Your Personal Income Generating Machine

A Simple Plan Designed
to Generate Maximum Income to You and Your Family

Prepared for

Richard J. Sample

and

Lorainne Sample

Prepared by

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Disclosure Page
Important - Please Read

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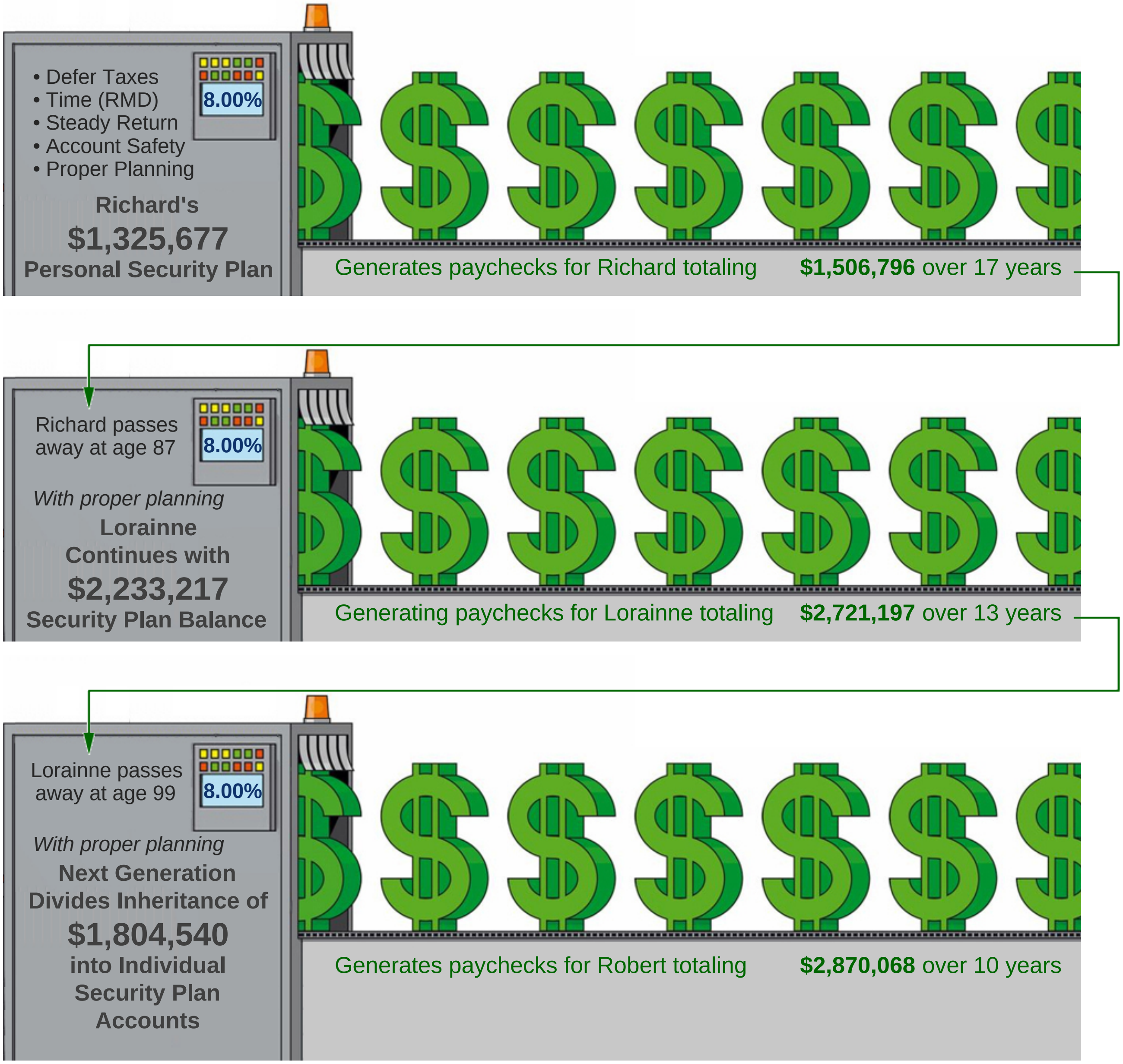
Your Simple 40-Year Income Generating Machine

Your $1,325,677 Personal Security Plan May Generate $7,098,061 of Total Income



The illustrated interest rates were selected by your insurance professional based on an annuity product illustration that must accompany this report. Your insurance professional selected this product based on his/her knowledge of your risk tolerance, financial goals, the financial stability of the insurance carrier, and by comparing several different annuity products. Interest rates are not guaranteed beyond the timeframe indicated in the annuity product illustration. If your IRA earns rates of return lower than the rates selected in this illustration, then your total distributions will be lower than what is illustrated; if your actual rates of return are higher, your total distributions should also be higher.

