

Addressing the Six Key Areas of Capital Accumulation and Protection

Irma Inés Quiñones, CLU, ChFC, CLTC
Agent, New York Life Insurance Company
CA Insurance License Number: 0E70828

550 S Winchester Blvd. Suite 405

San Jose, California 95128

408.557.5060

iquinones@ft.newyorklife.com

www.irmainesquinones.com

Registered Representative offering securities through NYLIFE Securities LLC.,
Member FINRA/SIPC, A Licensed Insurance Agency

General Office address

General Office phone number



Disclosure

- This seminar is for informational and sales purposes only and represents our understanding of generally applicable rules. New York Life Insurance Company, its agents or employees may not give legal, tax or accounting advice, and none is intended nor should be inferred from the information herein. We must necessarily insist that everyone seek and rely upon the advice of their own professional advisors and that such advisors must form their own opinions on these matters based upon their independent knowledge and research.
- This material includes a discussion of one or more tax-related topics. This tax-related discussion was prepared to assist in the promotion or marketing of the transactions or matters addressed in this material. It is not intended (and cannot be used by any taxpayer) for the purpose of avoiding any IRS penalties that may be imposed upon the taxpayer.
- Examples used are hypothetical and presented for illustrative purposes only. They are not a promise of performance nor an endorsement of any particular product.

SMRU 527321 (exp. 07/30/2017)



Capital Accumulation and Protection

- If a person adequately addresses six key areas, his or her capital accumulation and protection plan may be optimized within that person's means.
- However, if a person fails to adequately address any one key area, significant losses may result from that area.
- Clients should address these key areas to optimize gains and minimize threats to capital.



Capital Accumulation and Protection: Six Key Areas

- Asset Protection
- Retirement Planning
- Income Tax Reduction
- Capital Risk
- Income Protection
- Estate Planning



Asset Protection

- Protection from lawsuits and other risks
- Liability and property insurance is not always enough to provide optimal protection
- Four techniques often used:
 - Exempt assets under state or federal law
 - Corporations and Limited Liability Organizations
 - Trusts
 - Liability or property insurance
- The services of a qualified attorney is recommended



Retirement Planning

- Three major ways to accumulate capital for retirement:
 - Qualified retirement plans
 - Non-qualified retirement plans
 - After-tax accumulations
- One should estimate amount of capital necessary for retirement
- For business owners, a qualified plan study may be helpful



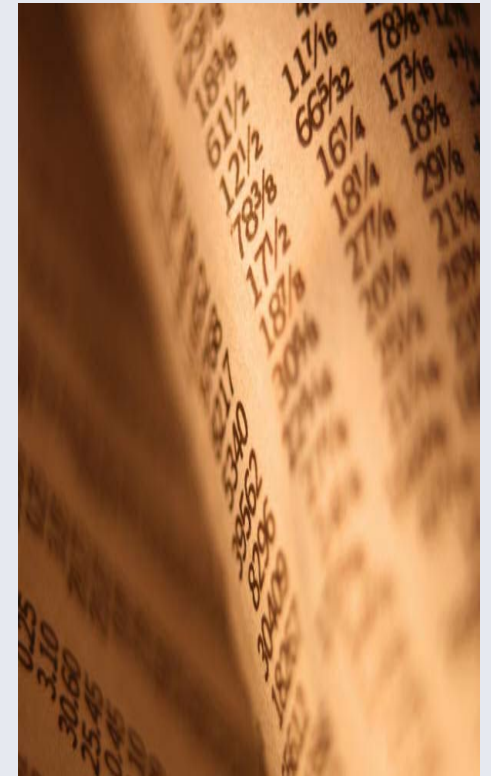
Income Tax Reduction

- To accumulate capital efficiently, keeping income taxes as low as feasible may be helpful
- Four major strategies in income tax reduction:
 - Deduct expenses
 - Defer income recognition
 - Divert income to others
 - Convert taxable income into non-taxable income
- The services of a tax professional such as a CPA or tax attorney is recommended



Capital Asset Risk

- Capital assets may include stocks, bonds, real estate, treasuries, cash, etc.
- Losses can occur because of various risks
- Diversification and asset allocation techniques often used to optimize returns and balance level of risk assumed with capital assets
- Only qualified investment professional may give investment and asset allocation advice
- The services of a qualified investment professional is recommended



Personally Owned Business as a Capital Asset

- When a person owns a business, the business is an asset of the owner
- Business owners often face issues that passive investors do not
- Risk diversification should remain a priority
- Business exit planning should be considered
- Key person needs should be explored



Income Protection

- Death, disability, or illness may cause loss of income or capital
- Common ways to protect against such losses:
 - Life insurance
 - Disability insurance
 - Long term care insurance
 - Medical insurance
- The services of a qualified insurance professional is recommended



Estate Planning

- Estate planning includes numerous objectives:
 - Create plan for use and distribution of one's wealth
 - Reduce or minimize federal and state estate taxes
 - Reduce probate costs and administrative expenses
 - Provide estate with liquidity to pay debts, taxes and other expenses
 - Provide for guardianship of minor children upon death or incapacity
 - Provide management of assets at death or incapacity



Estate Planning

- A person should prioritize which objectives should be currently considered
- Federal estate taxes are generally levied on estates greater than \$5.43 million (single) and \$10.86 million (married) for 2015. This figure adjusted annually by inflation factor.
- Calculations are different for non-resident aliens
- Life insurance and trusts are frequently used to fund tax payments and reduce estate costs
- The services of a qualified estate planning attorney is recommended



