



How to Fund an Income Tax-Free Future for your Heirs

Timely Problem

Denise and Roger Kramer are concerned about providing for their children's future. Roger has a substantial amount of money in a traditional IRA, and he and Denise likely won't need it all. They don't want to have to take required minimum distributions at 70½, and they're worried about their children having to pay the taxes owed when they make a withdrawal in the future. What can the Kramers do to give their kids an income tax-free alternative?

60 Second Solution

They could convert the traditional IRA to a Roth IRA but may need a source of income to cover the taxes on the conversion. To do this, they can purchase a life insurance policy on Roger now, assuming he is insurable. When he passes away, Denise can roll the IRA over into her name, then convert the account to a Roth IRA. At that point she can use the life insurance death benefit to pay for the taxes generated when converting to a Roth IRA. When Denise pays the taxes on the conversion she'll be assuring her children of a tax-free source of income in the future.



More information/benefits:

- No required minimum distributions from the Roth IRA during the surviving spouse's lifetime.
- Distributions which the spouse elects to take from a Roth IRA are income tax free.
- At the spouse's death, the balance of the account passes income tax free to the beneficiaries.

For more information and case design, call your ING Life Companies' representative or ING Life Sales Support at **866.ING.SELL (866.464.7355)**.

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