Will You Leave Your Family a Legacy or a Tax Bill?

I Want My Share
$801,670

Your retirement account's contributions were made with *pre-tax* money. Growth compounds income tax free, but not forever. Uncle Sam requires that you start withdrawing down your retirement account starting at age 72 and these distributions will be *fully taxable*.

Upon your death your retirement account may trigger a huge tax bill if your beneficiaries are forced to take a taxable lump sum distribution, which many company-sponsored retirement plans require. To avoid this, rollover all or part of your current retirement assets into an IRA that allows your beneficiaries to distribute their inheritance over several years to avoid the higher tax impact of a lump sum payment. This strategy also gives your heirs the benefit of earning tax-deferred interest longer to maximize the income they will receive from their inherited IRA.

Your beneficiaries should follow the advice of an expert financial advisor who knows *exactly* what to do-and what not to do-with your IRA assets after you die. What follows illustrates a few examples of the pitfalls into which your beneficiaries may fall without proper planning:

	Pitfall 1	Pitfall 2	Planned
Total Distributions to Spouse	$2,233,217	$2,721,197	$2,721,197
Total Distributions to Next Generation Beneficiaries	$0	$1,804,540	$2,870,068
Total Federal Income Taxes Paid	$801,670	$1,396,132	$1,604,126
Total After-tax Income	**$1,431,546**	**$3,129,604**	**$3,987,139**

Pitfall 1: Spouse takes lump sum distribution; Next Generation gets nothing
Pitfall 2: Spouse takes Required Minimum Distributions (RMD); Next Generation beneficiaries take lump sum
Planned: Spouse and Next Generation defer distributions as long as possible

Income tax calculations assume each beneficiary has a taxable income of $50,000 and pays taxes at 2023 federal income tax rates for a Single filer. Annual distributions are then added to the taxable income and income taxes are recomputed to determine the income tax on the distribution. This method is only an approximation of the income tax effect on distributions but demonstrates the impact of how lump sum distributions are taxed in higher tax brackets. Actual taxes may be higher or lower than shown above depending on each beneficiary's individual situation. Tax rates are subject to change and may differ from this analysis. State income taxes are not included in these examples.

Benjamin Franklin's Financial Legacy

Turn $1,325,677 into $7,098,061 Income Over 40 Years

In 1790 Benjamin Franklin left $4,000 jointly to the city of Philadelphia and the state of Pennsylvania. He left instructions that the money be conservatively invested, but not withdrawn, until 200 years after his death.

In 1990 this fund had grown to $1,500,000. The Pennsylvania State Legislature distributed the assets of the fund to several charitable foundations, including a scholarship fund for the students of Penn College. Because of his remarkable foresight and planning, Benjamin Franklin benefited thousands of lives even though he had been dead for more than 200 years.

Franklin understood the interrelationship between time and compound interest. His lump sum investment of a mere $4,000 earned a modest 3.00% percent annual return, yet his money increased to $1,500,000-375 times the original value. Franklin knew that *time* would be the key element in maximizing the return on his investment, which is why he insisted that the money be allowed to accumulate for 200 years.

Maximize Your Retirement Account's Payout

The purpose of this illustration is to help you understand how to legally maximize the time your assets remain invested. The longer your retirement account remains intact the more income it may produce. This illustration demonstrates that it is hypothetically possible to plan distributions from your IRA assets over 40 years to benefit several generations. This is accomplished by having each beneficiary distribute the money from their IRA as slowly as legally possible.

Based on the assumptions in this report, it is possible, but not guaranteed, for the $1,325,677 assets in your Personal Safety and Security Plan to generate approximately $7,098,061 in future income to you and your beneficiaries. See the ledger pages that follow for details. The maximum benefits of the Personal Income Generating Machine distribution strategy are best realized by those who do not need the assets illustrated as their primary source of retirement income, however, **each participant may withdraw more than the amount illustrated when income needs change**. See page 6 for other factors that may impact the assumptions of this report in the future.

