QLAC

Qualified Longevity Annuity Contract

What Do I Need to Know?

Complimentary Annuity White Paper

pinnacle FINANCIAL SERVICES
Call Us at 800.772.6881
or visit us at
www.pfsinsurance.com

Annuities, Life, Long Term Care

- Service
- Expert Advice
- Reliability

800.772.6881 x7731

Fax 267.386.8132

We Offer:

Quote Engines - Long Term Care, Annuity, Term Life, Universal Life

New Business Forms

Discounted E&O

Discounted CE's

Life Underwriting Risk Assessments

Training and Certification Tools

Multiple Discounted Lead Programs

Annuity Suitability Analysis

Your Pinnacle Team

EXECUTIVES:

Kevin Shields - President and CEO

Angela Palo - Executive Vice President

SALES/ MARKETING:

Robert Brzyski
Vice President Annuity, Life and Long Term Care
EXT 7742, bbrzyski@pfsinsurance.com

Josh Horton
Director of Sales Annuity, Life and Long Term Care
EXT 7707, jhorton@pfsinsurance.com

Mark Bolger
Director of Sales, Final Expense
EXT 7705, mbolger@pfsinsurance.com

Ted Hughes
Manager, Life, Annuity & LTC Division
EXT 7789, thughes@pfsinsurance.com

Joe Kalbach
Support Specialist, Life, Annuity & LTC
EXT 7798, jkalbach@pfsinsurance.com

LICENSING / CONTRACTING:

Stevie Nagle
Supervisor, Licensing
EXT 7788, snagle@pfsinsurance.com

Annuity Suitability Questions:
800.772.6881 ext 7731
annuity@pfsinsurance.com

Contact the annuity team at Pinnacle Financial Service for a no cost product by product analysis before you make your next sale.

Information as of 10/01/2016 and subject to change without notice.

On July, 2014 The Treasury department had issued Treasury Regulations under 1.401(a)(9)-6 that states as long as a longevity annuity meets certain requirements it becomes a:

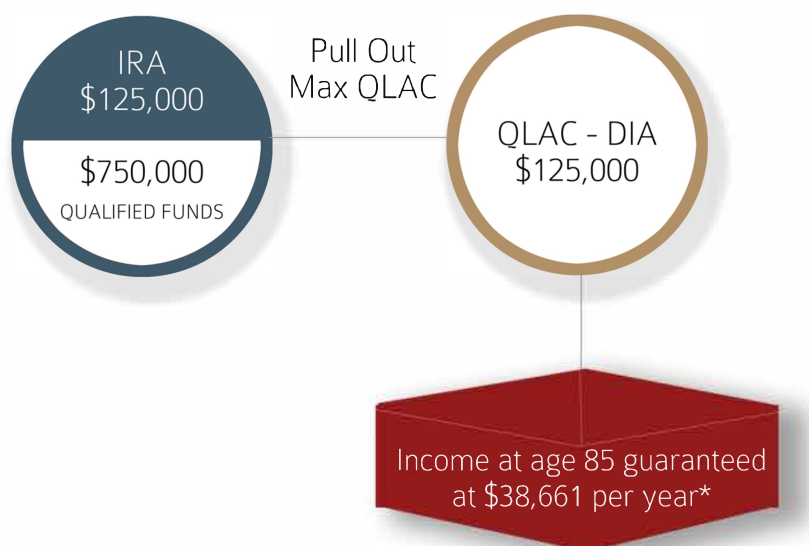
"Qualified Longevity Annuity Contract" (QLAC)

and automatically be declared to satisfy the required minimum distribution (RMD) rules even though income payments don't begin until later, even after age 70.5 .

Why is this important to your practice?

Generally, with a traditional IRA or 401(k), you have to start taking required minimum distributions (RMDs) soon after reaching age 70.5. Under the new rule, as long as the annuity meets the requirements to be a "qualifying longevity annuity contract," the value of the annuity would not be included in the value of your IRA, or 401(k) or other similar account, when calculating your RMD. **Adding a QLAC approved product to your portfolio can help your clients reduce their RMD amount by up to 25%.**

QLAC - Example of 65 Year Old Male



* Includes Return of Premium Provision

pinnacle FINANCIAL SERVICES
Call Us at 800.772.6881
or visit us at
www.pfsinsurance.com

Annuities, Life, Lerm Care

- Service
- Expert Advice
- Reliability

Deferred Income Annuities (DIA) are well suited for individuals who anticipate not needing income until later in life due to the fact that they have other income sources. QLAC approved DIA's offer clients the ability to not only defer RMD's until later in life but also a way to reduce their RMD payments overall.

Clients need to be aware that DIA's are not liquid contracts. There is no value above the guarantee income stream they will be receiving some time in the future. QLAC does make available a death benefit return of premium provision. So, if they pass away, the beneficiary receives the difference of premiums paid less any payments.

QLAC rules stipulate:

- Premium cannot be more than $125,000 or 25% of total IRA amount of individual
- Income cannot begin later than age 85
- The $125,000 will be periodically indexed for inflation in increments of $10,000.
- The $125,000 is an aggregate limit that applies to all IRAS of an individual.
- QLAC may offer a return of premium provision.

To determine whether a QLAC DIA is a fit for your client, a detailed analysis must be done.
Call the annuity experts at Pinnacle Financial Services to help determine whether a QLAC is right for your client.

Bob Brzyski earned his B.A in Risk Management, Insurance and Actuarial Science from Temple University in 1995. He joined Pinnacle Financial Services in 2003 after specializing in marketing, training and case design for a fortune 500 insurance carrier working with Annuities, Life Insurance and Long Term Care Planning. Bob was named Vice President in 2012. He and his wife Ann Marie have two children. You can reach Bob at 800-772-6881 x-7742 or bbrzyski@pfsinsurance.com