Asset location strategies in retirement

Staying tax-smart throughout retirement

Meet John and Maria

- **66 and 68; married**
- **$107,000 annual income**
- **$650,000 investable assets**
- **They are retired; John is consulting part time**
- **Three married children, three grandchildren; Maria's elderly mother lives with them**
- **Both have life insurance policies**
- **Mortgage on their second home**

John and Maria are enjoying retirement. John is energized by his consulting role and Maria is happy to spend more time with her aging mom and their grandchildren. They feel secure, but they want to explore coverage for all possible life changes and leave a legacy for their children and grandchildren.

Here are two important conversations you should have with your financial professional if you are in retirement and, like John and Maria, want continued security and to leave a legacy.

1 **Review** your current retirement income plan.

Inventory retirement income sources, including maximizing Social Security, savings, required minimum distributions (RMDs) and income from working. Plan for any necessary adjustments — for example, taking care of loved ones.

Is income enough to meet needs? Are you paying too much in taxes? Explore asset location strategies that reposition assets and help to reduce taxable amounts. Make any needed adjustments.

Discuss the role of RMDs, with an option to shift distributions to other investments that limit future tax liability.

Tax-smart wages. If you are still working, like John, explore options for further retirement savings in an employer-sponsored plan and/or a Roth IRA.

2 **Discuss** long-term care and legacy expectations.

Review life insurance policies and update for any needs around care for dependents, like Maria's mother.

Discuss long-term care (LTC) options and preferences, including a variable universal life (VUL) insurance policy with an LTC rider, which will provide the security of coverage for your needs and a potential legacy for your family.

Consider tax-smart ways to transfer wealth through gifting, trusts, Roth conversion and life insurance options.

Explore 529 plans for your grandchildren's education. Withdrawals will be tax-free for tuition and other qualified expenses.

Contact your financial professional to learn more about tax-smart strategies that can help reduce your tax burden.

Visit us at equitable.com/tax-smart.

Many Americans worry they won't have enough income to live on in retirement. That's why Equitable became a founding member of the Alliance for Lifetime Income (ALI), which brings together 24 of the nation's leading financial services organizations to educate Americans on the importance of protected lifetime income. Learn more about how you can make a difference for your clients in their retirement by visiting resources.protectedincome.org.

Insurance and securities products are not bank products and are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other federal entity. Variable life insurance and securities products are subject to investment risk, including possible loss of principal invested.

Applications for life insurance are subject to underwriting. No insurance coverage exists unless a policy is issued and the required premium to put it inforce is paid.

Variable universal life insurance is a contractual agreement in which premiums are paid to an insurance company, and the company in return for those premiums provides a benefit to a named beneficiary upon proof of the insured's death and a policy cash value. Amounts in the policy's cash value are invested in a variety of variable investment options. Amounts in a variable life insurance policy's variable investment options are subject to fluctuations in value and market risk, including loss of principal. Life insurance policies have exclusions, limitations and terms for keeping the policies inforce. Fees and charges associated with variable universal life insurance include mortality and expense risk charges, cost of insurance charges, surrender charges, administrative fees, investment management fees and charges for optional benefits. Please see the policy's prospectus for more complete information.

Variable universal life insurance policies are sold by prospectus, which describes charges, risks, expenses and investment objectives. Please contact your financial professional or the company objectives. Please contact your financial professional or the company for a copy at no cost or obligation. You should read the prospectus and consider this information carefully before you invest or send money.

There may be specific options and strategies to consider before rolling monies out of a retirement plan account into an IRA. Please consult with your own tax advisor and plan administrator regarding your specific circumstances before taking any action.

Contributions to a Roth IRA may generally be withdrawn tax-free at any time. Earnings may generally be withdrawn income tax-free if the individual has held amounts in a Roth IRA for at least 5 years and the withdrawal is made after age 59½. If the withdrawal is made before the 5-year period and age 59½, income taxes and an additional 10% federal income tax penalty may apply. Other exceptions may apply.

This informational and educational discussion is not intended, and should not be relied upon, as investment or financial advice.

Please be advised that this flyer is not intended as legal or tax advice. Accordingly, any tax information provided in this document is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer. The tax information was written to support the promotion or marketing of the transaction(s) or matter(s) addressed and your clients should seek advice based on their own particular circumstances from an an independent tax advisor.

Equitable is the brand name of the retirement and protection subsidiaries of Equitable Holdings, Inc., including Equitable Financial Life Insurance Company (NY, NY); Equitable Financial Life Insurance Company of America, an AZ stock company with an administrative office located in Charlotte, NC; and Equitable Distributors, LLC. Equitable Advisors is the brand name of Equitable Advisors, LLC (member FINRA, SIPC) (Equitable Financial Advisors in MI & TN). The obligations of Equitable Financial and Equitable America are backed solely by their claims-paying abilities.

The below disclosure applies to customers of bank affilitated entities.

INVESTMENT AND INSURANCE PRODUCTS ARE: • NOT FDIC INSURED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY • NOT A DEPOSIT OR OTHER OBLIGATION OF, OR GUARANTEED BY, THE BANK OR ANY OF ITS AFFILIATES • SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED

This material is for informational purposes only and does not constitute investment advice or a recommendation.

EQUITABLE

A Founding Member of

Alliance for Lifetime Income