Required Minimum Distributions

Beginning with age 72, you are required by law to withdraw a certain minimum amount from your IRA each year. This illustration assumes that you take at least the required minimum distribution at the end of each year. After your death your beneficiaries are also required to withdraw a minimum amount from their inherited IRA. This illustration assumes that your beneficiaries withdraw only the minimum amount each year.

Required Minimum Distribution regulations were proposed by the Treasury Department (IRS) in 1987, then modified in 2001 and 2002. Regulations on IRA distributions were signed into law as part of the SECURE Act on December 20, 2019 and are the basis of this illustration. Future beneficiaries may be subject to different types of taxation. Tax laws are complex, subject to change, and may apply differently to your particular circumstances. Neither ImagiSOFT, Inc. nor its agents or employees provide tax, legal, financial, or accounting advice. You should consult with your attorney or qualified tax advisor regarding these matters.

Leave Them A Legacy

IRA Distribution Planning Details

The Personal Income Generating Machine concept is not a special or new type of IRA. Rather, it is a bona fide strategy whereby an IRA owner may extend the period of distributions of tax-deferred earnings for as long as legally possible. Creating an IRA distribution plan is essential if your goal is to pass as much of your IRA assets on to your beneficiaries as possible in the most tax-efficient manner. To make your assets last as long as possible, the goal of your IRA distribution plan is to:

1. Provide your beneficiaries with an income stream.
2. Help spread your beneficiaries' tax liability over as many years as possible.
3. Take advantage of your IRA's tax-deferred growth to increase the amount of money that may eventually pass to your beneficiaries.

Keep in mind, however, that the primary use of your IRA is to generate retirement income for yourself. Neither you or your beneficiaries are under any obligation to withdraw only the Required Minimum Distribution each year. You may also change the beneficiaries to your IRA at any time. Those considering the Personal Income Generating Machine concept should understand that this strategy is generally designed for those who will not depend on the funds directed to the IRA, as their primary source of income either presently or in retirement.

This illustration will provide you and your advisors information so that the IRA distribution plan you put in place will best meet your objectives. It starts with two important steps.

Step 1) Name Your IRA Beneficiaries

By designating each beneficiary of your IRA, you control who inherits this important asset after your death, and ensure that each gets the highest possible payout. If you fail to name a beneficiary prior to your death, your IRA may pass to your estate, be subject to applicable state probate laws, and where a probate court would determine how your IRA assets will be divided.

Step 2) Withdraw Your Required Minimum Distribution (RMD) Each Year

Starting with the year you attain age 72, you are required to withdraw your RMD from your IRA by December 31st of each year. **Important: The RMD must be recalculated each year.** We recommend that you seek the help of a trained professional for the RMD calculation and that you evaluate your IRA distribution plan annually with your financial advisor.

How to Calculate Your RMD

Most IRA owners will use the calculation method based on The Uniform Lifetime Table. If your spouse who is more than 10 years younger than you is named as sole beneficiary for the entire year, you may use Joint Life Expectancy Table. Non-spouse beneficiaries who inherit an IRA must calculate their RMD based on the 2019 SECURE Act rules. This illustration software uses these formulas, but may not have all the information necessary for an accurate calculation; for example, a beneficiary who is disabled may have a longer payout than shown.

Steps Used to Calculate Your RMD

1. Determine your age at the end of the year.
2. If older than age 72, look up the life expectancy factor from the appropriate table.
3. Locate your IRA statement from the previous year then find the value on December 31st.
4. Divide the December 31st IRA balance by your life expectancy factor.

Hypothetical Example: RMD for 2023

Age	Life Expectancy Factor	December 31, 2022 Balance	RMD Amount
72	25.6	$100,000	$100,000 / 25.6 = $3,906

Annualized Rate of Return Assumptions

The illustrated interest rates were selected by your insurance professional based on an annuity product illustration that must accompany this report. Your insurance professional selected this product based on his/her knowledge of your risk tolerance, financial goals, the financial stability of the insurance carrier, and by comparing several different annuity products. Interest rates are not guaranteed beyond the timeframe indicated in the annuity product illustration. If your IRA earns rates of return lower than the rates selected in this illustration, then your total distributions will be lower than what is illustrated; if your actual rates of return are higher, your total distributions should also be higher.

