



PARADIGM LIFE

Re-Kindle Your Hope and Plan for a Safe and Secure Retirement

Access and Bequeath Your Savings Tax Free

The Realities of Today

Current Retirement Plans are Failing!

As the average 401k balance has been cut in half, Americans are questioning the security of traditional financial planning in the market through stocks and mutual funds.

At the same time, wealth is fading quickly for many current retirees. In February 2005, the National Underwriter released the following startling data:

- Over a 10 year period of time, total wealth for retirees ages 61-71 grew by 85%
- Half saw their wealth increase by 50% or more

However, during that same time

- 9% lost 100% of their wealth
- 21% lost 50-100%
- 4% lost 25-50%
- Of the 34% who lost their wealth, 36% had been hospitalized
- 40% of them spent their time in a nursing home

While this type of report on severe losses can be depressing, with the right saving tools in place it can be avoided. The first step, however, is realizing what dangers lie before you.

Where is the Money Going?

If you are between the age of 20 and 40, by the time you reach the age of 60, Social Security benefits for all retirees could be cut by at least 26% and will continue to be reduced in the subsequent years (Social Security Trustee 2006 OASDI Report).

In fact, for the first time since 1925, the income of men in their 30's (adjusted for inflation) is less than their fathers.

Family income hasn't fared much better. From 1820 to 1972, family income increased 52% per generation (about 35 years). However, income from 1973 to 2009 increased only 17% per generation. What this means is that the rise in income has not even kept up with inflation.

Add to these statistics the fact that the average family carries debt payments of 34% on top of their mortgage and saves less than 1% of Gross Income, and you can understand why finding true saving mechanisms has never been more crucial.

I need a bigger nest egg.



The Problem with Tradition

The Tax Dilemma of 401k, 403b 457 and IRA Savings Plans

For years, financial advisers have promoted traditional forms of tax shelters, but the problem is that touted "Tax Shelters" might not shelter as much as originally thought.

The reason for this is twofold. First off, federal taxes on salary and other ordinary income are some of the lowest in history. The top marginal rate in 2009 is just 35%.

At the same time, with the current Budget, Trade, Social Security, Stimulus and other deficits, US debt totals almost \$65 Trillion! (*shadowstats.com*).

The only conceivable solution to a balanced budget is taxing in the future. Since all traditional

savings vehicles have taxable withdrawals, this means that by the time withdrawals are made from your qualified plans such as 401k, 403b, IRA or other deferred vehicles, taxes are almost guaranteed to be higher.

Boston University Economics professors helped illustrate this point when stating that couples who earn more than \$50,000 stood to actually raise their lifetime tax burden by investing in tax deferred vehicles. In their words, "Even those who make more than \$100,000 are better off saving outside their 401k plans."

Benefits of a Private Retirement Plan

Access & Bequeath Tax Free • Complete Liquidity • Guaranteed Rate & Earnings

Saving Outside the 401k

IRS Approved Retirement Plan that is Private & Tax Free

What studies like that of Boston University are illustrating is simply this: what most people think is the best way to save is no longer the case. In fact, it hasn't been the case for some time now.

Over 30 years ago the IRS and Congress approved a retirement savings plan known as a Non-Qualified Private Retirement Planning Alternative. In layman's terms, it comes down to developing your own retirement plan through "non-traditional" saving vehicles approved by the US Government.

By developing your own private retirement plan, you stand to enjoy the following benefits:

- 100% guarantee of principle and earnings
- Tax free distributions
- Guaranteed minimum interest rate as high as 4%
- 100 year history of dividends
- Complete liquidity
- Remaining funds transfer to heirs tax free

The Solution is Here

The Secret to Saving Effectively

One of the primary benefits of developing your own private retirement plan is that the savings or cash inside your

private plan is 100% liquid and can be withdrawn for any reason at any time without any penalty or tax.

It's for this very reason that banks hold 20%-30% of their liquid capital inside similar type plans. That's tens of billions of dollars in bank capital being saved, not in traditional tax shelters, but rather in something quite different from the norm.

The financial product that offers these IRS tax qualified characteristics is a proprietary Life Insurance Policy that is set up to have the maximum cash value allowable by law. That's right, the secret to saving for banks and for you potentially lies in life insurance.

One in maybe 100 agents are really familiar with how to set this product up and teach their clients how to properly use it, which is most likely why you haven't heard of it before.

However, now you too can make the necessary steps to implement a plan which will solve the woes of traditional financial planning.

The looming financial catastrophe is upon us and action must be taken to avoid what is to come. You now are privy to information that few truly understand and implement.

By implementing some form of private retirement plan, you'll be avoiding many of the pitfalls being experienced or soon-to-be experienced by the majority of the aging US population.

Paradigm Life Insurance

Dedicated to Seeing You Save!

Paradigm Life Insurance Agency is committed to teaching you the proper information so you fully understand how this private retirement plan works.

Email or call us today for your no-obligation 30 minute consultation to show you what a private retirement plan can do for your financial future.

Start Saving Effectively



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