Let's Discuss Your Questions



MAXIMIZING VALUE THROUGH KNOWLEDGE

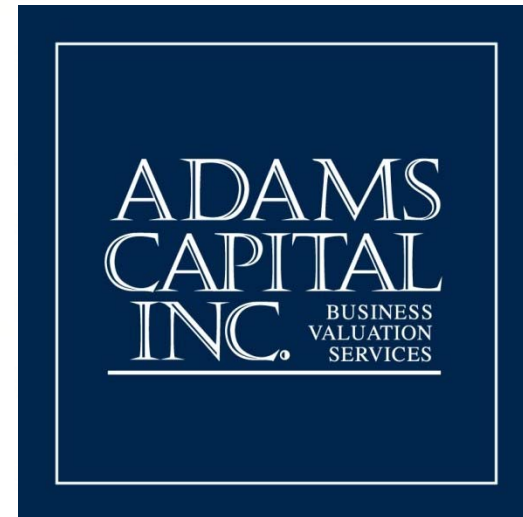
Would You Buy Your Business?

Chris Anderson, CPA

Adams Capital, Inc.

chris@adamscapital.com

www.adamscapital.com

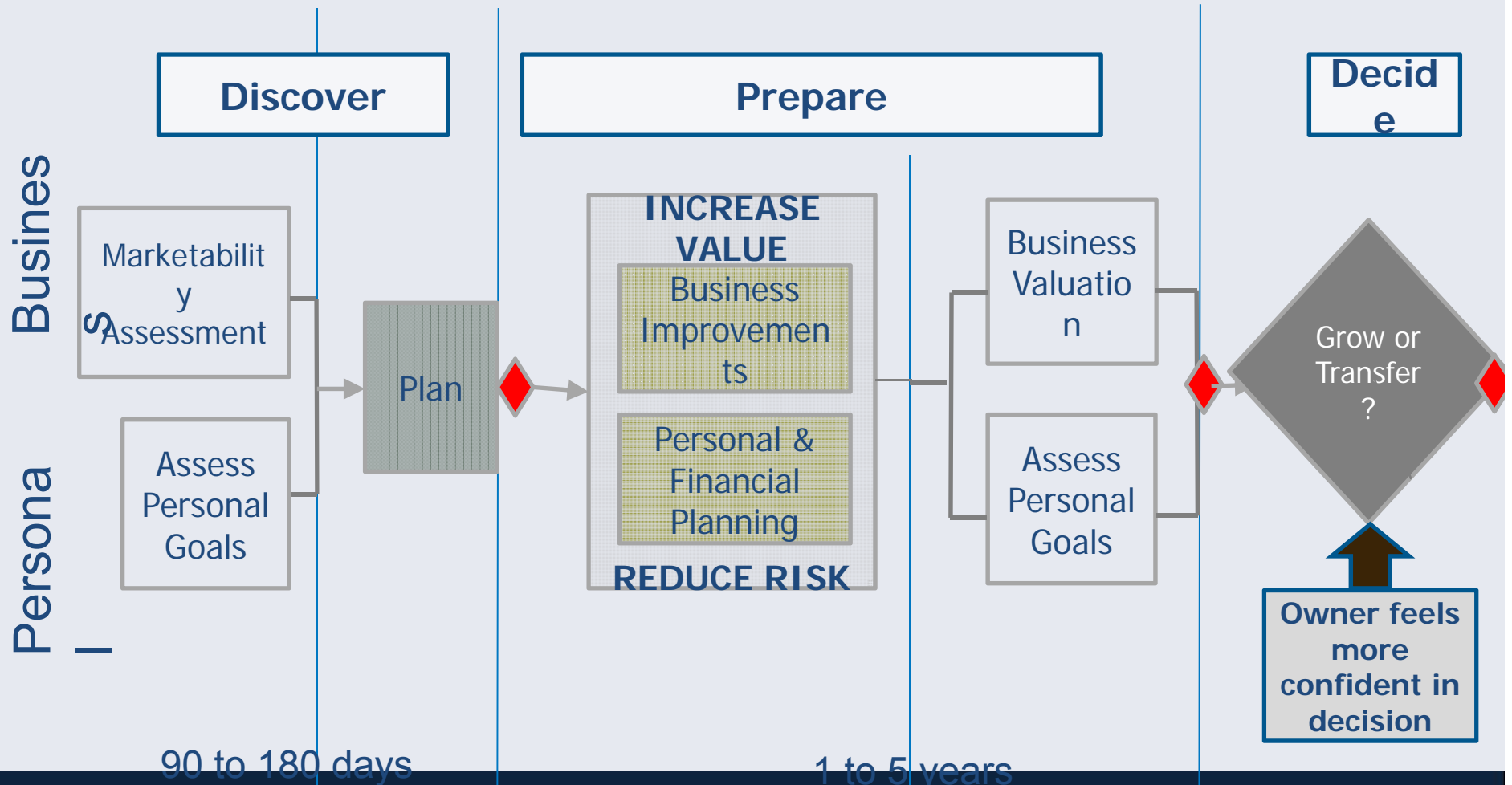


Disclaimer

The material in this presentation is for general information purposes only. Adams Capital is independently owned and operated from New York Life Insurance Company, and the views of Adams Capital may not necessarily reflect the views of New York Life Insurance Company or its affiliates. Neither Adams Capital nor New York Life Insurance Company or its affiliates provide, tax, legal, or accounting advice.



Succession Planning



Milestone

Thanks!

Chris Anderson, CPA
Adams Capital, Inc.
chris@adamscapital.com
www.adamscapital.com