Time Duration / Possible Future Changes

This IRA illustration spans 40 years with assets being distributed over several generations. Some of the assumptions in this illustration may change during this timeframe that may affect the total distributions received by you and your beneficiaries. For example, lower or higher rates of return than those illustrated, distributions higher than the RMD, tax law changes, and changing beneficiaries are events that may impact the assumptions of this illustration.

Distributions Higher Than The RMD

This illustration assumes that you, your spouse, and your beneficiaries will withdraw the Required Minimum Distribution each year. Although you are free to do so, withdrawing more than your RMD may dramatically impact future distributions to you and your beneficiaries.

Potential Tax Law Changes

This illustration is based on current tax laws, which are subject to change, possibly making the illustrated distribution strategy obsolete in the future. Neither ImagiSOFT, Inc. nor its agents or employees provide tax, legal, financial, or accounting advice. You should consult with your attorney or qualified tax advisor regarding these matters.

Beneficiary Changes

The plan owner may add, delete, or change beneficiaries at any time. Changing beneficiaries will impact the assumptions and future distributions shown in this illustration.

Consider Inflation

This illustration does not reflect that inflation may erode the purchasing power of the future dollars shown.

Possible Estate Taxes

Traditional IRA assets are part of your estate when you die. Estates of decedents who die during 2020 have a basic exclusion amount of $11.58 million for an individual or $23.16 million for a married couple. Under current law, this amount is adjusted each year for inflation. Federal or state estate taxes, if paid from the IRA assets, will dramatically reduce the illustrated income paid to future beneficiaries. Please consult with your qualified tax professional to determine whether you may have an estate tax liability which could be detrimental to your IRA distribution plan.

Assumptions for this Illustration

Current Value of Your Personal Security Plan:	**$1,325,677**	
Owner:	**Richard J. Sample**	
	Date of Birth:	March 17, 1953
	Age on December 31, 2023:	70
	Assumed Age at Death:	87
	Rate of Return Assumption	8.00%
Spouse Beneficiary:	**Lorainne Sample** (Spouse)	
	Date of Birth:	March 17, 1954
	Age on December 31, 2023:	69
	Age at Richard's Death:	86
	Assumed Age at Death:	99
	Inherits this Percentage:	100%
	Rate of Return Assumption	8.00%
Next Generation Beneficiary:		
	Robert Sample	
	Date of Birth:	January 1, 1993
	Age at Lorainne's Death:	60
	Inherits this Percentage:	100%
	Rate of Return Assumption	8.00%

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Richard J. Sample

Beginning Account Balance December 31, 2022 *$1,325,677*

End of Year	Age	Spouse Age	(1) Life Expectancy	Deposits	(2) Interest Earnings	(3) Required Minimum Distributions	Elective Withdrawals	Account Balance
2023	70	69		0	106,054	0	60,000	1,371,731
2024	71	70		0	109,738	0	60,000	1,421,470
2025	72	71		0	113,718	0	60,000	1,475,187
2026	73	72	26.5	0	118,015	55,667	4,333	1,533,202
2027	74	73	25.5	0	122,656	60,126	0	1,595,733
2028	75	74	24.6	0	127,659	64,867	0	1,658,524
2029	76	75	23.7	0	132,682	69,980	0	1,721,226
2030	77	76	22.9	0	137,698	75,163	0	1,783,762
2031	78	77	22.0	0	142,701	81,080	0	1,845,382
2032	79	78	21.1	0	147,631	87,459	0	1,905,554
2033	80	79	20.2	0	152,444	94,334	0	1,963,664
2034	81	80	19.4	0	157,093	101,220	0	2,019,537
2035	82	81	18.5	0	161,563	109,164	0	2,071,936
2036	83	82	17.7	0	165,755	117,059	0	2,120,633
2037	84	83	16.8	0	169,651	126,228	0	2,164,055
2038	85	84	16.0	0	173,124	135,253	0	2,201,926
2039	86	85	15.2	0	176,154	144,864	0	2,233,217

At Richard's death this illustration assumes that Lorainne completes an IRA rollover. Total distributions during Richard's lifetime are $1,506,796.

