do with the ownership of the IRA.

If the IRA owner **doesn't have a designated beneficiary** and dies before the required beginning date, the five-year provision goes into effect. This provision calls for the entire IRA to be distributed **within five years of death.** The life-expectancy rule is applicable, however, where death occurs after an IRA owner's required beginning date and there is no designated beneficiary.

If an IRA owner dies on or after the required beginning date, the beneficiary must take a required minimum distribution (RMD) for the year of death if the decedent has not already taken the RMD. This year-of-death RMD is calculated the same way regardless of whether the IRA owner is alive or deceased.

Subsequent RMDs for non-spouse beneficiaries who wish to utilize a life expectancy payout must begin by Dec. 31 of the year following the year of the IRA owner's death. **A spouse beneficiary** can defer taking RMDs until the year the deceased IRA owner would have attained age **70 ½**.

If the IRA owner died on or after the required beginning date, the spouse beneficiary must begin taking RMDs by Dec. 31 of the year following the year of the IRA owner's death. If, however, the spouse beneficiary **rolls the account into an IRA in the spouse's own name,** the spouse can defer RMDs until the spouse's required beginning date (i.e., April 1 of the year following the year the beneficiary spouse turns age 70 ½.).

Title of account

While non-spouse beneficiaries are generally allowed to transfer an inherited IRA to another account or custodian, the receiving account must be **titled in the name of the decedent**.

If the IRA is not titled correctly, it will cause a deemed distribution and **trigger income tax** on the entire account. It is critical that the beneficiary maintain the IRA in the name of the decedent and so as not to unwittingly cause the benefit to be immediately subject to income tax. In this regard, the beneficiary should maintain title to the IRA in the name of the decedent, held for the benefit of the beneficiary. **Sample language is "John Smith, Deceased IRA held f/b/o Jane Smith."**

Separate shares

Where multiple beneficiaries exist, segregating the account into separate shares will allow each beneficiary to **utilize his or her own life expectancy** to calculate RMDs. If separate shares are established before Dec. 31 of the year following the year of the IRA owner's death, regulations allow the distribution from each share to be determined based on the age of the share beneficiary. For example, if Dad names his three children as IRA beneficiaries, and if a separate share is set up for each child within the required time frame, the required distribution from each share is based solely on the child's age. The significance of separate shares is importsnt:

- Each separate share allows the beneficiary to calculate RMDs based on the beneficiary's **own life** expectancy.
- Where multiple beneficiaries exist, one of which is not a qualified beneficiary, **separate shares allow** for life expectancy distributions for the qualified shares.

Summary

When dealing with an inherited IRA, an incorrect decision can lead to immediate taxation of the entire IRA and a prudent decision can result in a

significant increase in tax deferral for the beneficiaries. It is therefore important that you understand the choices available and the ramifications of such choices before making decisions regarding an inherited IRA.

Here is a link on avoiding mistakes on the 60 day rollover rule:

http://www.investmentnews.com/article/20110717/REG/307179983/-1/INIssueAlert01

More information regarding IRAs etc. from collected questions:

What Is an IRA Rollover?

An **IRA rollover is a tax-free distribution** from one retirement account to an IRA. It allows your savings to continue accumulating, tax-deferred. An IRA rollover comes in handy if you'd like to consolidate your retirement plans into one account or if you retire or leave a job. Even if you leave a company, some companies will allow you to keep your money in their plan's account until your retirement age is reached. However, you may prefer rolling over your retirement savings to a better plan that is more advantageous to you.

Employee-sponsored retirement plans often have only a limited number of options for the investor. In contrast, an IRA you choose can be tailored to meet your individual needs and retirement goals. It can include a greater variety of investment vehicles. An IRA can also allow you to put all of your tax-deferred retirement savings from multiple plans into one account, allowing easier management of your retirement funds.

When you choose to do an IRA rollover, your retirement savings are transferred to an account with a private institution, and you decide how to

invest the funds. A direct, institution-to-institution transfer is your wisest choice, in order to avoid penalties and the 20% federal income tax. Additionally, the retirement savings must be deposited in the IRA within 60 days of withdrawal from your employer's plan in order for the fund's tax-deferred status to remain in place.

In the past, account holders were only allowed to roll funds over from an employer-sponsored plan to a traditional IRA. Since 2008, however, direct rollovers to a Roth IRA, called a conversion, have been allowed. Income taxes are owed on all amounts rolled over to a Roth IRA, but beginning in 2010, there are no income limits, although limits do apply to Roth IRA contributions.
Just as with any employer-sponsored retirement plans, you must begin taking required minimum distributions from a traditional IRA each year after you turn age 70½. Traditional IRA distributions are taxed as ordinary income and if taken prior to reaching age 59½, may be subject to an additional 10% federal income tax penalty.

