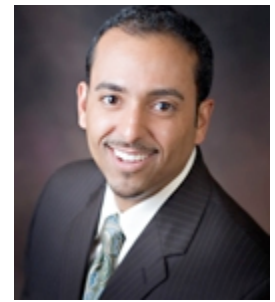


Wise Money Newsletter

Manny Negron, Licensed Insurance Agent
GenWealth Advisory Group

HELPING YOU NAVIGATE THE ROAD TO & THROUGH RETIREMENT



MAY 2013

Interesting Facts

Mothers day is the third largest card sending holiday after Christmas and Valentine's Day.

Among the people who can move the ears, only one-third can move one ear.

Tariff - an island in the Mediterranean, where he first began to charge for parking at the port.

Each year, more money is spent on alcohol and cigarettes than for life insurance.

Of one cubic meter of wood you can make half a million toothpicks.

Tired Of Being In The Dark?

Our office has incredible informational booklets available for you. Call our office today for a guide about Annuities, IRA's or Successful Retirement Planning.
Call Today!

FREE GOURMET MEAL

Please join us for a free educational discussion, entitled,
"Asset Protection For Today's Kind of Economy"



7273 So. Plaza Center Dr., West Jordan, Utah 84084
Wednesday, May 15th at 2:30 PM or 6:30 PM
Thursday, May 16th at 2:30 or 6:30 PM

FREE EDUCATIONAL DISCUSSION & FREE GOURMET MEAL!

Please RSVP to 1 (800) 425-8076

You Will Learn HOW To:

- ✓ **Avoid** losses during huge market corrections and recessions.
- ✓ **Protect** yourself from being taxed twice on your IRA/401 (K)
- ✓ **Discover** why a trust may not be the correct beneficiary for your accounts
- ✓ **Learn** the real truth about annuities your broker is keeping secret
 - ✓ **New** strategies to pass on your IRA/401(k) tax free!!!
 - ✓ **UNCOVER** the 5 biggest threats to your retirement!

Please join your host, Manny Negron, a nationally recognized Retirement Planning Advisor and Host of the WiseMoney Radio Show for a no Gimmick and NO BS educational discussion. It only takes one or two mistakes to lose your nest egg! So don't wait and reserve your seat today!

Please RSVP to 1 (800) 425-8076

Nothing will be sold! Leave your wallets at home!

Call now, Seating Limited to 26 Guests!

Online registration also available at

www.genwealthadvisory.com

Now is the time to seek a valuable second opinion because volatile times require close personal attention and a professional who's equipped with the right knowledge to help you reach your goals!

**Current clients are always welcome to attend. However, priority seating will be given to those that bring along qualified guests. For questions call Manny at 801.856.7995

Are You Positioned To Capture The Stock Market Coming Upturn?
...With Safety & Guarantees? Call now for your **FREE** guide
“10 Things you need to know to protect your retirement”

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**Tune In! Every Saturday
Morning at 7:30 am on
KLO1430 AM or 103.1FM**



Manny Negron and GenWealth Advisory Group are proud and excited to announce that we and KLO1430 AM have come to an agreement to host our very own radio show. Starting Saturday May 6th and every Saturday you can tune in and listen.

As you can imagine we're excited to have the amazing opportunity to reach and help you in a new and weekly fashion. The show will have weekly clips from interviews from our radio conglomerate "the Retirement Radio Network", great music and inspiration quotes to get your weekend started and finished right.

So join us! We're excited to have you as part of the GenWealth Advisory Group Family!

A Simple IRA Planning Idea To Benefit Your Spouse

We recently worked with a client that had the following challenge: while they were both alive, their annual income tax liability was pretty low, less than \$1,500...But upon either one of them dying, the annual income tax liability for the surviving spouse was projected to skyrocket to over \$7,500, more than a \$6,000 increase!

Why is this the case?

It is because a decent portion of their income comes from their IRAs. While they are both alive, they file tax returns as "married, filing jointly". These tax brackets are some of the most lenient in the entire tax code. But, when one of the dies, the surviving spouse files taxes as a "single" taxpayer. These are some of the harshest brackets in the tax code. And like a lot of people, the clients we are talking about had a large percentage of their assets in retirement plans. IRAs and other retirement plans like 401ks, 403bs, etc. can cause significant tax challenges for surviving spouses, as we see in our little example. Now you need to brace yourself. The story above is not uncommon. In fact, it is actually a very common issue, and it may very well apply to you. So what should you do about it? That is the \$64,000 question.

First, you need to find out what your tax return would look like for your surviving spouse (or you, if you are the survivor). This analysis will tell you if you have a potential problem. If you do, then here is a really simple idea that you may want to consider. **WARNING:** it is an idea that would normally not be on your list of options.

Are you ready?

Why not distribute some extra income out of your IRA (or other retirement plan) today, and each year thereafter, while you and your spouse are both alive and enjoying those lenient tax brackets? Yes, you will owe additional tax on those distributions, but here is the important part – *that additional tax does NOT affect your current lifestyle.*

Then, what if you took that after-tax amount of the distribution each year and used it to fund a life insurance policy on both your life and the life of your spouse? I bet you weren't expecting that one! Life insurance? At your age? Wouldn't that be expensive? Surprisingly, due to increasing life expectancies, life insurance pricing has dropped considerably. As a result, planning like this becomes very effective.

The nice thing is that when the first spouse passes away, the surviving spouse receives a nice big tax-free check from the life insurance company. They can use that check to do a number of things:

1. They might convert the IRAs to Roth and pay the tax from the life insurance proceeds. Then all income from the IRAs would be 100% tax-free.
2. They might pull some additional income from the life insurance proceeds, again positively managing their tax return.
3. If the life insurance policy is large enough, they might go ahead and give the tax toxic IRA money to the kids, and live off of the life insurance proceeds.

As you can see, adding a large tax-free check to the list of assets that a surviving spouse has to work with can make a huge difference for them. And remember, for the surviving spouse, any additional income tax DOES affect their lifestyle.

So why not consider paying some extra tax today when it does NOT affect you so that your surviving spouse (or you!) can avoid taxes later when they DO affect you? **If you'd like a free consultation on this topic please call our office at 801.892.HELP (4357)**