OneAmerica® Financial

Convert taxable to tax free for LTC

Add more value using nonqualified annuity dollars under the Pension Protection Act

Do you have clients with built-up gains in nonqualified annuity contracts not needed for income? If the answer is yes, it's likely these annuities are earmarked as an emergency fund for extended care expenses. Why not give them a tax-advantaged solution to meet those needs?

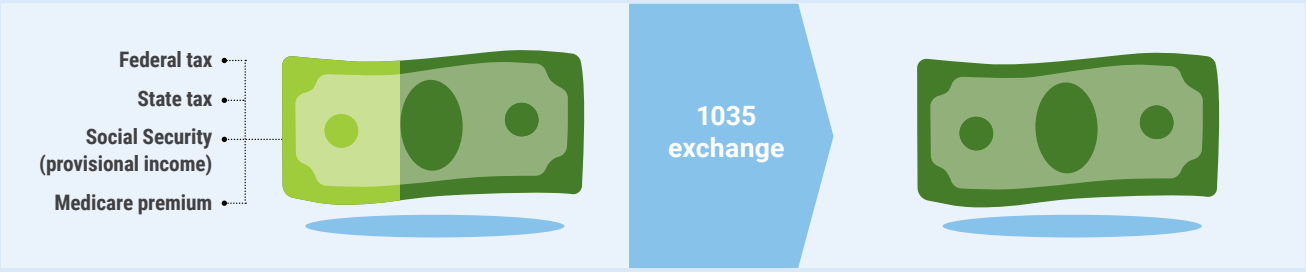
There is an opportunity to offer your clients an income tax-free strategy to better suit their long-term care needs, thanks to an often overlooked provision under the Pension Protection Act (PPA).

The visual below depicts the multiple layers of tax advantages when exchanging an existing nonqualified annuity to a PPA-compliant long-term care annuity. Without the PPA benefits, withdrawals are taxed as earnings, leaving less money on the table when your clients need it most. On the other hand, a PPA-compliant annuity allows for income-tax-free withdrawals for long-term care expenses, regardless of cost basis and gain.

How it works

Existing annuity
Cost basis and growth — No tax benefits for LTC

Pension Protection Act compliant annuity
Cost basis and growth — Tax free for LTC



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Traditional nonqualified annuity versus a PPA LTC qualifying annuity

Beyond the tax advantages, OneAmerica Financial® offers PPA-compliant solutions that allow for the option to add a spouse for joint coverage and access to claims concierge services if care is needed.

	Existing annuity	PPA-compliant annuity
Tax-deferred growth	✓	✓
Account value growth	✓	✓
Account Value Access	✓	✓
Non-spouse beneficiaries are taxed on deferred gains	✓	✓
Tax free for LTC		✓
Ability to add spouse to contract		✓
Care Benefit Concierge		✓

Care Benefit Concierge

Our Care Benefit Concierge will treat your clients like family and remove as much from their plate as possible throughout the claims process. We're here for them, so they can focus on receiving the love and attention only a loved one can give.

Our Care Benefit Concierge will:

- Help optimize all policy benefits
- Contact doctors on your clients' behalf
- Assist with policy review and determine coverage eligibility
- Contact the care provider to iron out the details
- Handle direct payment to care providers on their behalf

Ready to learn more?

For more information or to learn more about this strategy, contact your OneAmerica Financial sales representative.

Note: OneAmerica Financial® is the marketing name for the companies of OneAmerica Financial. Product underwritten by The State Life Insurance Company® (State Life), a OneAmerica Financial company that offers the Care Solutions product suite. Annuity Care Form numbers: SA34, SA35, and R508. Not available in all states and may vary by state. May require underwriting depending upon age and face amount.• Provided content is for overview and informational purposes only and is not intended as tax, legal, fiduciary, or investment advice. • This information is not designed to promote nor to endorse 1035 exchanges. Before using a 1035 exchange carefully weigh all the benefits, any surrender fees or costs, and implications or limitations of replacing a policy. • Care Benefit Concierge service is company practice and may be subject to change. • **NOT A DEPOSIT. NOT FDIC OR NCUA INSURED. NOT BANK OR CREDIT UNION GUARANTEED. NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. MAY LOSE VALUE.**

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