The mandatory distribution rules that apply to traditional IRAs do not apply to Roth IRAs. Qualified distributions from a Roth IRA are free of federal income tax (under current tax laws) but may be subject to state, local, and alternative minimum taxes. To qualify for a tax-free and penalty-free withdrawal of earnings, a Roth IRA must be in place for at least five tax years, and the distribution must take place after age 59½ or due to death, disability, or a first-time home purchase ($10,000 lifetime maximum).
(403b will rollover to an individual IRA....BB)

What Is a 403(b) Plan?

A 403(b) plan is a retirement plan for employees of public schools and other tax-exempt organizations. It's also called a tax-sheltered annuity **(TSA),** a tax-deferred annuity, or a 403(b) annuity.

Only certain people are eligible to participate in 403(b) plans: employees of public school systems and those who work for 501(c)(3) organizations.

A 403(b) plan has several tax advantages. Contributions are made pre-tax, so the employee has a reduced taxable income and the earnings on plan contributions are tax-deferred. After retirement, when the assets are

distributed, the plan holder may be in a lower tax bracket. Also, it is **possible to take loans** from a 403(b) account. The money must be paid back, however, or significant tax penalties will result.

Just as in a 401(k) plan, employees can fund their retirement accounts with tax-free contributions and employers can also make contributions to employee accounts. Eligible employees are allowed to defer up to 100% of their salaries, if their yearly salary does not exceed $16,500 (in 2010). Employees 50 years old and older can make special "catch-up" contributions to their 403(b) of an additional $5,500 each year. Employers may also contribute to employee accounts, in an amount that is either discretionary or fixed. The total combined contributions of employee and employer may not exceed a fixed amount, however. The contribution limits are indexed annually for inflation, and vary from year to year. For example, in 2010, the combined employee and employer contributions to one individual's account could not exceed $49,000.

A 403(b) plan could be an annuity contract, such as one provided by an insurance company, a custodial account through a regulated investment company or a retirement income account, with the investment options being mutual funds or annuities. Employers may determine the choice of financial institutions, but employees have the option of choosing the type of investment from the employer's list of investment options.

As with other retirement plans, certain rules apply. When you reach age 59½, you can begin taking regular 403(b) withdrawals without penalty, although you will pay regular income taxes on the money you withdraw. Withdrawals made before age 59½ are subject to an additional 10% federal tax penalty unless a qualifying event occurs, such as death or disability. Once you reach age 70½, you must begin taking the annual required minimum distribution. The distribution schedule is calculated based on your life expectancy. You may also choose to collect your entire investment in one lump sum.

Contact your employer to find out more about your retirement plan options. Similar to a 401(k) plan offered to employees of corporations and businesses, a 403(b) can be an excellent retirement plan for employees of public schools and non-profit organizations

What Is a Stretch IRA?

A stretch IRA is a way to leave a financial legacy without increasing your heirs' tax burdens. It is not a special type of IRA but instead a strategy that **extends the tax-deferred** status of an IRA across multiple generations. The stretch IRA is an estate-planning tool which "stretches" the time over which an IRA's tax-deferred assets can accumulate.

When you choose a stretch IRA, you name a beneficiary of your IRA assets. You let the funds in your IRA account accumulate, and when you start taking required minimum distributions (RMDs) upon turning age 70½, you only take the minimum yearly distribution amount required. (You must take the RMD. If you fail to take a minimum distribution, you are subject to a 50% income tax penalty on the amount that should have been withdrawn.)

RMDs are calculated each year and must begin no later than December 31 of the year following your death. The beneficiary who inherits your IRA will take RMDs according to their own schedule. Since a younger beneficiary has a longer life expectancy than the original IRA owner, the new owner may be able to stretch the life of the IRA by taking smaller RMDs over his or her own life span. This strategy avoids a large initial tax bill and enables the funds to continue compounding, tax-deferred. Your beneficiary also has the option of naming a beneficiary, and this option can potentially stretch the distributions even longer.

IRAs cannot be stretched indefinitely, however. The potential stretch of the IRA is based on IRS guidelines involving the life expectancies of the beneficiaries. The distribution period cannot extend beyond the first-generation beneficiary's life expectancy.

Spousal beneficiaries of IRAs have more options than non-spouse beneficiaries. There are different sets of guidelines to determine the RMDs that apply to a non-spouse beneficiary. Rules vary according to factors such as the original IRA holder's date of death and the beginning RMD date. These rules are complicated and can have far-reaching, potentially expensive implications.

If you want to extend your financial legacy over future generations and don't expect to deplete the assets in your IRA during retirement, then this strategy may be appropriate for you. The appropriate tax and distribution rules must be carefully followed to avoid penalty, so be sure to seek legal or tax counsel before making any final decisions. Ensure that the provisions in your IRA allow beneficiaries to take distributions over their lifetimes and allow second-generation beneficiaries.

Note: Distributions from traditional IRAs are taxed as ordinary income. Distributions prior to age 59½ are subject to a 10% federal income tax penalty. However, this rule does not apply to IRA beneficiaries, who must begin taking minimum distributions no later than December 31 of the year following the original owner's death. Beneficiaries have the flexibility to take out more than the minimum distribution at any time.