(1) Richard takes distributions at age 73 and calculated life expectancy using the Uniform Lifetime Table. Lorainne is named beneficiary.

(2) Reflects an assumed hypothetical annual rate of return of 8.00% which is not guaranteed. See page 8 for details.

(3) Distributions are based on the prior year's December 31 value. The initial distribution in this example is using the value of $1,325,677 as of December 31, 2022.

Lorainne Sample

Inherited Account Balance *$2,233,217*

End of Year	Spouse Age	(1) Life Expectancy	(2) Interest Earnings	(3) Required Minimum Distributions	Elective Withdrawals	Account Balance
2040	86	15.2	178,657	146,922	0	2,264,952
2041	87	14.4	181,196	157,288	0	2,288,860
2042	88	13.7	183,109	167,070	0	2,304,898
2043	89	12.9	184,392	178,674	0	2,310,616
2044	90	12.2	184,849	189,395	0	2,306,070
2045	91	11.5	184,486	200,528	0	2,290,028
2046	92	10.8	183,202	212,040	0	2,261,191
2047	93	10.1	180,895	223,880	0	2,218,206
2048	94	9.5	177,456	233,495	0	2,162,167
2049	95	8.9	172,973	242,940	0	2,092,200
2050	96	8.4	167,376	249,071	0	2,010,505
2051	97	7.8	160,840	257,757	0	1,913,588
2052	98	7.3	153,087	262,135	0	1,804,540

Total distributions during Lorainne's lifetime are $2,721,197. At Lorainne's death, the IRA is distributed to the named beneficiary.

(1) Lorainne takes distributions at age 86 and calculated life expectancy using the Uniform Lifetime Table.

(2) Reflects an assumed hypothetical annual rate of return of 8.00% which is not guaranteed. See page 8 for details.

(3) Required Minimum Distributions are based on the prior year's December 31 value and the Uniform Lifetime Table.

Extending Your Legacy

You receive your Required Minimum Distributions on your IRA until the time of your death based on the Uniform Lifetime Table. At your death, Lorainne rolls over the remaining IRA balance and names new beneficiaries for her IRA. With Lorainne now the current IRA owner, the account will continue to earn interest, maintain its tax-deferred status, and avoid the $801,670 income tax as explained on page 4 about the tax impact of large lump sum payments. Required Minimum Distributions are based on the Uniform Lifetime Table. At Lorainne's death, her beneficiary receives their percentage of the IRA and must take Required Minimum Distributions based on the provisions of the 2019 SECURE Act.

If Lorainne's estate does not have enough liquidity outside the IRA to pay any applicable estate taxes, and is forced to liquidate some of the IRA assets for these expenses, distributions to the next generation beneficiary could be greatly reduced.

Robert Sample

Inherited Account Balance *$1,804,540*

End of Year	Age	(1) Payout Factor	(2) Annual Distributions	(3) Account Balance	End of Year	Age	(1) Payout Factor	(2) Annual Distributions	(3) Account Balance
2053	60	10.0	180,454	1,768,449	2058	65	5.0	280,114	1,232,502
2054	61	9.0	196,494	1,713,431	2059	66	4.0	308,126	1,022,977
2055	62	8.0	214,179	1,636,326	2060	67	3.0	340,992	763,823
2056	63	7.0	233,761	1,533,471	2061	68	2.0	381,911	443,017
2057	64	6.0	255,579	1,400,571	2062	69	1.0	478,459	0

Total distributions received by Robert: $2,870,068

(1) The Payout Factor in this column is used to spread the distribution over 10 years to avoid a large, taxable, lump sum distribution at the end of year 10. In actuality, there is no set payout factor as long as the inherited IRA is distributed in its entirety by year 10. The beneficiary should consult with their financial advisor to structure this payout to meet their personal financial needs and to reduce their income tax obligation.

(2) Distributions are subject to income tax. The above assumes a rollover into an IRA that allows non-spouse beneficiary RMD distributions so the inheritance can be distributed over the maximum number of years. This strategy will allow the account to continue to earn interest, maintain its tax-deferred status, and will avoid the $643,060 income tax as explained on page 4 about the tax impact of large lump sum payments.

(3) Reflects a hypothetical annual rate of return which is not guaranteed. See page 8 for details.