*Power79 Plan*sm

"If we could show you a way to move $ from your business to yourself in a very tax efficient manner, and your CPA thought it was a good idea, is there any reason you wouldn't want to know about it?

The Net Differential

Power79 Plan

What would you think if:

Perfect Investment:

Assume we invest **$100,000** and achieve a **50% rate of return** with the following attributes:

- No Taxes
- No Fund Management Expenses
- No Commissions or Transactions Costs…

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Your $100,000 investment has grown to **$150,000!**

Power79 Plan

The $100,000 investment is a net figure.

If we consider and account for our taxes, assuming a 40% tax obligation, then the gross income needed to have had a net $100,000 is $167,000!

Power79 Plan

The $100,000 investment is a net figure.

If we consider and account for our taxes, assuming a 40% tax obligation, then the gross income needed to have had a net $100,000 is $167,000!

Simply multiply $167,000 by .6 (60%)

And now you have your net: $100,000

Power79 Plan

So what sounded so wonderful now reveals itself to be a net loss of $16,667!

Gross Income to invest $100,000:	**$166,667**
The fund value at the end of one year is:	**- $150,000**
Net loss to taxation:	**{$16,667}**

Power Plus Economic Plans sm

So what sounded so wonderful now reveals itself to be a net loss of $16,667!

Gross Income to invest $100,000:	**$166,667**
The fund value at the end of one year is:	**- $150,000**
Net loss to taxation:	**{$16,667}**

This clearly reveals the fact that the tax aspects of a plan are significantly more Important to the real rate of return vs. investment performance and fees, loads, etc.

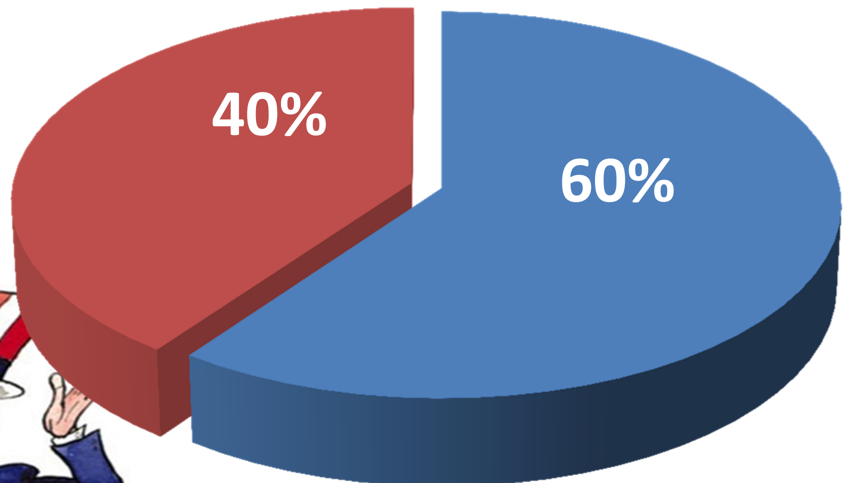
So how does it all work?

First off, what ever my company pays me is tax deductible to the business.

But…

We all know that Uncle Sam shares in our earning through income tax.

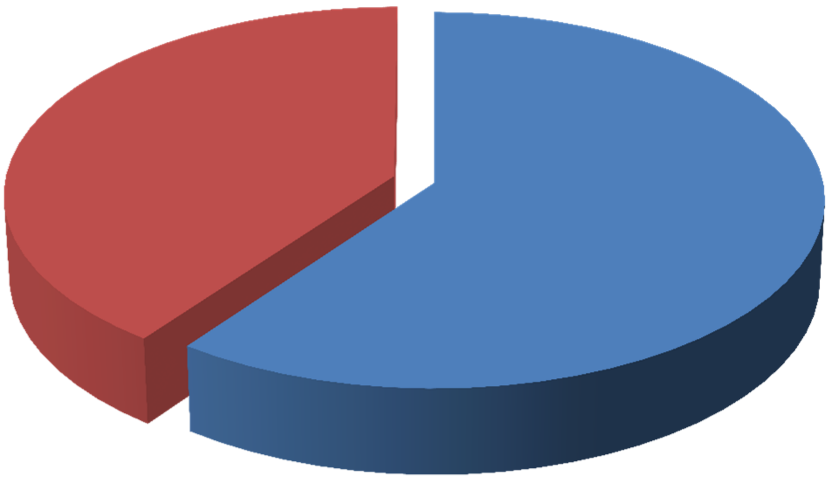
If I’m in a 40% tax bracket, Uncle Sam normally gets 40% and I get 60%.