Case One

This simple presentation used by our friend **Rick Dennis** allows the agent to relate to the prospect in a simple and easy to understand way.

Relating one part of a person's life by looking at a different and yet still similar point of view builds relationships and allows for easier understanding of the benefits of our products.

This case is about understanding how a person feels and that an annuity is suitable to fulfill their needs. Once that determination

was made, the agent merely shows the prospect at the close the facts learned with the fact finder.

(Page 1 of close)

Summary of Estate Plan

for

Mr. and Mrs. Radke

Steve and Violet, I have reviewed your personal situation. I have enclosed a current report regarding your retirement assets. (Morningstar reports or other 3rd party sources....BB)

Since you have concern over exposure to additional losses and risk in your IRA portfolio and the purpose of your IRA is future income, I would suggest you consider an IRA annuity for your important funds. **(get this out now, they should buy an annuity)**

Say this: "***As humans we often consider many options for our important assets such as our house, our car and our insurance needs and yet often we overlook a safe and easy method of insuring our future income needs."***

"Here is an easy way to look at using the retirement protection which is available to you".....show them the next as a handout....and read it to them.

Protecting and Guaranteeing Your Retirement Assets

People today are faced with the reality of a **"new normal"** for retirement. They must deal with the challenges of the economy at the same time they take on greater responsibility for their own retirement security.

Insured solutions can help protect from risk.

The chart below illustrates the statistical probabilities of events likely to happen in a given year, and how a portion of that risk can be reduced:

Financial Risks Annual likelihood Possible Solution

Loss of life [1] 0.9% Life Insurance

Loss of car [2] 1.2% Auto Insurance

Loss of house [3] 1.3% Homeowner's Insurance

Loss of market value [4] 28% Fixed Annuities

The greatest probability of financial risk in a given year is loss of market value. Yet people seldom realize the need to protect and insure their retirement assets.

One possible solution is the purchase of a fixed annuity that offers accumulation potential, principal protection and a guaranteed stream of income at retirement.

[1] 2001 CSO Table

[2] U.S. Dept of Transportation Traffic Safety Facts 2005 www.nhtsa.gov 5/25/07

[3] National Fire Protection Association 2005 report

[4] Performance information inclusive of dividends reinvested. Percentage based on number of years (14) S&P 500 was down between 1959-2008. Jeffrey Hirsch & Yale Hirsch Stock Traders Almanac p. 155

Say:

"One of the wonderful benefits of using an annuity as your choice for your IRA is the guarantee of future retirement assets. Let me show you what I mean"...show next page..

Benefits of a Fixed Indexed Annuity

- Safety & opportunity on same dollar at the same time - participate in market upside with **NO** downside risk, the market increases, you increase, the market decreases, you **DO NOT** participate.
- Profits posted to account on auto-pilot- you **never** give back profits when market goes down
- 100% of your nest egg goes to work for you on Day 1 - no setup fees, no monthly, quarterly fees
- 8% loyalty bonus posted to account on Day 1. As an example a beginning deposit of $100,000 starts as $108,000.
- Guaranteed lifetime income for you or for you and your spouse and it will pay as long as you need it even for as long as either of you live.
- Creditor-proof (in some states, some limitations....BB)
- Probate-proof, your beneficiaries receive 100% of your account instantly and without delay due to probate.
- No 1099 – account grows tax-deferred until touched
- "Stretch" IRA can provide lifetime income for children, grandchildren

-
- And your funds are **safe and secure**

Close: ***"Steve and Violet, this is exactly what I would do if I were you"***

.....**now be quiet and say nothing**....first one to speak loses....let them respond first....and it will be a sale...

When they say and they will...."This sounds really good" **you say this:**

"***Who would you like as your beneficiary of your retirement assets in the event that both of you were to pass away?"***

The answer is always their kids, fill out the paperwork.....nice job!

Simple, effective and easy to use.

Disclaimer:

I obtain information from many sources, print, internet, agent gossip and other media. I always try and provide the original source or the link but my note taking habitually is lacking.

Much of the content on Open MIC is written by me and is my personal opinion. You should never consider that I am the world's greatest authority or expert on anything (other than fixed annuities). Always consult professionals who are licensed to give correct advice regarding taxes and securities and other topics of great importance.

I am an authority in lead generation and marketing annuities and am fully licensed as an insurance salesman. I sell state approved annuity products provided by licensed insurance companies.

I am also NOT an economist by license, only by avocation and hobby. If you decide to make decisions based on my particular view of the world, you should get it verified by licensed professionals or get your head examined.

Open MIC is and was created for the entertainment of our agents, family, friends, guests and industry spies. Be careful with the information contained in Open MIC and always get advice from licensed professionals. You never know, sometimes I might make something up....so always verify!

Also, the information used in Open MIC is free; I assert no copyright or literary rights. Copy away.

Our competitors will copy Open MIC anyway so I might just as well give it away, saves so much mental anguish and sleepless nights.

More Legal Stuff...

Be responsible... we cannot know your individual situation, always do your own due diligence before responding to any offer or investing any money.