So…

Before we can run with the money…

We need to pay our applicable taxes:



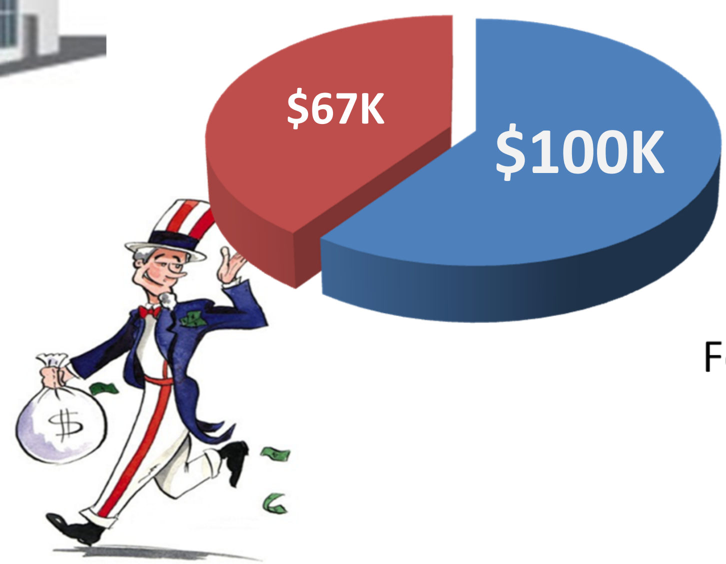
Now, Lets assume you want to invest a net of $100,000

Here’s the bottom line:

Without Power Plans:

Business Must Pay:

→ $166,667



For You To Get:

$100,000

With Power Plans sm

Power Plans reduces the amount needed from the business:

With:

Business Only Pays:
$100,000

And the business saves:
$66,667!

For You To Get:
$100,000

The Cost of After Tax Capital

vs.

The Cost of Tax Deductible Capital

Cost of After Tax Capital

Gross Income Needed to Net: $100,000

Cost of After Tax Capital

Gross Income Needed to Net: $100,000

Assumed Tax Rate Percentage: **40%**

Net Capital: **$100,000**

Actual Gross Capital Needed: **$166,667**

Just like we discovered with the "Peter Pan Investment Plan", in a 40% tax bracket, the actual cost for $100,000 is:

Cost of After Tax Capital

Gross Income Needed to Net: $100,000

Assumed Tax Rate Percentage: **40%**

Net Capital: **$100,000**

Taxes on Net Capital: $40,000

Actual Gross Capital Needed: **$166,667**

Your actual tax due is:

Cost of After Tax Capital

Gross Income Needed to Net: $100,000

Assumed Tax Rate Percentage:	**40%**
Net Capital:	**$100,000**
Taxes on Net Capital:	$40,000
Total Dollars Needed to Net 100K:	**$166,667**

Unlike your state incomes taxes, if applicable, federal income taxes are <u>not</u> tax deductible…

Cost of After Tax Capital

Gross Income Needed to Net: $100,000

Assumed Tax Rate Percentage:	**40%**
Net Bonus:	**$100,000**
Taxes on Bonus:	$40,000
Total Dollars Needed to Net Bonus:	**$166,667**

Unlike your state incomes taxes, if applicable, Federal Income Taxes are not tax deductible…

Therefore, you actually get taxed twice!

Cost of After Tax Capital

Gross Income Needed to Net: $100,000

Assumed Tax Rate Percentage:	**40%**
Net Bonus:	**$100,000**
Taxes on Bonus:	$40,000
Total Dollars Needed to Net Bonus:	**$166,667**

Unlike your state incomes taxes,
if applicable, Federal Income Taxes
are <u>not</u> tax deductible…

Therefore, you actually get taxed
twice!

Why?

Cost of After Tax Capital

Gross Income Needed to Net: $100,000

Assumed Tax Rate Percentage:	**40%**
Net Bonus:	**$100,000**
Taxes on Bonus:	$40,000
Gross Income Needed to Pay Taxes:	**$66,667**
Total Dollars Needed to Net Bonus:	**$166,667**

Unlike your state incomes taxes, if applicable, Federal Income Taxes are <u>not</u> tax deductible…

Therefore, you actually get taxed twice!

Because you have to earn $66,667 to net the $40,000.

Cost of After Tax Capital

Gross Income Needed to Net: $100,000

Assumed Tax Rate Percentage:	**40%**
Net Bonus:	**$100,000**
Taxes on Bonus:	$40,000
Gross Income Needed to Pay Taxes:	**$66,667**
Total Dollars Needed to Net Bonus:	**$166,667**

Unlike your state incomes taxes, if applicable, Federal Income Taxes are not tax deductible…

Therefore, you actually get taxed twice!

Because you have to earn $66,667 to net the $40,000.

And you’ve ended up paying taxes twice, with an additional $26,667 .

The use of employee benefits plans typically provide meaningful tax relief.

Health ins. – no imputed income for benefits

Pension Plans – Deductible, Deferred

Permanent Benefit Group Life – close cousin

Comparing Features and Benefits

Qualified Pension Plan	Permanent Benefit Group Life Plan
Tax Deductible funding	Tax Deductible funding
Plan assets accumulate on a tax-deferred basis	Plan assets accumulate on a tax-deferred basis
Has a funding test as part of its non-discrimination testing	Plan must offer the same coverage options by type, but with **no funding test**
Income **distributions are fully taxable**	**Income distributions can be tax-free** , via policy loans
Distributions are **subject to age based rules** and limitations	**No age based distribution rules** or restrictions
Can co-exist with Group Life	Can co-exist with QPP

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Key Plan Benefits Summary for Business Owners:

- Tax efficient capital transfer from your business to yourself
- No statutory funding maximums
- Plan assets grow without being subject to income taxation
- Accessibility to plan capital without age distribution rules
- Plan assets can be distributed income tax-free
- Excellent way to create and capitalize your own “private bank”
- The perfect solution to estate liquidity, without losing control